

Ortega, Daniel; Scartascini, Carlos

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Don't Blame the Messenger: A Field Experiment on Delivery Methods for Increasing Tax Compliance

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A Field Experiment on Delivery Methods for Increasing
Tax Compliance

Daniel Ortega
Carlos Scartascini

Inter-American Development Bank
Department of Research and Chief Economist

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Daniel Ortega*

Carlos Scartascini**

* Development Bank of Latin America (CAF) and Instituto de Estudios Superiores de Administración (IESA)

** Inter-American Development Bank

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Abstract*

There is an ample literature on the determinants of tax compliance. Several field experiments have evaluated the effect and comparative relevance of sending deterrence and moral suasion messages to taxpayers. The effect of different delivery mechanisms, however, has not been evaluated so far. This study conducts a field experiment in Colombia that varies the way the National Tax Agency contacts taxpayers on payments due for income, value added, and wealth taxes. More than 20,000 taxpayers were randomly assigned to a control or one of three delivery mechanisms (letter, email, and personal visit by a tax inspector). Results indicate large and highly significant effects, as well as sizable differences across delivery methods. A personal visit by a tax inspector is more effective than a physical letter or an email, conditional on delivery, but email tends to reach its target more often. Improving the quality of taxpayer contact information can significantly improve the collection of delinquencies.

JEL classifications: C93, D03, H26

Keywords: Tax compliance, Field experiments, Delivery methods, Optimal enforcement strategies, Public policy

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1. Introduction

Why do people pay taxes? What are the best mechanisms for collecting outstanding tax obligations? The empirical literature has advanced steadily in the last few years in trying to explain what motivates individuals to pay their taxes in full and on time, and what is the best way to deal with those who do not declare the full tax amount or are late with their payments. In particular, there has been a recent increase in the number of studies that rely on sending different types of messages to the taxpayers to identify which type of messages and content elicit a higher behavioral response from the taxpayer (e.g., Blumenthal, Christian and Slemrod, 2001; Castro and Scartascini, 2015; Chirico et al., 2015; Del Carpio, 2014; Dwenger et al., 2014; Fellner, Sausgruber and Traxler, 2013; Hallsworth, List and Metcalfe, 2014; Kleven et al., 2011; Ortega and Sanguinetti, 2013; Slemrod, Blumenthal and Christian, 2001).¹

Almost every paper to date has used physical letters as the method of communicating the message. In this paper, we innovate and evaluate instead the effect of providing the same message but using different delivery methods, which could have a sizable impact on compliance.² There are many reasons for this. First, “actions may speak louder than words.” Taxpayers understand that the tax agency has a menu of options that include cheap impersonal alternatives that it could use to reach the universe of taxpayers, and costlier, more personal visits that can only be used to reach a subset of taxpayers. The type of method the agency uses to inform taxpayers about their outstanding liabilities and warn them about the consequences of not paying serve as a signal to the taxpayer regarding the probability of being effectively forced to pay. Second, a personal visit may generate different behavior than the more impersonal methods because of social forces that make people behave differently when confronted with other people. Third, the likelihood of delivering the message effectively may differ by method.

For testing the effect of delivery mechanisms, we conducted a field experiment in Colombia in which taxpayers received a message about their due tax payments (declared but

¹ The tax evasion literature is extremely vast and cannot be summarized in this paper. For comprehensive overviews of the theoretical literature see Traxler (2010), and Hashimzade, Myles and Tran-Nam (2012). Dell’Anno (2009) and Luttmer and Singhal (2014) review the literature on the moral determinants of compliance. Hallsworth (2014) and Mascagni (2014) present broad overviews of the use of field and laboratory experiments for increasing tax compliance

² Evaluating different delivery methods has been common in the “get out the vote” literature. IDB (2011) surveys that literature as well as the use of new information technologies on individual behavior in several other policy areas, such as banking, and health. Haynes et al. (2013) show the effect of text messages on the payments of delinquent fines. Kessler and Zhang (2014) summarize the differential effects of methods in the health literature.

unpaid taxes).³ Around 21,000 taxpayers who had not paid their taxes on time (commonly referred as tax delinquencies) were randomly assigned to one of three different treatments (physical letter, e-mail, inspector visit), and to a control group. Because of issues of one-sided noncompliance with the assignment to the treatment (for example, some people did not receive the messages because their address was incorrect or because the agency could not get to them within the frame of the exercise), we estimate both ITT and TOT/LATE effects.

The results in the paper confirm results already in the literature showing that sending deterrence messages has large effects on eliciting payments, and those results highlight that the method of contacting the taxpayer is relevant for explaining compliance: differences across methods could be tenfold. Personalized visits are more effective than emails, and these work better than traditional mail (and much better of course than doing nothing), conditional on delivery. Complementing these results with those in Ortega and Scartascini (2015), which shows that phone calls have an effect that falls in between personal visits and email, we can conclude that personalized methods outperform impersonal methods, which is consistent with the analytical framework pushed forward in this paper.⁴

Among those assigned to a letter (ITT results) the probability of making a payment is 4 percentage points higher than doing nothing (control group). Given that the underlying probability for the control group is about 5 percent, sending a letter almost doubles the probability that the taxpayer would cancel part of the debt. Sending an email and scheduling a personal visit has an even larger impact (about 14 percentage points higher than doing nothing, three times higher impact.) Among those who were actually treated (TOT results) payment of outstanding debt was much higher: about 8 percent higher than the baseline scenario for those receiving a letter, 17 percentage points for those receiving an email, and about 88 points for those receiving a personal visit. That is, almost every person who received a visit by a tax inspector made some kind of payment. Moreover, we find large spillover effects, with those treated making payments of other arrears too.

³ Making people pay their declared taxes is not only an issue relevant for developing countries. In 2006, according to an estimate by the United States Treasury Department, Americans failed to pay about \$110 billion, or around 25 percent of the estimate of the total amount underpaid in that year (Pérez-Truglia and Troiano, 2015).

⁴ Ortega and Scartascini (2015) summarize the results of a similar experiment conducted under similar conditions in Colombia six months after the one described in this paper where the treatment was calling to inform taxpayers about their outstanding liabilities by phone.

Of course, while reaching a taxpayer with an inspector has an impact about 10 times higher than sending a letter, the relative difference in marginal costs is higher (about 16 times). Still, in the case of Colombia, because the absolute cost is relatively low the net benefit favors the personal visit over the impersonal methods, conditional on actual delivery of treatment.

These results provide information to tax agencies that may help them choose the delivery method that could maximize recovering the most revenue at the lowest cost. However, as we discuss later, the long-term optimal warning strategy depends on taxpayers' perception of how likely it is that the warning may turn into effective enforcement. Therefore, because there is a relatively fixed amount of taxpayers that the tax agency can take to the courts, making inspector visits a universal policy may reduce their effectiveness because taxpayers may now infer that the probability of effective enforcement has dropped. On the other hand, the personal methods may increase their effect if they are used sparingly and this strategy is effectively communicated to the taxpayer who receives the warning.⁵

These results, with different effects by delivery method, are consistent with those in the donations and volunteer literature, and the “get-out-the-vote” literature (GOTV), which finds that personal canvassing and personal visits by candidates are usually more effective for getting people to vote than the more impersonal methods (Green and Gerber, 2008). This literature has substantially affected the way political parties and governments engage with their citizens. It has also stimulated the development of new analytical models for explaining voter turnout and opened up the door for new conceptualizations of how voters choose policy options.⁶ We hope this paper has a similar effect for shaping tax agencies' strategies and academic research.

This paper contributes in several ways.⁷ First, we show that increasing compliance and reducing delinquencies takes more than sending a persuasive message. The way the message is delivered matters too, and personal contact with the tax authority seems to be very important in

⁵ For a fixed number of people that could be sent to court, a higher number of warnings reduces the probability that a “warned person” would be taken to court. Sending inspectors to every house would reduce the effect. Sending emails to a selected group and informing about it (e.g., “you are one out of 50 people we are warning”) may increase the effect of the message.

⁶ Barton, Castillo and Petrie (2014) have provided factual support for explaining candidates' strategy of investing heavily on personal interactions. On the theory side, Rogers, Gerber and Fox (2012) develop a conceptual model of voting as a “dynamic social expression” that integrates the results coming from the field experiments of the GOTV literature.

⁷ The results in this paper are relevant primarily for the tax compliance literature but extend to the GOTV and political campaigning literature, and other literatures that evaluate the value of direct marketing, such as the growing literature on charitable fundraising (DellaVigna, List and Malmendier, 2009; Landry et al., 2006; among others), and on financial markets (Bertrand et al., 2010).

the decision of whether to pay owed taxes or not. Results also show that among the impersonal methods, the email seems to be a stronger method than physical letters (about twice as important), even when accounting for the many messages that could not be delivered. Therefore, the paper opens up the discussion in the tax compliance literature about the relevance of the delivery mechanism for affecting compliance, which may be worth including explicitly in the theoretical models. It may also make it a prerequisite of future fieldwork to be explicit about the delivery method chosen and the implications it has for experimental design (e.g., power of the experiment), and the external validity of each intervention.

Second, we show that contacting taxpayers and warning them about their outstanding debt has important spillover effects. Those in the treatment group had a higher probability of canceling the tax required by the authority and canceling other obligations too. The direction and size of the spillovers has usually not been evaluated by the extant literature.

Third, the paper has relevant policy implications. First, it highlights how relevant it is for tax agencies to evaluate the way they contact their taxpayers and the potential long-term effect of each strategy, and incorporate this understanding into the cost-benefit analysis. Second, differences between ITT and TOT results stress the relevance of getting the basic things right first: having accurate, valid, and up-to-date ways to contact taxpayers may be as important in the longer run as developing other, more sophisticated enforcement strategies.⁸ The cost in lost revenues may be substantial. For example, in the case of this experiment, the Agency may have recovered an additional US\$8 million approximately if they had been able to contact all the taxpayers in the treatment group (plus additional revenues because of spillover effects). Finally, it provides evidence to governments regarding the value of communication and how different mechanism may work differently according to the policy objectives at hand.

The paper is organized as follows. Section 2 presents a summary of the related literature, and Section 3 describes the analytical framework. Section 4 describes the experiment, and Section 5 presents the empirical results. Section 6 concludes.

⁸ There are some more sophisticated enforcement strategies, which include the obligation of using electronic billing—the tax agency then is able to monitor instantaneously every transaction—and having access to third-party data such as credit card statements and the like (Corbacho, Fretes Cibils and Lora, 2013). While some countries are using some of these tools, for most developing countries there is still plenty of work ahead like implementing some of the recommendations in this paper.

2. Why Might the Delivery Method Matter?

As mentioned, most of the field experiments that have tried to affect compliance through the use of messages have relied on the use of letters as the main delivery mechanism.⁹ While systematic evaluation of the role of different delivery technologies has been absent from the tax compliance literature, it has been more common in related literatures, such as in the *Get-out-the-vote* (GOTV) literature. Existing randomized experiments have provided relevant information on the effect of campaigning and voter mobilization on election outcomes. It has been shown that impersonal methods of voter turnout communication such as robotic calls (Green and Karlan, 2006; Ramírez, 2005; Shaw et al., 2012) and emails (Nickerson, 2006b; Stollwerk, 2006) are recurrently ineffective.¹⁰ On the other hand, non-partisan face-to-face canvassing (Gerber and Green, 2000), and phone calls (Imai, 2005; Arceneaux, 2007; Nickerson, 2006a; and Arceneaux and Nickerson, 2006) are more effective than non-personalized methods such as flyers. This result is also confirmed by Barton, Castillo and Petrie (2014), who look at the role of candidate door-to-door canvassing. In the experiment, voters are persuaded by personal contact (the delivery method), but no evidence was found for the content of the message. An emerging result from this literature, quite relevant for the research we pursue here, is that the content of the message may not be as relevant as the type and quality of its delivery for nudging people.

In this paper, we keep the content of the messages constant and evaluate the effect of different delivery methods on tax compliance. By doing so, we highlight the relevance of an issue that has been largely ignored in the literature. It also helps to compute the cost of not keeping accurate and up-to-date information about taxpayers.

One reason why the methods may have different impacts is because “actions may speak louder than words.” Taxpayers understand that the tax agency has a menu of options that include cheaper and more comprehensive alternatives to the personal visits. If the agency decides to visit the taxpayer to inform her of outstanding liabilities and warn her about the consequences of not paying, the taxpayer may update the probability of being prosecuted if she does not comply more than if she receives an email—which she may assume was less selective and reached more

⁹ In Castro and Scartascini (2015) the message was printed on the property tax bills instead of sending a letter. This method, however, would have very similar properties to sending a letter in the context of the framework we present here.

¹⁰ Still, there is some evidence that text messages can also be effective tools to mobilize voters on Election Day (Dale and Strauss, 2009). The reasons for different effects among impersonal methods have yet to be studied.

taxpayers—because: i) given a set of fixed resources, the probability of further legal action after a warning may increase with the selectivity of the delivery method; and ii) being chosen under a more selective method may indicate targeting of resources to collect her specific debts.¹¹ This argument can be embedded in the traditional tax evasion model (à la Allingham-Sandmo, 1972; Yitzhaki, 1974).¹²

Consider an individual taxpayer decision in a single-period setting who maximizes the expected utility from disposable income by choosing whether and how much of the debt he or she owes, T^o , to cancel, T^c .¹³ The agent has a level of income Y , and an initial amount of outstanding liabilities T^o . If the taxpayer is prosecuted because she failed to pay in spite of being prosecuted, which occurs with probability p , she has to pay a penalty f over the outstanding amount ($T^o - T^c$). On the other hand, if the taxpayer is not prosecuted, which occurs with probability $(1-p)$ she can enjoy financial gains at a rate r .¹⁴ This rate is the opportunity cost of handing over the money to the government (e.g., the interest rate gained in the market or the interest cost avoided by not having to borrow for paying the government). Consequently, r is individual specific.¹⁵ Under the standard assumptions, the usual optimal decision rule equates the ratio of marginal utilities under enforcement and non-enforcement to $r_i(1-p)/fp$, which is the relative price of income in those states. Comparative statics are standard: the amount of debt canceled would be increasing in the probability of enforcement (p) and the fine (f), and decreasing in the opportunity cost of paying (r).

How do different delivery mechanisms affect the taxpayer decision? Assuming that prosecution can only take place after the taxpayer has been warned by the tax authority, which is the case in the context of our field experiment and in most countries, and that the tax authority

¹¹ There is another mechanism we do not exploit here fully which is that people who receive the visit of the inspector may worry that, in addition to collecting the money owed, it may lead to further inspections on the amounts declared.

¹² Hashimzade, Myles and Tran-Nam (2012) and Traxler (2010) constitute broad and comprehensive surveys of this literature.

¹³ Of course, the model could be extended in several ways, by making enforcement decisions endogenous and by evaluating both evasion and payment decisions in a dynamic setting. We could also include interaction effects across taxpayers. Still, those extensions are not necessary, given the institutional set-up in which our field experiment takes place, for the taxpayer decision we are trying to capture.

¹⁴ The maximization problem can be written as: $Max_{T^c} V = pU(Y-f(T^o-T^c)) + [1-p]U(Y+r(T^o-T^c))$

¹⁵ For example, a taxpayer who collects VAT from its customers can use this money as working capital; on the other hand, a taxpayer with low levels of income but high wealth (e.g., somebody who inherited a house) may avoid borrowing against his illiquid asset to pay the government what he owes in wealth taxes.

has a fixed budget, B , that can be used either for warning actions, B^W , or for prosecuting those taxpayers who do not comply in spite of being warned about their debt level, B^E : $B = B^W + B^E$. The actual number of prosecutions, E , and warnings, W , depend on the cost of each action, C , and the budget dedicated to it. Therefore:

$$E = \frac{B^E}{C^E}; W = \frac{B^W}{C^W} = \frac{B - B^E}{C^W}$$

Then, if taxpayers can only be prosecuted once they have been warned, the enforcement/prosecution probability conditional on being warned can be written as:

$$p = \frac{E}{W} = \frac{B^E}{B - B^E} \frac{C^W}{C^E} \quad \text{and} \quad 0 \leq p \leq 1$$

Therefore, for a given budget allocated to enforcement, for those individuals contacted by the tax agency, the probability of prosecution is increasing in the cost of the warnings, C^W : $\frac{\partial p^E}{\partial C^W} > 0$

Consequently, because the taxpayer knows that personalized methods are costlier than the impersonal methods, the taxpayer will internalize a higher probability of prosecution when she receives the visit of an inspector than when she receives a letter or an email. Henceforth, those receiving the more personalized (and costly) methods should tend to be more likely to comply with the tax authority.

We could extend the model by making the tax authority's decision endogenous and by letting the taxpayer update his priors according to more complicated schemes. However, this simple framework captures the problem faced by both tax authorities and taxpayers. First, tax authorities usually have fixed bureaucratic structures and budgets, and low mobility of resources. The people who send warnings (revenue officials) are usually part of a different bureaucratic structure than the lawyers who prosecute the taxpayers. Moreover, actual prosecution usually depends on the resources assigned by courts too. Consequently, it seems very plausible that total budgets are given and the only instrument of choice by the agencies is about composition (i.e., how resources are allocated across methods). Second, taxpayers have little information about how many taxpayers are being contacted and what method the tax agency is using for contacting other taxpayers. Therefore, it seems fair to assume that taxpayers infer enforcement probabilities from the cost of each method.

A complementary reason for finding differences across methods is that receiving the visit of a tax inspector may generate different behavior than the more impersonal methods because of social forces that make people behave differently when confronted with other people. Individuals try to take actions that make others view them more favorably (Harbaugh, 1998; Lacetera and Macis, 2010), and individuals will be more likely to take action when asked to do so by someone else (Kessler and Zhang, 2014). For example, there is evidence that people are more likely to donate and volunteer when called, visited, or asked by a friend (Card, DellaVigna and Mamendier, 2011; Freeman 1997; Meer and Rosen, 2011), and more likely to vote under personal canvassing than under more impersonal methods (Imai, 2005).

Finally, there is a mechanical reason. Each method might have different probabilities of actually reaching the taxpayer and delivering the message for several reasons. The first is data quality. Not every entry in the taxpayers' record may have been updated at the same time, which can generate a different probability for reaching the taxpayer electronically or physically. A second consideration is human effort. While electronic methods are quite impersonal, physical and personal methods require the effort and dedication of mail carriers and public employees. Therefore, the effectiveness of the intervention may depend on how much human effort each treatment requires, and whether the appropriate incentives are in place.¹⁶ A third issue to consider is taxpayer attention. Some methods require different levels of attention by the taxpayers. While a personal visit may be very salient for the taxpayer, a letter or an email may go unnoticed even if received.

3. The Experiment

With the objective of increasing tax collection and evaluating the effectiveness of different delivery mechanisms for sending messages to taxpayers, the National Tax Agency of Colombia (DIAN) agreed to randomly assign the method used to contact a sample of taxpayers with due liabilities during one of their National Revenue Collection Days.¹⁷

¹⁶ Even though part of the problem can be corrected in the estimations, as we show later, the researcher still depends on accurate reporting. Moreover, beyond the academic implications, reporting obviously affects policy effectiveness.

¹⁷ The Agency has traditionally dedicated one day every few months to trying to recoup unpaid taxes. DIAN has fewer inspectors per inhabitant than any other country in the region, which makes it harder for them to conduct massive enforcement campaigns. Running the experiment in this context had the value added of increasing the capacity of the Agency and improving the way it runs the campaigns.

In the context of this project, the Agency randomized a subset of taxpayers with due tax payments into four main groups. One group was assigned to be contacted via e-mail, another one via physical letter, and another group was assigned to receive the visit of an inspector. The fourth group was left as a control group.

The population of this experiment includes all taxpayers with unpaid liabilities from their income, wealth, or sales taxes for the years 2011 to 2013.¹⁸ Taxpayers with relatively low (lower than COP20,000—about US\$20 in PPP) and high (more than COP50 million—about US\$46,000 in PPP) debts were not included.¹⁹ Those who did not have a physical address, telephone number, or email on file were also left out.²⁰ At this point 20,818 taxpayers remained eligible. Among them, 5,000 taxpayers were assigned to standard mail, 5,000 taxpayers to email, and 4,042 to a personal visit; the remaining 6,776 taxpayers were assigned to the control group. The randomization was performed in six blocks according to the size of debt and whether the debt was recent or not.²¹

As shown in Table A1 of Appendix A, the main variables of interest are balanced across treatments using the pre-experimental data. That is, treatment groups were balanced according to the number of unpaid obligations and the amount of standing debt with the tax authority, T^o , which is the information provided to the taxpayer to affect the taxpayer's choice variable, T^c (the taxpayers decide whether to pay the informed amount of outstanding debt, a fraction of it, or nothing).

There are a few imbalances for some of treatments for some of the individual's characteristics such as being a firm or an individual—which is expected given the large number of covariates—so we include them as controls in the empirical analysis below and show that their inclusion does not affect the size or significance of the coefficients of interest. Moreover, when we interact those variables with the treatments to check for heterogeneous effects, the

¹⁸ As Hallsworth (2014) identifies, focusing on the payment decision of a predetermined amount reduces many of the measurement problems that the papers focused on declaration have. See also Castro and Scartascini (2015) for a discussion of this point.

¹⁹ To convert from COP to US\$ in PPP terms, we use World Development Indicators' data for exchange rate (about COP1800 per dollar during the period) and PPP conversion factor (about 0.6). Data available at: <http://data.worldbank.org/indicator>

²⁰ Originally, we planned to use phone calls as an additional delivery method. Unfortunately, it could not be accomplished in the context of this experiment. Ortega and Scartascini (2015) summarizes the results of a posterior experiment which used only phone calls as delivery method.

²¹ This way we can balance on variables that may proxy well the taxpayer relevance, economic activity, and payment history. This strategy is similar to Dwenger et al. (2014).

differences do not reflect relevant differences in behavior, as the analysis on the type of taxpayer shows (i.e., firms and individuals do not present statistically different payment behaviors after treatment).

The experiment was implemented between September and October of 2013.²² The message included in both the physical letter and the email was exactly the same. The message stated the account balance on 31 July 2013, the type of tax, and the year or month it had not been paid. It also included information on methods of payment and the cost that the taxpayer was incurring by not paying (interest and penalties, potential legal action, and possible effect on credit history). Finally, it provided a moral suasion message (“Colombia, a commitment we can’t evade”). The message concluded with the contact information of a tax agency authority.²³ This way, even though the content of the messages was not the subject of the evaluation, careful steps were taken to include all the components that have been identified in the literature to matter for increasing compliance (BIT, 2012; Hallsworth, List and Metcalfe, 2014).

Personal visits had a unique protocol that inspectors were supposed to follow. At the time of the visit, if the taxpayer was present at the physical address, the inspectors identified themselves and proceeded with the protocol (included in Appendix B). It basically followed the same logic as the written messages: the taxpayer was informed about his or her standing tax delinquencies and urged to pay. Inspectors were supposed to mention the penalties the taxpayer was incurring and the possibility of further legal actions in case of noncompliance. The visit was closed by the verbal delivery of a moral suasion message.

In the case the taxpayer was not present at the address but there was certainty that the address was correct, the inspectors left a citation informing that the inspectors had been there. In this case, no detailed information (such as the amount of debt) was left in the citation because of privacy concerns so the taxpayer was asked to visit the Tax Agency offices instead to obtain information regarding his or her standing liabilities. If the taxpayer was not present at the domicile and there was no certainty that the address was correct, then no notification was left behind. We collected the information about payments realized by the taxpayer at the end of the year.

²² Personal visits were carried out on 10 September 2013, emails were sent on 2 October 2013, and physical letters were sent out between 30 September and 4 October 2013.

²³ The actual letter is included in Appendix B.

As we discuss later, there were some cases of non-compliance with the assignment. First, the Agency didn't send the messages or could not locate some of the taxpayers. Second, in a very few cases, the Agency contacted some of the taxpayers with a method different than the one assigned during the randomization. For these reasons, we estimate both ITT and TOT/LATE, and we also discuss its implications for external validity. Moreover, the fact that the Agency (or some of the inspectors) decided whether to accept the assignment or not provides us with the tools to investigate the determinants of behavior inside the Agency.

4. Empirical Results

The general model we estimate is presented in the following equation

$$Y = \alpha + T\beta + X\gamma + B\delta + D\theta + \epsilon$$

where T is the vector of treatments (email, physical letter, and personal visit), X a vector of control variables, B the blocks (or strata), and D the district-level fixed effects.²⁴ We use several dependent variables to measure compliance. *Paid* is a dummy that takes value 1 if the taxpayer made any payment cancelling liabilities after the experiment. *Full payment* is a dummy that takes value 1 if the taxpayer cancelled the liabilities reported in the message in full. *Total Payment* is the amount (in logs) paid by the taxpayer after the experiment. *Payment share* is the share of liabilities canceled by the taxpayer. *Other payments* is a dummy that takes value 1 when the taxpayer made a payment.

The set of independent variables includes: *Liabilities*, which is the amount informed to the taxpayers in the messages; *Number of debts*, which is the number of tax obligations the taxpayers did not cancel on time; *Tax*, which is a set of dummy variables that indicate the type of tax the taxpayer had liabilities for (wealth, income, VAT); *Taxpayer type*, which indicates whether the taxpayer is a firm or an individual, *Pre-payments*, which is the amount of liabilities canceled by the taxpayer between the moment of the randomization and the experiment; *Wrong information*, which takes a value 1 when the amount of debt informed to the taxpayer was different than his or her actual liabilities with the tax authority because of the prepayments; and

²⁴ Because the probability of being assigned to the control and treatment groups is not uniform across blocks we also estimate the models using weighted least squares (weights are the inverse of the probability of being selected to the control or treatment groups) even though the results are basically the same. Results are included in Appendix B.

Overpayments, which takes a value 1 in those cases when the taxpayer made a payment higher than his or her standing liabilities before the experiment took place.

As mentioned, we have six blocks defined according to the size and maturity of the debt, and district-level fixed effects (which corresponds to the geographic district the taxpayer belongs to and the tax agency jurisdiction she reports to).

4.1 Effectiveness of the “National Revenue Collection Intervention”

The first analysis we perform to evaluate whether conducting the revenue collection exercise was worthwhile for the Agency. As shown in Table 1, during the campaign the Agency collected about COP1,800M from payments made by 335 out of the almost 7,000 taxpayers in the control group. Therefore, absent any effort by the agency (which we could call the zero deterrence scenario), approximately only 5 percent of the taxpayers would have had paid any part of their standing liabilities and only 2 percent would have had paid them in full.

Contrary to that scenario, the exercise had a large revenue collection effect for the Tax Agency. The amount it collected from people assigned to the treatment group (which we call from now on “overall treatment”) was much higher: about COP8,800M (or around COP0,6M per taxpayer—almost two-and-a half-times higher than in the zero deterrence scenario, for about US\$583). In the case of this group, 2,774 taxpayers made payments, which constitute 20 percent of the group, and 11 percent paid their debt in full. Importantly, there were large and significant spillovers, as 15 percent of the taxpayers canceled other obligations too.

When the same information is considered controlling for the fact that many of the taxpayers could not be located, the differences are even greater because the same payments are now drawn from a smaller taxpayer base. As we show in detail later, approximately half of the taxpayers could not be located (this average varies significantly by treatment, from 75 percent for the personal visits to 12 percent for the email). Therefore, out of the taxpayers who actually received the message stating the outstanding liabilities and the warning, the effect was about twice as high (about US\$1,100 PPP per contacted taxpayer), as can be observed in the last row. If the Agency had had a more accurate database, it could have doubled the amount collected (more than US\$8 million PPP).

Table 1. Summary Statistics of Intervention Results

	Taxpayers	Paid	Full informed payment	Total payments	Other payment
Control group					
Total	6776	335	102	\$ 1,793,000,000	0
Per taxpayer	6776	5%	2%	\$ 264,610	
Overall treatments					
Total	14042	2,774	1,519	\$ 8,836,000,000	2,163
Per taxpayer	14042	20%	11%	\$ 629,255	15%
Per contacted taxpayer	7457	37%	20%	\$ 1,184,927	29%

A summary of the regression results (OLS) is included in Table 2. In Appendix B we include the full set of regressions, including weighted OLS results (results are basically the same). Here, the treatment variables indicate assignment to the treatment (ITT estimates). The upper panel of the table shows the regressions results when we consider all the treatments pooled. The lower panel shows the regression results considering each treatment separately. Even columns show the results including the control variables. As can be observed, point estimates change little to none from one specification to the other.

As shown in the upper panel, taxpayers included in the treatment group had a positive and significantly higher probability of paying their liabilities (*paid*) compared to the taxpayers in the control group (10 percentage points higher) and a higher probability of paying the full amount (*full payment*)—8 percentage points higher. The share paid with regards to the informed debt (*payment share*) is 9 percentage points higher than the share paid by those in the control group, and people in the treatment group paid more than twice the amount than those in the control group (*total payment*). Interestingly, there are large spillover effects, as 13 percent of those in the treatment groups made payments to other liabilities they also had but that had not been part of the warning sent by the tax agency.

Table 2. ITT Results

	Dependent variable									
	<i>Paid</i>		<i>Full payment</i>		<i>Payment share</i>		<i>Total payment (logs)</i>		<i>Other payments</i>	
	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]
<i>Overall Treatment</i>	0.109*** (0.00)	0.105*** (0.00)	0.076*** (0.00)	0.078*** (0.00)	0.092*** (0.01)	0.091*** (0.01)	1.469*** (0.06)	1.410*** (0.06)	0.136*** (0.00)	0.129*** (0.00)
N	20,818	20,818	20,818	20,818	20,818	20,818	20,818	20,818	20,818	20,818
Controls	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes
<i>Letter</i>	0.042*** (0.01)	0.039*** (0.01)	0.026*** (0.00)	0.027*** (0.00)	0.031** (0.01)	0.031** (0.01)	0.591*** (0.08)	0.550*** (0.08)	0.126*** (0.01)	0.120*** (0.01)
<i>Email</i>	0.153*** (0.01)	0.148*** (0.01)	0.110*** (0.01)	0.111*** (0.01)	0.135*** (0.01)	0.133*** (0.02)	2.042*** (0.09)	1.967*** (0.09)	0.139*** (0.01)	0.133*** (0.00)
<i>Personal Visit</i>	0.136*** (0.01)	0.133*** (0.01)	0.095*** (0.01)	0.099*** (0.01)	0.110*** (0.01)	0.110*** (0.01)	1.839*** (0.12)	1.792*** (0.12)	0.148*** (0.01)	0.138*** (0.01)
<i>Pvalue of joint significance</i>	0	0	0	0	0	0	0	0	0.02	0.04
<i>Letter=Email</i>	0	0	0	0	0	0	0	0	0.05	0.06
<i>Letter=Visita</i>	0	0	0	0	0	0	0	0	0.01	0.02
<i>Email=Visit</i>	0.10	0.18^	0.08	0.12^	0.07	0.09	0.14^	0.25^	0.36^	0.52^
N	20,818	20,818	20,818	20,818	20,818	20,818	20,818	20,818	20,818	20,818
Controls	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes

Notes: Each row shows the regression coefficients and the standard error in parenthesis corresponding to an OLS regression that includes strata and district. Standard errors are robust. *** p<0.01, ** p<0.05, * p<0.1

The top section of the table shows the results for a regression that includes the overall treatment variable. The bottom section shows the results for regressions that include each treatment individually.

Even columns include Liabilities (in log), Taxpayer type (firms), Type of tax dummies, Pre-payments (in logs), Wrong Information, and Overpayments as additional controls.

^ indicates that Email and Personal Visit coefficients are not statistically different .

4.2 Relative Effectiveness of Each Delivery Method

While the overall program executed by the Agency was very important in terms of revenue collection (the revenue collected by taxpayer more than doubled), the respective effectiveness of the methods used to contact the taxpayer varies. As can be observed in the bottom panel of Table 2, personal visits (inspections) and emails were more effective than sending letters for the agency.

In terms of the economic significance, sending a letter generates a 55 percent larger amount paid (*total payment*) and increases the share of the amount paid with respect to liabilities by 3 percentage points when compared to the control group (*payment share*). Sending a letter also favors higher compliance. On average, taxpayers in the group that were sent a letter are 4 percentage points more likely to make a payment than those in the control group (*paid*) and also 3 percentage points more likely to pay their debt in full (*full payment*). These taxpayers are also

12 percentage points more likely to make payments on other arrears they may have with the tax authority (*other payments*).

Sending an email has an even larger effect when compared to the control group. Those contacted by this method pay a 13 percentage points higher share of canceled liabilities, and they are 15 percentage points more likely to make any type of payment, 11 percentage points more likely to pay in full, and 13 percentage points more likely to make payments over other arrears not included in the experiment (spillover effects).

Scheduling a personal visit has a similarly large effect (as we show later, results are much higher when we condition for delivery).²⁵ Taxpayers contacted by this method pay a 10 percentage points higher share of canceled liabilities (*payment share*), and they are 13 percentage points more likely to make any type of payment (*paid*), 10 percentage points more likely to pay in full (*full payment*), and 14 percentage points more likely to make payments on other arrears not included in the experiment (*other payments*).

The effect of the more impersonal methods (physical letter and email) is in line with previous tax compliance experiments that show that deterrence messages, if appropriately designed (personalized, and addressed and signed by a government official) work. The larger effect of the personal visits (particularly once we control for actual treatment in the next section) is in line with evidence regarding personal methods such as in the GOTV literature.

4.3 Taking into Account Non-Compliance with Assignment: TOT/LATE Estimations

As shown in Table 3, there were several sources of one-side non-compliance with the random assignment.²⁶ On the one hand, the Tax Agency double treated a small share of taxpayers (2 percent), with no cases of noncompliance in the control group. On the other hand, the agency did not have personnel-time to send all the letters and accomplish all the personal visits that had been scheduled, and some of the taxpayers the Agency tried to reach could not be located because either their physical or electronic address was wrong.²⁷ Consequently, about 38 percent of those assigned to the letter received a letter, 88 percent of those assigned to the email received an

²⁵ The email and the personal visit are statistically different at the 10 percent level only for *payment share*.

²⁶ We had no contamination of the control group as the people in this group were removed from the sample the local agencies had access to for informing taxpayers. They still had access to the full set of people under treatment, which allowed them to pick and choose whether and how to treat them.

²⁷ While this number seems large, it is not uncommon even for countries with higher levels of compliance. For example, in fiscal year 2012, the IRS closed about 500 thousand cases (involving almost \$7 billion of tax debt) because it could not locate delinquent taxpayers (Treasury General Inspector for Tax Administration, 2014).

email, and 25 percent of those assigned to the personal visit were actually visited by a tax inspector.

The empirical exercises take these issues into account by looking not only at average ITT effects but also at TOT/LATE effects and by controlling for the fact that some people had already canceled their obligations (which a priori would bias the estimates downward), and other covariates that were not balanced during randomization.

Table 3. Compliance with the Experiment Design

	Treatment			Control group
	Letter	Email	Visit	
	Intent to treat			
Randomization assignment	5000	5000	4042	6776
	Non-compliance with assignment			
Attempted letter	4,394	0	0	0
Attempted email	41	4,982	30	0
Attempted inspection	116	11	1,270	0
	Failed treatments			
Failed letter	2,511	0	0	0
Failed email	1	584	3	0
Failed inspection	21	4	263	0
	Actual treatments			
Treated letter	1,883	0	0	0
Treated email	40	4,398	27	0
Treated inspection	95	7	1,007	0

Note: Each column presents the number of taxpayers that had been assigned to each treatment, the number the Agency attempted to contact, the number of times they failed, and finally the number actually treated. For example, out of 5000 assigned to a letter, the Agency only sent 4394 letters. Of those, only 1883 reached the taxpayers while 2511 were returned by the mail carriers because of problems locating the taxpayers.

In order to correct for this and to estimate the effect of the “revenue collection day” on the subset of effectively treated individuals, we instrument the actual treatment variable with the assignment to the treatment.²⁸ This way we can obtain complier average causal effect estimates. First-stage results are included in Appendix B, while a summary of second-stage results is included in Table 4. Again, the top panel shows the results for the overall treatment and the

²⁸ Unfortunately, we do not have inspector-level information to control for inspector fixed effects.

bottom panel shows the results considering each treatment individually. Full regression tables are included in Appendix B.

As expected, once we control by the fact that many taxpayers assigned to treatment were not contacted by the tax agency, the estimates are now substantially larger than before. For example, concentrating on the overall effect of treatment (upper panel) shows that those treated had a 17-percentage points higher chance of making a payment (column [4]), and a 22-percentage points higher chance of making payments to cancel other liabilities (column [10]). In terms of money, they paid almost two-and-a-half times more than those in the control group (column [8]), which led to canceling about 15 percentage points more of the debt share (column [6]).

Moreover, the differences across mechanisms have become even more noticeable. The probability that people would make any payment (column [2]) has increased: 0.085 for letter, 0.17 for email, and 0.88 for personal visits; the probability that they would cancel the full amount of debt (column [4]) has also increased to 0.06, 0.13, and 0.65 respectively. The share of payments with respect to liabilities (column [6]) is also larger for the treatments than before: 0.07 for letter, 0.15 for email, and 0.73 for personal visits.²⁹ The same patterns of higher compliance exist also in terms of total payments and other payments, once more confirming the large spillover effect of the intervention.

²⁹ Some of the results could be underestimating the actual impact. First, while we know whether the letter was delivered, we have no information about whether the taxpayer actually read it or not. Second, while we know if an email was rejected by the server we have no information about whether the taxpayer actually received the email. Finally, while we assume that the inspector complied with the protocol, we do not have second-hand verification (and unfortunately we do not have inspector-level information to control for it).

Table 4. LATE (IV) Results

	Dependent variable									
	<i>Paid</i>		<i>Full payment</i>		<i>Payment share</i>		<i>Total payment (logs)</i>		<i>Other payments</i>	
	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]
<i>Overall Treatment</i>	0.182*** (0.01)	0.174*** (0.01)	0.127*** (0.01)	0.130*** (0.01)	0.154*** (0.02)	0.152*** (0.02)	2.448*** (0.11)	2.346*** (0.11)	0.226*** (0.01)	0.215*** (0.01)
N	20,818	20,818	20,818	20,818	20,818	20,818	20,818	20,818	20,818	20,818
Controls	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes
<i>IV tests:</i>										
LM test statistic for underidentification (Anderson or Kleibergen-Paap)	6819	6803	6819	6803	6819	6803	6819	6803	6819	6803
p-value of underidentification LM statistic	0	0	0	0	0	0	0	0	0	0
F statistic for weak identification (Cragg-Donald or Kleibergen-Paap)	13778	13715	13778	13715	13778	13715	13778	13715	13778	13715
<i>Letter</i>	0.092*** (0.01)	0.085*** (0.01)	0.055*** (0.01)	0.060*** (0.01)	0.068** (0.03)	0.067** (0.03)	1.307*** (0.20)	1.214*** (0.19)	0.302*** (0.01)	0.290*** (0.01)
<i>Email</i>	0.175*** (0.01)	0.169*** (0.01)	0.125*** (0.01)	0.127*** (0.01)	0.154*** (0.02)	0.152*** (0.02)	2.334*** (0.10)	2.250*** (0.10)	0.159*** (0.01)	0.152*** (0.01)
<i>Personal Visit</i>	0.897*** (0.07)	0.879*** (0.07)	0.630*** (0.05)	0.653*** (0.05)	0.727*** (0.08)	0.729*** (0.08)	12.071*** (0.92)	11.801*** (0.90)	0.899*** (0.07)	0.841*** (0.06)
p-value Wald test eq. of coeff.	0	0	0	0	0	0	0	0	0	0
N	20,818	20,818	20,818	20,818	20,818	20,818	20,818	20,818	20,818	20,818
Controls	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes
<i>IV tests:</i>										
LM test statistic for underidentification (Anderson or Kleibergen-Paap)	452.2	450.4	452.2	450.4	452.2	450.4	452.2	450.4	452.2	450.4
p-value of underidentification LM statistic	0	0	0	0	0	0	0	0	0	0
F statistic for weak identification (Cragg-Donald or Kleibergen-Paap)	165.2	164.3	165.2	164.3	165.2	164.3	165.2	164.3	165.2	164.3

Notes: Each row shows the regression coefficients and the standard error in parenthesis corresponding to the second stage of IV regression that include strata and district. Standard errors are robust. *** p<0.01, ** p<0.05, * p<0.1

The top section of the table shows the results for a regression that includes the overall treatment variable. The bottom section shows the results for regressions that include each treatment individually.

Even columns include Liabilities (in log), Taxpayer type (firm), Type of tax dummies, Pre-payments (in logs), Wrong Information, and Overpayments as additional controls.

Results in Ortega and Scartascini (2015), which look only at the effect of phone calls in a similar experimental setting, complement these results. Phone calls have an intermediate effect between the impersonal methods and the visit, which is consistent with the framework in this paper. Personal methods have a larger impact (moral effect), but among those, the methods that are more costly to implement have a higher deterrence effect (the taxpayer internalizes a higher enforcement probability, as shown in the model). Results are also in line with the evidence

coming from the GOTV literature (summarized in Section 2), where personal canvassing has usually been more important than other mechanisms. For example, according to Imai (2005), personal canvassing was six times more effective than regular mail for getting people out to vote. Our results indicate that personal visit can be up to 10 times more effective than regular mail. The difference between these results could be explained at least in part by the deterrence component—which is not present in the GOTV case.³⁰

What do these results tell us about the cost-benefit of each type of method? First, variable costs are different but relative low. The tax agency has calculated them to be about US\$0 per email, US\$0.50 per letter, and US\$8 per personal visit. The average amount collected per attempted letter was around US\$550, US\$590 for the email, and more than US\$2,000 for the attempted visits. Consequently, the net benefit of each intervention, considering only variable costs, favors the personal visits over the email and the letter (which is the least effective). This has implications for the optimal enforcement strategy. On the one hand, increasing the number of personal visits instead of relying on the impersonal methods seems to be highly cost-effective in spite of the fact that sending an inspector is much more costly than sending a letter. On the other hand, the relative effectiveness of the visit seems to be explained in part by how much taxpayers update the enforcement probability. Hence, a universal personal visits campaign may become less effective in the long run because taxpayers may not internalize enforcement the same way (now, the probability of actual enforcement would be lower). However, restricting the use of impersonal methods (while being explicit about it) may increase their effect.

Overall, the set of results offers very important lessons. First, results are in line with the existing literature: enforcement matters. Contacting taxpayers in a personalized and detailed manner to inform them of their debts and the consequences of maintaining unpaid liabilities is effective for eliciting payments, at least in the short run. Second, the effect is not only significant for increasing payment of informed obligations but also because it generates substantial spillover effects. Third, because of high levels of non-compliance with assignment to the treatments, there are substantial differences between ITT and TOT/LATE estimates. This is a relevant finding that helps to put into perspective other results in the literature that have relied on ITT because they

³⁰ So far, the GOTV and related literatures have focused on moral/behavioral response to personal interactions. The results here show that rational reactions matter too and should be incorporated into the analysis (e.g., personal canvassing has an effect through personal interaction but it may also provide a signal that may affect the stakes for the individual in the electoral results).

lacked information about who received and who did not receive treatment.³¹ It also shows that there are plenty of gains to be made by simple strategies such as keeping databases up-to-date. Fourth, treatment effects based on individual-level behavior (the GOTV literature usually relies on district-level estimates) show that different delivery methods have substantially different effects on compliance. These effects may indicate potential unexploited gains in other policy areas too. Fifth, results are in line with the analytical framework. The more personalized the method, the higher the impact. Moreover, comparing the results in this paper with those in the GOTV and Ortega and Scartascini (2015) show that greater compliance is explained by both the effect of personal interaction and how much each individual updates the enforcement probability. Sixth, cost-benefit seems to favor increasing the number of personal visits, but the overall effect of a universalization of this strategy remains to be evaluated. Restricting the reach of impersonal methods may have a payoff too. Finally, electronic methods seem to be more effective than traditional letters. The exact mechanism behind this result may warrant further research.³²

4.4 Heterogeneous Results

Are the results different for different types of taxpayers? In order to check for potential heterogeneous effects we have interacted the treatments with the control variables that proxy observable differences across taxpayers. Table 5 presents a short summary of the results for a subset of the dependent variables for the overall treatment. Complete results for each treatment are included in Appendix B.

First, taxpayers with standing liabilities on the income tax and VAT seem to react more to the treatments than those who owe wealth taxes. This pattern repeats for the individual treatments. Second, those with medium level of debts seem to react slightly more than those with low and higher debt. This overall effect does not hold up for every treatment. For example, people with medium debt are less likely to comply when they receive an email. Third, in general there seems to be little difference between legal individuals and natural persons. At the

³¹ This is the case, for example, in Castro and Scartascini (2015). Even though the authors took the precaution of sending the message on the property tax bill, and the address on the bills are associated with the addresses in the official property registry (which people have an incentive to keep up to date), there is a chance that some of the bills may have never reached the intended recipients.

³² One possibility may be salience. The agency had been moving many of its transactions online, so the email may have had a relatively higher salience, which may not export easily to other places. Additionally, given the fact that payments can be made online, the act of paying may have been more spontaneous than after receiving a letter (the person was already sitting at the computer).

individual treatment level, legal individuals seem to react more than natural people when visited by an inspector. Finally, how old the debt is seems to be unrelated to treatment response.

From these results, it is difficult to elicit the exact mechanisms at work. For example, the results regarding the differences between firms and individuals may be due to a higher response of legal entities to threats, but it may also be explained by higher cash constraints for individuals. Similarly, those with high debts may be reacting less, either because they are larger entities and have a better ability to dodge the law or because they have accumulated so much debt that it is more difficult for them to react in the short term. Unfortunately, we do not have information that could help us to differentiate between these mechanisms. Regarding the type of tax, we believe that financial constraints play a major role here for the much lower response from those who owe wealth taxes than those who owed other taxes. Wealth taxes affect an asset, which may be illiquid, while the VAT and income taxes tax the flow of revenues.

Table 5. Heterogeneous Effects

Dependent variables:	Dependent variable				
	Paid	Total payments (in logs)	Payment share	Full payment	Other payments
			Type of Tax		
<i>Overall treatment</i>	-0.048* (0.03)	-0.715* (0.38)	-0.035 (0.05)	-0.043** (0.02)	2.352*** (0.34)
<i>Treatment*Income Tax</i>	0.227*** (0.03)	2.973*** (0.48)	0.259*** (0.07)	0.254*** (0.03)	-0.238 (0.43)
<i>Treatment*VAT</i>	0.258*** (0.03)	3.598*** (0.41)	0.197*** (0.06)	0.179*** (0.02)	0.975*** (0.36)
			Debt Size		
<i>Overall treatment</i>	0.170*** (0.02)	2.295*** (0.22)	0.170*** (0.03)	0.129*** (0.01)	2.452*** (0.20)
<i>Treatment*Medium Debt</i>	0.017 (0.02)	-0.258 (0.33)	0.003 (0.05)	0.073*** (0.02)	-0.033 (0.30)
<i>Treatment*High Debt</i>	-0.001 (0.02)	0.373 (0.31)	-0.052 (0.04)	-0.058*** (0.02)	1.470*** (0.28)
			Firms		
<i>Overall treatment</i>	0.166*** (0.02)	2.198*** (0.21)	0.149*** (0.03)	0.125*** (0.01)	2.314*** (0.13)
<i>Overall treatment*Firms</i>	0.014 (0.02)	0.244 (0.27)	0.004 (0.04)	0.007 (0.02)	0.543 (0.52)
			Debt Age		
<i>Overall treatment</i>	0.172*** (0.01)	2.314*** (0.13)	0.147*** (0.02)	0.125*** (0.01)	0.216*** (0.01)
<i>Overall treatment *liability age is low</i>	0.036 (0.04)	0.543 (0.52)	0.059 (0.07)	0.061** (0.03)	-0.008 (0.03)

Notes: Standard errors in parenthesis. *** denotes significance at the 1% level; ** at 5%; * at 1%
 These estimations correspond to the second stage of IV regressions with the following controls: block dummies, Type of Tax, Taxpayer type (firms), Actual liabilities (in logs), Pre-payments (in logs), Wrong information, Negative debt, and district-specific dummies
 The endogenous variable, actual treatments, have been instrumented with the assignment to treatment.

4.5 Explaining Assignment Non-Compliance

As we have mentioned, the tax authority could not find many of the taxpayers assigned to treatment. In many cases, these taxpayers may have moved or their email account may have been deactivated. One important question is whether there are common patterns across these groups. For example, if non-compliance is explained by the size or number of outstanding obligations—i.e., those with more debt have an incentive to provide false information—then the interpretation of the results applies to those who received treatment and not to the entire experimental population.

We present a full analysis in Appendix B evaluating the characteristics of those who could not be located, and the characteristics of those the agency decided to visit. From the empirical analysis, while we recognize that our results are local, we do not see any specific biases in terms of the sample we are using. First, it does not seem to be the case that the wrong addresses have been the result of a conscious decision by taxpayers to avoid prosecution. Second, even if there is a slightly higher chance of being visited according to the size of the debt, results are not economically meaningful (someone in the 90th percentile would have had approximately a 2 percent higher probability of being audited than someone in the 50th percentile.)

5. Conclusions

The literature has shown that sending messages has an effect on compliance, and that different messages in terms of both the content (e.g., deterrence, moral) and the characteristics of the messages (e.g., whether they are signed by a tax agency authority or not) have different impacts. Evaluating the delivery mechanism for the messages, which has been common in related literatures, has been absent in the tax compliance literature.

The results in this paper show that campaigns that inform taxpayers regarding pending liabilities are a good mechanism for increasing compliance. In the case of the campaign run by the Tax Agency in Colombia, the evidence indicates that running the campaign increased compliance significantly. The agency collected two-and-a-half times the amount it would have collected if it had done nothing, which helped them recover about one fourth of the outstanding debt of those contacted (around US\$8 million PPP). Regression results show that the difference between doing nothing and running the campaign increases the probability of receiving a payment by 10 percentage points (ITT results) and by almost 20 points when we consider only those who were effectively treated (TOT/LATE results). Moreover, there are large spillover effects. The campaign increased not only cancellation of pending liabilities reported by the agency to taxpayers but also the payment of other pending obligations.

Of course, not every method for contacting the taxpayer works the same. On the one hand, each method has a different impact on taxpayers' perceptions of the severity and consequences of non-compliance: receiving a visit from an inspector seems to be more effective than the impersonal methods. On the other hand, databases are not always up-to-date, and some

methods require more human effort than others to reach the taxpayer; hence, emails seem to be more effective than letters in eliciting payments. Thus, according to the LATE estimates, the probability of making any payment is 8 percentage points higher for the letter, 17 points for the email, and about 87 percentage points for the personal visit. That is, almost every person who received a visit decided to make some sort of payment to the Agency, which implied recovering around 70 percent of the amount owed by them.

The policy implications of these results are clear. There are plenty of gains to be made by Tax Agencies by contacting the taxpayers regarding their standing liabilities, and even more so if they keep a clean and up-to-date contact information database. Results indicate that having a valid physical and electronic address for each taxpayer could have a large payoff; in the restricted sample we used, having a valid address might have implied doubling collection to about US\$8 million PPP. Consequently, implementing a strategy that ensures that each taxpayer has a valid and working account may be as important as many more sophisticated and costly enforcement strategies that have been tried in the past. A simple cost-benefit analysis indicates that the net benefit of each letter and email sent was about the same—but much lower than the benefit of each personal visit attempted. This finding has implications for the optimal enforcement strategy. On the one hand, increasing the number of personal visits instead of relying on the impersonal methods seems to be cost-effective. On the other hand, the relative effectiveness of the visit seems to be explained in part by how much taxpayers update the enforcement probability. Hence, a universal personal visits campaign may become less effective if taxpayers realize it is being implemented. On the contrary, an email campaign that indicates that the taxpayer is being targeted with a small and selected group of taxpayers could become very effective.

In terms of academic implications, the results raise the bar for future field experiments and open up new venues of research. First, future work could incorporate the idea that not only the role of messages should be evaluated but also the delivery mechanisms. Hence, to isolate each effect, it may make sense to consider randomizing both the message and the method. In particular, some types of messages may be more effective when delivered by some methods than by others. For example, moral suasion messages may be relatively more effective when delivered by an individual in a personalized manner than in an impersonal method as a letter, which has

usually been the norm. This is an empirical question that should be extended to other policy areas as well.

Second, future exercises should incorporate the variation of methods to test the effect of the different delivery mechanisms on standard compliance settings instead of looking only at tax delinquencies as we do here. Third, even though comparing the results in this paper to the GOTV results provides a first approximation to evaluating how much of the effect of the personal visits is due to the moral effect and how much to the update in the enforcement probability, it would still be necessary to test which of those effects is dominant. Future experiments could include explicit messages showing that the number of taxpayers being contacted is fixed and also the contact method to reach them. This way, any difference between the personal visit and the impersonal method would be due to moral considerations.

Finally, the paper has shown that spillover effects can be substantial. In the case of this experiment, the messages elicited additional payments. It could be the case in other contexts, particularly in the context of enforcement of taxes with self-declaration, taxpayers may substitute across taxes and compensate by paying what the government asks but reducing the amount declared in other taxes (or to other authorities). Whenever possible, studies should incorporate evaluating spillover effects explicitly into the research strategy.

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Appendix A. Description of Variables

Randomization was performed according to taxpayer's liabilities, which was the information to be provided in the messages, in six blocks according to size of debt and maturity. As can be observed in the table, samples balance on that variable. Unfortunately, they do not balance in some of the other covariates; we include them as controls in the empirical analysis.

Table A.1. Random Assignment to Treatment

	Difference w.r.t. control (coeff and s.e.)									Sample size [10]
	Average and s.d. [1]	Overall treatment [2]	Individual Treatments			p-value Wald test equality coefficients				
			Letter [3]	Email [4]	Visit [5]	[3]=[4] [6]	[3]=[5] [7]	[4]=[5] [8]	[3]=[4]=[5] [9]	
<i>Liabilities (in millions)</i>	4.440 (7.731)	0.026 (0.098)	-0.024 (0.120)	0.019 (0.113)	0.172 (0.144)	0.723	0.135	0.277	0.32	20,818
<i>Liabilities (in logs)</i>	13.998 (1.820)	0.009 (0.012)	0.001 (0.015)	0.01 (0.014)	0.023 (0.019)	0.524	0.195	0.489	0.425	20,818
<i>Number of debts</i>	1.753 (1.421)	0.015 (0.022)	0.001 (0.027)	0.031 (0.025)	0.002 (0.0316)	0.267	0.981	0.345	0.491	20,818
<i>Tax (Wealth)</i>	0.105 (0.307)	-0.004 (0.005)	-0.001 (0.006)	-0.012** (0.006)	0.007 (0.00758)	0.067	0.273	0.011	0.03	20,818
<i>Tax (Income Tax)</i>	0.229 (0.420)	-0.002 (0.006)	0.002 (0.008)	-0.007 (0.008)	0.001 (0.00986)	0.27	0.902	0.437	0.518	20,818
<i>Tax (VAT)</i>	0.666 (472)	0.007 (0.007)	-0.001 (0.009)	0.019** (0.009)	-0.008 (0.0113)	0.032	0.55	0.02	0.032	20,818
<i>Taxpayer type (firms)</i>	0.616 (0.486)	0.055*** (0.008)	0.046*** (0.009)	0.049*** (0.009)	0.095*** (0.0116)	0.764	0	0	0	20,818

Notes: Each row shows statistics for a different variable. . Column [1] shows the sample average and the standard deviation in parenthesis. Columns [2] shows the regression coefficient and the standard error in parenthesis corresponding to an OLS regression that includes controls for strata and district. Standard errors are robust. *** p<0.01, ** p<0.05, * p<0.1
Columns [3]-[5] shows the regression coefficients and the standard errors in parenthesis corresponding to an OLS regression that includes controls for strata and district. Standard errors are robust. *** p<0.01, ** p<0.05, * p<0.1
Columns [6]-[9] shows the p-value of a test of equality of coefficients. Column [10] shows the sample size.

Table A.2. First-Stage Regression Table

VARIABLES	Dependent variables			
	Overall Treatment		Treated Letter	
	(1)	(2)	(3)	(4)
Assignment to Treatment	0.600*** (0.01)	0.601*** (0.01)		
Assignment to Letter			0.400*** (0.01)	0.400*** (0.01)
Assignment to Email			0.004*** (0.00)	0.004*** (0.00)
Assignment to Inspection			0.053*** (0.00)	0.052*** (0.00)
N	20,818	20,818	20,818	20,818
Controls	No	Yes	No	Yes
LM test statistic for underidentification (Anderson or Kleibergen-Paap)	6819	6803	6819	6803
p-value of underidentification LM statistic	0	0	0	0
F statistic for weak identification (Cragg-Donald or Kleibergen-Paap)	13778	13715	13778	13715
VARIABLES	Dependent variables			
	Treated Email		Treated Inspection	
	(5)	(6)	(7)	(8)
Assignment to Letter	0.008*** (0.00)	0.009*** (0.00)	0.004** (0.00)	0.004** (0.00)
Assignment to Email	0.879*** (0.00)	0.879*** (0.00)	-0.001 (0.00)	-0.001 (0.00)
Assignment to Inspection	0.010*** (0.00)	0.011*** (0.00)	0.145*** (0.01)	0.144*** (0.01)
N	20,818	20,818	20,818	20,818
Controls	No	Yes	No	Yes
LM test statistic for underidentification (Anderson or Kleibergen-Paap)	452.2	450.4	452.2	450.4
p-value of underidentification LM statistic	0	0	0	0
F statistic for weak identification (Cragg-Donald or Kleibergen-Paap)	165.2	164.3	165.2	164.3
N	20,818	20,818	20,818	20,818
Controls	No	Yes	No	Yes

Notes: Each row shows the regression coefficients and the standard error in parenthesis corresponding to the First stage of IV regression that include strata and district. Standard errors are robust.

*** p<0.01, ** p<0.05, * p<0.1

Even columns include Liabilities (in log), Taxpayer type (firm), Type of tax dummies, Pre-payments (in logs), Wrong Information, and Overpayments as additional controls.

Appendix B.

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Full Set of ITT Regression Results

Table B.3.1

	Dependent Variable							
	Paid							
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Overall treatment	0.109*** (0.00)	0.105*** (0.00)	0.109*** (0.00)	0.105*** (0.00)				
Letter					0.042*** (0.01)	0.043*** (0.01)	0.041*** (0.01)	0.042*** (0.01)
Email					0.153*** (0.01)	0.152*** (0.01)	0.152*** (0.01)	0.150*** (0.01)
Visit					0.136*** (0.01)	0.138*** (0.01)	0.135*** (0.01)	0.138*** (0.01)
Constant	0.122** (0.06)	-0.139** (0.07)	0.121** (0.06)	-0.150** (0.07)	0.136** (0.06)	0.087 (0.07)	0.134** (0.06)	0.077 (0.07)
Controls Model	No OLS	Yes OLS	No Weighted OLS	Yes Weighted OLS	No OLS	Yes OLS	No Weighted OLS	Yes Weighted OLS
Observations	20,818	20,818	20,818	20,818	20,818	20,818	20,818	20,818
Adjusted R-squared	0.070	0.104	0.067	0.102	0.083	0.104	0.079	0.104

Notes: Robust Standard errors in parentheses.*** p<0.01, ** p<0.05, * p<0.1. Controls: block dummies, Type of Tax(Wealth,Income, Sales is the base), Taxpayer type(firm), Actual liabilities (in logs), Pre-payments (in logs), number of debts, Wrong information, Negative debt, and distric-specific dummies.

Table B.3.2

	Dependent Variable							
	Full Payment							
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Overall treatment	0.076*** (0.00)	0.078*** (0.00)	0.077*** (0.00)	0.079*** (0.00)				
Letter					0.026*** (0.00)	0.026*** (0.00)	0.026*** (0.00)	0.027*** (0.00)
Email					0.110*** (0.01)	0.109*** (0.01)	0.110*** (0.01)	0.109*** (0.01)
Visit					0.095*** (0.01)	0.097*** (0.01)	0.095*** (0.01)	0.096*** (0.01)
Constant	0.135*** (0.05)	0.098* (0.06)	0.134*** (0.05)	0.093 (0.06)	0.145*** (0.05)	0.193*** (0.06)	0.143*** (0.05)	0.193*** (0.07)
Controls Model	No OLS	Yes OLS	No Weighted OLS	Yes Weighted OLS	No OLS	Yes OLS	No Weighted OLS	Yes Weighted OLS
Observations	20,818	20,818	20,818	20,818	20,818	20,818	20,818	20,818
Adjusted R-squared	0.042	0.058	0.038	0.056	0.055	0.063	0.050	0.060

Notes: Robust Standard errors in parentheses.*** p<0.01, ** p<0.05, * p<0.1. Controls: block dummies, Type of Tax(Wealth,Income, Sales is the base), Taxpayer type(firm), Actual liabilities (in logs), Pre-payments (in logs), number of debts, Wrong information, Negative debt, and distric-specific dummies.

Table B.3.3

	Dependent Variable							
	Payment share							
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Overall treatment	0.092*** (0.01)	0.091*** (0.01)	0.092*** (0.01)	0.092*** (0.01)	0.031** (0.01)	0.031** (0.01)	0.031** (0.01)	0.031** (0.01)
Letter	20,818 0.009	20,818 0.012	20,818 0.009	20,818 0.013	0.135*** (0.01)	0.133*** (0.01)	0.134*** (0.02)	0.132*** (0.02)
Email					0.110*** (0.01)	0.111*** (0.01)	0.109*** (0.01)	0.109*** (0.01)
Visit								
Constant	0.114** (0.05)	0.283 (0.22)	0.111** (0.05)	0.242 (0.19)	0.129** (0.05)	0.498* (0.26)	0.125** (0.05)	0.456** (0.23)
Controls	No	Yes	No	Yes	No	Yes	No	Yes
Model	OLS	OLS	Weighted OLS	Weighted OLS	OLS	OLS	Weighted OLS	Weighted OLS
Observations	20,818	20,818	20,818	20,818	20,818	20,818	20,818	20,818
Adjusted R-squared	0.012	0.015	0.013	0.016	0.055	0.063	0.050	0.060

Notes: Robust Standard errors in parentheses.*** p<0.01, ** p<0.05, * p<0.1. Controls: block dummies, Type of Tax(Wealth,Income, Sales is the base), Taxpayer type(firm), Actual liabilities (in logs), Pre-payments (in logs), number of debts, Wrong information, Negative debt, and distric-specific dummies.

Table B.3.4

	Dependent Variable							
	Total payment (in logs)							
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Overall treatment	1.469*** (0.06)	1.410*** (0.06)	1.463*** (0.06)	1.411*** (0.06)				
Letter					0.042*** (0.01)	0.043*** (0.01)	0.041*** (0.01)	0.042*** (0.01)
Email					0.153*** (0.01)	0.152*** (0.01)	0.152*** (0.01)	0.150*** (0.01)
Visit					0.136*** (0.01)	0.138*** (0.01)	0.135*** (0.01)	0.138*** (0.01)
Constant	1.369* (0.74)	-3.764*** (0.93)	1.326* (0.75)	-4.064*** (0.96)	1.547** (0.73)	-0.216 (0.92)	1.482** (0.74)	-0.482 (0.97)
Controls	No	Yes	No	Yes	No	Yes	No	Yes
Model	OLS	OLS	Weighted OLS	Weighted OLS	OLS	OLS	Weighted OLS	Weighted OLS
Observations	20,818	20,818	20,818	20,818	20,818	20,818	20,818	20,818
Adjusted R-squared	0.074	0.110	0.072	0.109	0.085	0.109	0.083	0.109

Notes: Robust Standard errors in parentheses.*** p<0.01, ** p<0.05, * p<0.1. Controls: block dummies, Type of Tax(Wealth,Income, Sales is the base), Taxpayer type(firm), Actual liabilities (in logs), Pre-payments (in logs), number of debts, Wrong information, Negative debt, and distric-specific dummies.

Table B.3.5

	Dependent Variable							
	Other Payments							
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Overall treatment	0.136*** (0.00)	0.129*** (0.00)	0.134*** (0.00)	0.128*** (0.00)				
Letter					0.126*** (0.01)	0.124*** (0.01)	0.124*** (0.01)	0.122*** (0.01)
Email					0.139*** (0.01)	0.137*** (0.01)	0.138*** (0.01)	0.135*** (0.01)
Visit					0.148*** (0.01)	0.143*** (0.01)	0.146*** (0.01)	0.141*** (0.01)
Constant	-0.027 (0.04)	-0.175*** (0.06)	-0.038 (0.04)	-0.213*** (0.06)	-0.028 (0.04)	0.014 (0.06)	-0.039 (0.04)	0.001 (0.06)
Controls	No	Yes	No	Yes	No	Yes	No	Yes
Model	OLS	OLS	Weighted OLS	Weighted OLS	OLS	OLS	Weighted OLS	Weighted OLS
Observations	20,818	20,818	20,818	20,818	20,818	20,818	20,818	20,818
Adjusted R-squared	0.067	0.100	0.057	0.093	0.068	0.079	0.057	0.071

Notes: Robust Standard errors in parentheses.*** p<0.01, ** p<0.05, * p<0.1. Controls: block dummies, Type of Tax(Wealth,Income, Sales is the base), Taxpayer type(firm), Actual liabilities (in logs), Pre-payments (in logs), number of debts, Wrong information, Negative debt, and distric-specific dummies.

Full Set of LATE Regression Results

Table B.3.6 First Stage

VARIABLES	Dependent variables							
	Overall Treatment		Treated Letter		Treated Email		Treated Visit	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Assignment to Treatment	0.600*** (0.01)	0.601*** (0.01)						
Assignment to Letter			0.400*** (0.01)	0.008*** (0.00)	0.004** (0.00)	0.400*** (0.01)	0.009*** (0.00)	0.004** (0.00)
Assignment to Email			0.004*** (0.00)	0.879*** (0.00)	-0.001 (0.00)	0.004*** (0.00)	0.879*** (0.00)	-0.001 (0.00)
Assignment to Visit			0.053*** (0.00)	0.010*** (0.00)	0.145*** (0.01)	0.052*** (0.00)	0.011*** (0.00)	0.144*** (0.01)
Observations	20,818	20,818	20,818	20,818	20,818	20,818	20,818	20,818
Adjusted R-squared	0.0710	0.107	-0.00761	-0.00761	-0.00761	0.0327	0.0327	0.0327
LM test statistic for underidentification (Anderson or Kleibergen-Paap)	6819	6803	452.2	450.4	452.2	450.4	452.2	450.4
p-value of underidentification LM statistic	0	0	0	0	0	0	0	0
F statistic for weak identification (Cragg-Donald or Kleibergen-Paap)	13778	13715	165.2	164.3	165.2	164.3	165.2	164.3
Controls	No	Yes	No	Yes	No	Yes	No	Yes
Model	Unweighted OLS	Unweighted OLS	Unweighted OLS	Unweighted OLS	Unweighted OLS	Unweighted OLS	Unweighted OLS	Unweighted OLS

Notes: Each row shows the regression coefficients and the standard error in parenthesis corresponding to the First stage of IV regression that include strata and district. Standard errors are robust. *** p<0.01, ** p<0.05, * p<0.1. Even columns include controls: block dummies, Type of Tax(Wealth,Income, Sales is the base), Taxpayer type(firm), Actual liabilities (in logs), Pre-payments (in logs), number of debts, Wrong information, Negative debt, and distric-specific dummies.

Table B.3.7 Second Stage

	Dependent Variable							
	Paid							
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Overall Effective Treatment	0.182*** (0.01)	0.174*** (0.01)	0.186*** (0.01)	0.179*** (0.01)	0.092*** (0.01)	0.085*** (0.01)	0.092*** (0.01)	0.085*** (0.01)
Effective Letter					0.175*** (0.01)	0.169*** (0.01)	0.175*** (0.01)	0.169*** (0.01)
Effective E-mail					0.897*** (0.07)	0.879*** (0.07)	0.897*** (0.07)	0.879*** (0.07)
Effective Visit								
Constant	0.177*** (0.06)	-0.073 (0.07)	0.171*** (0.06)	-0.086 (0.07)	0.102 (0.06)	-0.101 (0.08)	0.102 (0.06)	-0.101 (0.08)
Controls Model	No 2OLS	Yes 2OLS	No Weighted 2OLS	Yes Weighted 2OLS	No 2OLS	Yes 2OLS	No Weighted 2OLS	Yes Weighted 2OLS
Observations	20,818	20,818	20,818	20,818	20,818	20,818	20,818	20,818
Adjusted R-squared	0.071	0.107	0.067	0.104	-0.008	0.033	-0.008	0.033

Notes: Robust Standard errors in parentheses. *** p<0.01, ** p<0.05, * p<0.1. These estimations correspond to the second stage of IV regressions with the following. Controls: block dummies, Type of Tax(Wealth,Income, Sales is the base), Taxpayer type(firm), Actual liabilities (in logs), Pre-payments (in logs), number of debts, Wrong information, Negative debt, and distric-specific dummies.

Table B.3.8 Second Stage

	Dependent Variable							
	Full Payment							
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Overall Effective Treatment	0.127*** (0.01)	0.130*** (0.01)	0.132*** (0.01)	0.135*** (0.01)				
Effective Letter					0.055*** (0.01)	0.060*** (0.01)	0.055*** (0.01)	0.060*** (0.01)
Effective E-mail					0.125*** (0.01)	0.127*** (0.01)	0.125*** (0.01)	0.127*** (0.01)
Effective Visit					0.630*** (0.05)	0.653*** (0.05)	0.630*** (0.05)	0.653*** (0.05)
Constant	0.173*** (0.05)	0.147** (0.06)	0.169*** (0.05)	0.141** (0.06)	0.119** (0.05)	0.126** (0.06)	0.119** (0.05)	0.126** (0.06)
Controls Model	No 2OLS	Yes 2OLS	No Weighted 2OLS	Yes Weighted 2OLS	No 2OLS	Yes 2OLS	No Weighted 2OLS	Yes Weighted 2OLS
Observations	20,818	20,818	20,818	20,818	20,818	20,818	20,818	20,818
Adjusted R-squared	0.040	0.055	0.033	0.051	0.040	0.055	0.033	0.051

Notes: Robust Standard errors in parentheses. *** p<0.01, ** p<0.05, * p<0.1. These estimations correspond to the second stage of IV regressions with the following. Controls: block dummies, Type of Tax(Wealth,Income, Sales is the base), Taxpayer type(firm), Actual liabilities (in logs), Pre-payments (in logs), number of debts, Wrong information, Negative debt, and distric-specific dummies.

Table B.3.9. Second Stage

	Dependent Variable							
	Payment Share							
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Overall Effective Treatment	0.154*** (0.02)	0.152*** (0.02)	0.157*** (0.02)	0.156*** (0.02)				
Effective Letter					0.068** (0.03)	0.067** (0.03)	0.068** (0.03)	0.067** (0.03)
Effective E-mail					0.154*** (0.02)	0.152*** (0.02)	0.154*** (0.02)	0.152*** (0.02)
Effective Visit					0.727*** (0.08)	0.729*** (0.08)	0.727*** (0.08)	0.729*** (0.08)
Constant	0.160*** (0.05)	0.341 (0.21)	0.153*** (0.05)	0.298 (0.19)	0.099* (0.06)	0.318 (0.21)	0.099* (0.06)	0.318 (0.21)
Controls Model	No 2OLS	Yes 2OLS	No Weighted 2OLS	Yes Weighted 2OLS	No 2OLS	Yes 2OLS	No Weighted 2OLS	Yes Weighted 2OLS
Observations	20,818	20,818	20,818	20,818	20,818	20,818	20,818	20,818
Adjusted R-squared	0.010	0.013	0.010	0.014	-0.005	-0.001	-0.005	-0.001

Notes: Robust Standard errors in parentheses.*** p<0.01, ** p<0.05, * p<0.1. These estimations correspond to the second stage of IV regressions with the following. Controls: block dummies, Type of Tax(Wealth,Income, Sales is the base), Taxpayer type(firm), Actual liabilities (in logs), Pre-payments (in logs), number of debts, Wrong information, Negative debt, and distric-specific dummies.

Table B.3.10. Second Stage

	Dependent Variable							
	Total Payment (in logs)							
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Overall Effective Treatment	2.448*** (0.11)	2.346*** (0.11)	2.500*** (0.11)	2.408*** (0.11)				
Effective Letter					1.307*** (0.20)	1.214*** (0.19)	1.307*** (0.20)	1.214*** (0.19)
Effective E-mail					2.334*** (0.10)	2.250*** (0.10)	2.334*** (0.10)	2.250*** (0.10)
Effective Visit					12.071*** (0.92)	11.801*** (0.90)	12.071*** (0.92)	11.801*** (0.90)
Constant	2.107*** (0.74)	-2.875*** (0.93)	1.991*** (0.75)	-3.213*** (0.96)	1.089 (0.86)	-3.250*** (1.03)	1.089 (0.86)	-3.250*** (1.03)
Controls Model	No 2OLS	Yes 2OLS	No Weighted 2OLS	Yes Weighted 2OLS	No 2OLS	Yes 2OLS	No Weighted 2OLS	Yes Weighted 2OLS
Observations	20,818	20,818	20,818	20,818	20,818	20,818	20,818	20,818
Adjusted R-squared	0.074	0.112	0.072	0.110	0.001	0.043	0.001	0.043

Notes: Robust Standard errors in parentheses.*** p<0.01, ** p<0.05, * p<0.1. These estimations correspond to the second stage of IV regressions with the following. Controls: block dummies, Type of Tax(Wealth,Income, Sales is the base), Taxpayer type(firm), Actual liabilities (in logs), Pre-payments (in logs), number of debts, Wrong information, Negative debt, and distric-specific dummies.

Table B 3.11. Second Stage

	Dependent Variable							
	Other Payments							
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Overall Effective Treatment	0.226*** (0.01)	0.215*** (0.01)	0.230*** (0.01)	0.218*** (0.01)				
Effective Letter					0.302*** (0.01)	0.290*** (0.01)	0.302*** (0.01)	0.290*** (0.01)
Effective E-mail					0.159*** (0.01)	0.152*** (0.01)	0.159*** (0.01)	0.152*** (0.01)
Effective Visit					0.899*** (0.07)	0.841*** (0.06)	0.899*** (0.07)	0.841*** (0.06)
Constant	0.041 (0.05)	-0.093 (0.06)	0.023 (0.05)	-0.136** (0.06)	-0.025 (0.06)	-0.111 (0.07)	-0.025 (0.06)	-0.111 (0.07)
Controls Model	No 2OLS	Yes 2OLS	No Weighted 2OLS	Yes Weighted 2OLS	No 2OLS	Yes 2OLS	No Weighted 2OLS	Yes Weighted 2OLS
Observations	20,818	20,818	20,818	20,818	20,818	20,818	20,818	20,818
Adjusted R-squared	0.000	0.041	-0.011	0.033	-0.187	-0.124	-0.187	-0.124

Notes: Robust Standard errors in parentheses.*** p<0.01, ** p<0.05, * p<0.1. These estimations correspond to the second stage of IV regressions with the following. Controls: block dummies, Type of Tax(Wealth,Income, Sales is the base), Taxpayer type(firm), Actual liabilities (in logs), Pre-payments (in logs), number of debts, Wrong information, Negative debt, and distric-specific dummies.

Heterogeneous IV Results

Second Stage-Tax Type

Table B.3.12.1. Second Stage-Tax Type

	Dependent Variable							
	Paid							
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<i>Overall treatment</i>	0.028 (0.03)	-0.048* (0.03)	0.024 (0.03)	-0.064*** (0.01)				
<i>Treatment*Income Tax</i>	0.290*** (0.04)	0.227*** (0.03)	0.311*** (0.04)	0.247*** (0.02)				
<i>Treatment*VAT</i>	0.284*** (0.03)	0.258*** (0.03)	0.309*** (0.04)	0.283*** (0.02)				
<i>Letter</i>					0.005 (0.05)	-0.040 (0.05)	0.004 (0.06)	-0.043** (0.02)
<i>Letter*Income Tax</i>					0.143** (0.07)	0.093 (0.06)	0.142** (0.07)	0.094*** (0.03)
<i>Letter*VAT</i>					0.187*** (0.06)	0.162*** (0.05)	0.188*** (0.06)	0.163*** (0.03)
<i>Email</i>					0.044* (0.02)	0.037* (0.02)	0.043* (0.03)	0.036*** (0.01)
<i>Email*Income Tax</i>					0.176*** (0.03)	0.154*** (0.03)	0.176*** (0.03)	0.154*** (0.02)
<i>Email*VAT</i>					0.160*** (0.03)	0.147*** (0.02)	0.161*** (0.03)	0.148*** (0.01)
<i>Visit</i>					0.014 (0.08)	0.089 (0.09)	0.009 (0.08)	0.066 (0.06)
<i>Visit*Income Tax</i>					0.837*** (0.10)	0.875*** (0.10)	0.837*** (0.10)	0.872*** (0.08)
<i>Visit*VAT</i>					1.029*** (0.09)	0.880*** (0.09)	1.039*** (0.09)	0.887*** (0.06)
Estimation Controls	No 2OLS	Yes 2OLS	No Weighted 2OLS	Yes Weighted 2OLS	No 2OLS	Yes 2OLS	No Weighted 2OL	Yes Weighted 2OL
Observations	20,818	20,818	20,818	20,818	20,818	20,818	20,818	20,818
Adjusted R-squared	-0.000270	0.105	-0.0197	0.0996	-0.0821	0.0265	-0.113	0.0147
LM test statistic for underidentification (Anderson or Kleibergen-Paap)	4522	4654	3495	1486	2713	1161	2174	419.3
p-value of underidentification LM statistic	0	0	0	0	0	0	0	0
F statistic for weak identification (Cragg-Donald or Kleibergen-Paap)	1925	1993	1399	1198	346.4	136.2	269.5	49.45

Notes: Standard errors in parentheses. *** p<0.01, ** p<0.05, * p<0.1. These estimations correspond to 2OLS regressions with the following controls: block dummies, Type of Tax(Wealth,Income, Sales is the base), Taxpayer type(firm), Actual liabilities (in logs), Pre-payments (in logs), number of debts, Wrong information, Negative debt, and district-specific dummies. The endogenous variables, actual treatments and the interactions have been instrumented with the assignment to treatment and interactions.

Table B.3.1.2 Second Stage-Tax Type

	Dependent variable								
	Full Payment								
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
<i>Overall treatment</i>	✓ -0.000 (0.02)	✓ -0.043** (0.02)	✓ 0.002 (0.03)	✓ -0.049*** (0.01)					
<i>Treatment*Income Tax</i>	✓ 0.268*** (0.03)	✓ 0.254*** (0.03)	✓ 0.281*** (0.03)	✓ 0.269*** (0.02)					
<i>Treatment*VAT</i>	✓ 0.170*** (0.02)	✓ 0.179*** (0.02)	✓ 0.178*** (0.03)	✓ 0.190*** (0.01)					
<i>Letter</i>					✓ -0.007 (0.04)	✓ -0.034 (0.04)	✓ -0.006 (0.04)	✓ -0.035*** (0.01)	
<i>Letter*Income Tax</i>					✓ 0.128*** (0.05)	✓ 0.128*** (0.05)	✓ 0.129** (0.05)	✓ 0.130*** (0.03)	
<i>Letter*VAT</i>					✓ 0.089** (0.04)	✓ 0.105** (0.04)	✓ 0.090** (0.05)	✓ 0.108*** (0.02)	
<i>Email</i>					✓ 0.002 (0.02)	✓ -0.001 (0.02)	✓ 0.003 (0.02)	✓ -0.001 (0.01)	
<i>Email*Income Tax</i>					✓ 0.199*** (0.02)	✓ 0.194*** (0.02)	✓ 0.199*** (0.02)	✓ 0.193*** (0.02)	
<i>Email*VAT</i>					✓ 0.127*** (0.02)	✓ 0.129*** (0.02)	✓ 0.127*** (0.02)	✓ 0.130*** (0.01)	
<i>Visit</i>					✓ 0.004 (0.06)	✓ 0.144** (0.07)	✓ 0.012 (0.06)	✓ 0.138*** (0.04)	
<i>Visit*Income Tax</i>					✓ 0.665*** (0.07)	✓ 0.798*** (0.07)	✓ 0.660*** (0.07)	✓ 0.794*** (0.07)	
<i>Visit*VAT</i>					✓ 0.524*** (0.06)	✓ 0.510*** (0.07)	✓ 0.507*** (0.07)	✓ 0.501*** (0.04)	
Estimation		No	Yes	No	Yes	No	Yes	No	Yes
Controls		2OLS	2OLS	Weighted 2OLS	Weighted 2OLS	2OLS	2OLS	Weighted 2OLS	Weighted 2OLS
Observations	✓ 20,818	✓ 20,818	✓ 20,818	✓ 20,818	✓ 20,818	✓ 20,818	✓ 20,818	✓ 20,818	✓ 20,818
Adjusted R-squared	✓ 0.00216	✓ 0.0519	✓ -0.0119	✓ 0.0459	✓ -0.0483	✓ -0.0517	✓ -0.0690	✓ -0.0689	
LM test statistic for underidentification (Anderson or Kleibergen-Paap)	✓ 4522	✓ 4654	✓ 3495	✓ 1486	✓ 2713	✓ 1161	✓ 2174	✓ 419.3	
p-value of underidentification LM statistic	✓ 0	✓ 0	✓ 0	✓ 0	✓ 0	✓ 0	✓ 0	✓ 0	
F statistic for weak identification (Cragg-Donald or Kleibergen-Paap)	✓ 1925	✓ 1993	✓ 1399	✓ 1198	✓ 346.4	✓ 136.2	✓ 269.5	✓ 49.45	

Notes: Standard errors in parentheses. *** p<0.01, ** p<0.05, * p<0.1. These estimations correspond to 2OLS regressions with the following controls: block dummies, Type of Tax(Wealth,Income, Sales is the base), Taxpayer type(firm), Actual liabilities (in logs), Pre-payments (in logs), number of debts, Wrong information, Negative debt, and district-specific dummies. The endogenous variables, actual treatments and the interactions have been instrumented with the assignment to treatment and interactions.

Table B.3.1.3 Second Stage-Tax Type

	Dependent Variable							
	Payment Share							
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<i>Overall treatment</i>	0.022 (0.05)	-0.035 (0.05)	0.026 (0.06)	-0.041** (0.02)				
<i>Treatment*Income Tax</i>	0.293*** (0.07)	0.259*** (0.07)	0.306*** (0.08)	0.272*** (0.03)				
<i>Treatment*VAT</i>	0.200*** (0.06)	0.197*** (0.06)	0.208*** (0.06)	0.208*** (0.04)				
<i>Letter</i>					-0.021 (0.09)	-0.057 (0.09)	-0.021 (0.10)	-0.060*** (0.02)
<i>Letter*Income Tax</i>					0.230* (0.12)	0.209* (0.12)	0.232* (0.12)	0.212*** (0.08)
<i>Letter*VAT</i>					0.120 (0.10)	0.123 (0.10)	0.121 (0.10)	0.126*** (0.04)
<i>Email</i>					0.022 (0.04)	0.019 (0.04)	0.022 (0.04)	0.018** (0.01)
<i>Email*Income Tax</i>					0.190*** (0.05)	0.176*** (0.05)	0.190*** (0.06)	0.175*** (0.02)
<i>Email*VAT</i>					0.147*** (0.05)	0.142*** (0.05)	0.147*** (0.05)	0.143*** (0.03)
<i>Visit</i>					0.082 (0.14)	0.189 (0.17)	0.093 (0.13)	0.181 (0.11)
<i>Visit*Income Tax</i>					0.692*** (0.18)	0.782*** (0.18)	0.681*** (0.17)	0.771*** (0.12)
<i>Visit*VAT</i>					0.619*** (0.16)	0.559*** (0.16)	0.602*** (0.15)	0.544*** (0.13)
Estimation Controls	No 2OLS	Yes 2OLS	No Weighted 2OLS	Yes Weighted 2OLS	No 2OLS	Yes 2OLS	No Weighted 2OLS	Yes Weighted 2OLS
Observations	20,818	20,818	20,818	20,818	20,818	20,818	20,818	20,818
Adjusted R-squared	0.000916	0.0124	-0.00272	0.0131	-0.0112	-0.00450	-0.0184	-0.00778
LM test statistic for underidentification (Anderson or Kleibergen-Paap)	4522	4654	3495	1486	2713	1161	2174	419.3
p-value of underidentification LM statistic	0	0	0	0	0	0	0	0
F statistic for weak identification (Cragg-Donald or Kleibergen-Paap)	1925	1993	1399	1198	346.4	136.2	269.5	49.45

Notes: Standard errors in parentheses.*** p<0.01, ** p<0.05, * p<0.1. These estimations correspond to 2OLS regressions with the following controls: block dummies, Type of Tax(Wealth,Income, Sales is the base), Taxpayer type(firm), Actual liabilities (in logs), Pre-payments (in logs), number of debts, Wrong information, Negative debt, and district-specific dummies. The endogenous variables, actual treatments and the interactions have been instrumented with the assignment to treatment and interactions.

Table B.3.1.4 Second Stage-Tax Type

	Dependent Variable							
	Total Payment (in logs)							
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<i>Overall treatment</i>	0.298 (0.40)	-0.715* (0.38)	0.234 (0.47)	-0.945*** (0.16)				
<i>Treatment*Income Tax</i>	3.805*** (0.51)	2.973*** (0.48)	4.084*** (0.60)	3.233*** (0.27)				
<i>Treatment*VAT</i>	3.955*** (0.43)	3.598*** (0.41)	4.309*** (0.51)	3.939*** (0.22)				
<i>Letter</i>					0.052 (0.71)	-0.547 (0.68)	0.028 (0.77)	-0.599** (0.25)
<i>Letter*Income Tax</i>					1.976** (0.90)	1.315 (0.85)	1.961** (0.98)	1.324*** (0.44)
<i>Letter*VAT</i>					2.623*** (0.77)	2.266*** (0.73)	2.631*** (0.84)	2.283*** (0.36)
<i>Email</i>					0.486 (0.32)	0.396 (0.31)	0.472 (0.36)	0.374** (0.15)
<i>Email*Income Tax</i>					2.314*** (0.40)	2.021*** (0.38)	2.317*** (0.45)	2.014*** (0.25)
<i>Email*VAT</i>					2.290*** (0.35)	2.110*** (0.33)	2.303*** (0.38)	2.120*** (0.19)
<i>Visit</i>					0.113 (1.06)	1.135 (1.26)	-0.004 (1.08)	0.776 (0.78)
<i>Visit*Income Tax</i>					10.853*** (1.33)	11.375*** (1.32)	10.898*** (1.37)	11.372*** (1.04)
<i>Visit*VAT</i>					14.056*** (1.18)	12.034*** (1.18)	14.259*** (1.21)	12.202*** (0.82)
Estimation Controls	No 2OLS	Yes 2OLS	No Weighted 2OLS	Yes Weighted 2OLS	No 2OLS	Yes 2OLS	No Weighted 2OL	Yes Weighted 2OL
Observations	20,818	20,818	20,818	20,818	20,818	20,818	20,818	20,818
Adjusted R-squared	0.00908	0.110	-0.00782	0.106	-0.0672	0.0374	-0.0945	0.0278
LM test statistic for underidentification (Anderson or Kleibergen-Paap)	4522	4654	3495	1486	2713	1161	2174	419.3
p-value of underidentification LM statistic	0	0	0	0	0	0	0	0
F statistic for weak identification (Cragg-Donald or Kleibergen-Paap)	1925	1993	1399	1198	346.4	136.2	269.5	49.45

Notes: Standard errors in parentheses. *** p<0.01, ** p<0.05, * p<0.1. These estimations correspond to 2OLS regressions with the following controls: block dummies, Type of Tax(Wealth,Income, Sales is the base), Taxpayer type(firm), Actual liabilities (in logs), Pre-payments (in logs), number of debts, Wrong information, Negative debt, and district-specific dummies. The endogenous variables, actual treatments and the interactions have been instrumented with the assignment to treatment and interactions.

Table B.3.1.5 Second Stage-Tax Type

	Dependent Variable							
	Other Payments							
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<i>Overall treatment</i>	0.226*** (0.03)	0.161*** (0.02)	0.237*** (0.03)	0.161*** (0.02)				
<i>Treatment*Income Tax</i>	0.030 (0.03)	-0.004 (0.03)	0.031 (0.04)	-0.003 (0.02)				
<i>Treatment*VAT</i>	0.089*** (0.03)	0.080*** (0.03)	0.091*** (0.03)	0.083*** (0.02)				
<i>Letter</i>					0.336*** (0.05)	0.296*** (0.05)	0.334*** (0.05)	0.292*** (0.04)
<i>Letter*Income Tax</i>					-0.095 (0.06)	-0.124** (0.06)	-0.096 (0.07)	-0.124** (0.05)
<i>Letter*VAT</i>					0.040 (0.05)	0.032 (0.05)	0.039 (0.06)	0.033 (0.05)
<i>Email</i>					0.097*** (0.02)	0.089*** (0.02)	0.097*** (0.02)	0.088*** (0.01)
<i>Email*Income Tax</i>					0.053** (0.03)	0.041 (0.03)	0.051* (0.03)	0.039** (0.02)
<i>Email*VAT</i>					0.084*** (0.02)	0.078*** (0.02)	0.084*** (0.03)	0.077*** (0.02)
<i>Visit</i>					0.464*** (0.07)	0.601*** (0.08)	0.468*** (0.07)	0.591*** (0.08)
<i>Visit*Income Tax</i>					0.140 (0.09)	0.235*** (0.09)	0.138 (0.09)	0.232*** (0.09)
<i>Visit*VAT</i>					0.362*** (0.08)	0.264*** (0.08)	0.354*** (0.08)	0.257*** (0.08)
Estimation Controls	No 2OLS	Yes 2OLS	No Weighted 2OLS	Yes Weighted 2OLS	No 2OLS	Yes 2OLS	No Weighted 2OL	Yes Weighted 2OL
Observations	20,818	20,818	20,818	20,818	20,818	20,818	20,818	20,818
Adjusted R-squared	-0.0894	0.0398	-0.113	0.0319	-0.212	-0.122	-0.242	-0.138
LM test statistic for underidentification (Anderson or Kleibergen-Paap)	4522	4654	3495	1486	2713	1161	2174	419.3
p-value of underidentification LM statistic	0	0	0	0	0	0	0	0
F statistic for weak identification (Cragg-Donald or Kleibergen-Paap)	1925	1993	1399	1198	346.4	136.2	269.5	49.45

Notes: Standard errors in parentheses.*** p<0.01, ** p<0.05, * p<0.1. These estimations correspond to 2OLS regressions with the following controls: block dummies, Type of Tax(Wealth,Income, Sales is the base), Taxpayer type(firm), Actual liabilities (in logs), Pre-payments (in logs), number of debts, Wrong information, Negative debt, and district-specific dummies. The endogenous variables, actual treatments and the interactions have been instrumented with the assignment to treatment and interactions.

3.2 Second Stage – Debt Size

Table B.3.2.1 Second Stage-Debt Size

	Dependent Variable							
	Paid							
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<i>Overall treatment</i>	0.299*** (0.02)	0.187*** (0.02)	0.310*** (0.01)	0.187*** (0.01)				
<i>Treatment*Medium Debt</i>	-0.015 (0.03)	-0.017 (0.02)	-0.008 (0.02)	-0.012 (0.02)				
<i>Treatment*High Debt</i>	-0.030	-0.018	-0.019	-0.010				
<i>Letter</i>					0.126*** (0.03)	0.062** (0.03)	0.123*** (0.02)	0.057*** (0.02)
<i>Letter*Medium Debt</i>					0.033 (0.04)	0.027 (0.04)	0.035 (0.03)	0.031 (0.03)
<i>Letter*High Debt</i>					0.068 (0.04)	0.053 (0.04)	0.072** (0.04)	0.058 (0.04)
<i>Email</i>					0.232*** (0.01)	0.212*** (0.01)	0.231*** (0.01)	0.210*** (0.01)
<i>Email*Medium Debt</i>					-0.051** (0.02)	-0.056*** (0.02)	-0.049*** (0.02)	-0.054*** (0.02)
<i>Email*High Debt</i>					-0.064*** (0.02)	-0.067*** (0.02)	-0.062*** (0.02)	-0.065*** (0.02)
<i>Visit</i>					0.953*** (0.06)	1.097*** (0.09)	0.959*** (0.07)	1.083*** (0.10)
<i>Visit*Medium Debt</i>					-0.014 (0.08)	-0.123 (0.08)	-0.014 (0.09)	-0.118 (0.09)
<i>Visit*High Debt</i>					-0.240*** (0.07)	-0.354*** (0.08)	-0.245*** (0.08)	-0.348*** (0.09)
Estimation Controls	No 2OLS	Yes 2OLS	No Weighted 2OLS	Yes Weighted 2OLS	No 2OLS	Yes 2OLS	No Weighted 2OLS	Yes Weighted 2OLS
Observations	20,818	20,818	20,818	20,818	20,818	20,818	20,818	20,818
Adjusted R-squared	-0.013	0.108	-0.033	0.104	-0.088	0.023	-0.118	0.0106
LM test statistic for underidentification (Anderson or Kleibergen-Paap)	4951	5139	1967	3347	2466	1071	443.3	473
p-value of underidentification LM statistic	0	0	0	0	0	0	0	0
F statistic for weak identification (Cragg-Donald or Kleibergen-Paap)	2164	2269	1475	2530	310.6	125.2	55.98	53.44

Notes: Standard errors in parentheses.*** p<0.01, ** p<0.05, * p<0.1. These estimations correspond to 2OLS regressions with the following controls: block dummies, Type of Tax(Wealth,Income, Sales is the base), Taxpayer type(firm), Actual liabilities (in logs), Pre-payments (in logs), number of debts, Wrong information, Negative debt, and district-specific dummies. The endogenous variables, actual treatments and the interactions have been instrumented with the assignment to treatment and interactions.

Table B.3.2.2 Second Stage-Debt Size

	Dependent variable							
	Full Payment							
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<i>Overall treatment</i>	0.257*** (0.01)	0.202*** (0.01)	0.268*** (0.01)	0.207*** (0.01)				
<i>Treatment*Medium Debt</i>	-0.084*** (0.02)	-0.073*** (0.02)	-0.083*** (0.02)	-0.072*** (0.02)				
<i>Treatment*High Debt</i>	-0.153*** (0.02)	-0.131*** (0.02)	-0.157*** (0.01)	-0.135*** (0.01)				
<i>Letter</i>					0.103*** (0.02)	0.085*** (0.02)	0.101*** (0.02)	0.083*** (0.02)
<i>Letter*Medium Debt</i>					-0.020 (0.03)	-0.017 (0.03)	-0.019 (0.02)	-0.014 (0.02)
<i>Letter*High Debt</i>					-0.037 (0.03)	-0.035 (0.03)	-0.034 (0.02)	-0.030 (0.02)
<i>Email</i>					0.201*** (0.01)	0.194*** (0.01)	0.200*** (0.01)	0.193*** (0.01)
<i>Email*Medium Debt</i>					-0.076*** (0.01)	-0.074*** (0.01)	-0.075*** (0.01)	-0.072*** (0.02)
<i>Email*High Debt</i>					-0.121*** (0.01)	-0.117*** (0.01)	-0.119*** (0.01)	-0.116*** (0.01)
<i>Visit</i>					0.827*** (0.05)	1.109*** (0.07)	0.834*** (0.06)	1.106*** (0.09)
<i>Visit*Medium Debt</i>					-0.283*** (0.06)	-0.347*** (0.06)	-0.285*** (0.08)	-0.345*** (0.08)
<i>Visit*High Debt</i>					-0.587*** (0.06)	-0.696*** (0.06)	-0.599*** (0.07)	-0.703*** (0.08)
Estimation	No	Yes	No	Yes	No	Yes	No	Yes
Controls	2OLS	2OLS	Weighted 2OLS	Weighted 2OLS	2OLS	2OLS	Weighted 2OLS	Weighted 2OLS
Observations	20,818	20,818	20,818	20,818	20,818	20,818	20,818	20,818
Adjusted R-squared	-0.006	0.0550	-0.019	0.051	-0.0624	-0.066	-0.083	-0.084
LM test statistic for underidentification (Anderson or Kleibergen-Paap)	4951	5139	1967	3347	2466	1071	443.3	473
p-value of underidentification LM statistic	0	0	0	0	0	0	0	0
F statistic for weak identification (Cragg-Donald or Kleibergen-Paap)	2164	2269	1475	2530	310.6	125.2	55.98	53.44

Notes: Standard errors in parentheses.*** p<0.01, ** p<0.05, * p<0.1. These estimations correspond to 2OLS regressions with the following controls: block dummies, Type of Tax(Wealth,Income, Sales is the base), Taxpayer type(firm), Actual liabilities (in logs), Pre-payments (in logs), number of debts, Wrong information, Negative debt, and district-specific dummies. The endogenous variables, actual treatments and the interactions have been instrumented with the assignment to treatment and interactions.

Table OA.3.2.3 Second Stage- Debt Size

	Dependent Variable							
	Payment Share							
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<i>Overall treatment</i>	0.250*** (0.04)	0.173*** (0.03)	0.260*** (0.07)	0.175*** (0.06)				
<i>Treatment*Medium Debt</i>	-0.009 (0.05)	-0.003 (0.05)	-0.004 (0.07)	0.001 (0.07)				
<i>Treatment*High Debt</i>	-0.075 (0.05)	-0.056 (0.05)	-0.071 (0.07)	-0.053 (0.07)				
<i>Letter</i>					0.038 (0.06)	0.002 (0.06)	0.036 (0.08)	-0.002 (0.08)
<i>Letter*Medium Debt</i>					0.126 (0.08)	0.127 (0.08)	0.128 (0.09)	0.130 (0.09)
<i>Letter*High Debt</i>					0.083 (0.08)	0.079 (0.08)	0.086 (0.08)	0.084 (0.08)
<i>Email</i>					0.224*** (0.03)	0.212*** (0.03)	0.223*** (0.05)	0.210*** (0.05)
<i>Email*Medium Debt</i>					-0.069* (0.04)	-0.070* (0.04)	-0.068 (0.05)	-0.068 (0.05)
<i>Email*High Debt</i>					-0.104*** (0.04)	-0.103*** (0.04)	-0.102** (0.05)	-0.101** (0.05)
<i>Visit</i>					0.790*** (0.11)	0.985*** (0.18)	0.795*** (0.16)	0.971*** (0.21)
<i>Visit*Medium Debt</i>					-0.048 (0.15)	-0.122 (0.15)	-0.048 (0.17)	-0.117 (0.18)
<i>Visit*High Debt</i>					-0.353*** (0.14)	-0.443*** (0.15)	-0.360** (0.17)	-0.440** (0.18)
Estimation Controls	No 2OLS	Yes 2OLS	No Weighted 2OLS	Yes Weighted 2OLS	No 2OLS	Yes 2OLS	No Weighted 2OLS	Yes Weighted 2OLS
Observations	20,818	20,818	20,818	20,818	20,818	20,818	20,818	20,818
Adjusted R-squared	-0.00104	0.0127	-0.005	0.0136	-0.0130	-0.005	-0.0206	-0.00803
LM test statistic for underidentification (Anderson or Kleibergen-Paap)	4951	5139	1967	3347	2466	1071	443.3	473
p-value of underidentification LM statistic	0	0	0	0	0	0	0	0
F statistic for weak identification (Cragg-Donald or Kleibergen-Paap)	2164	2269	1475	2530	310.6	125.2	55.98	53.44

Notes: Standard errors in parentheses.*** p<0.01, ** p<0.05, * p<0.1. These estimations correspond to 2OLS regressions with the following controls: block dummies, Type of Tax(Wealth,Income, Sales is the base), Taxpayer type(firm), Actual liabilities (in logs), Pre-payments (in logs), number of debts, Wrong information, Negative debt, and district-specific dummies. The endogenous variables, actual treatments and the interactions have been instrumented with the assignment to treatment and interactions.

Table B.3.2.4 Second Stage-Debt Size

	Dependent Variable							
	Total Payment (in logs)							
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<i>Overall treatment</i>	3.513*** (0.26)	2.037*** (0.24)	3.653*** (0.15)	2.025*** (0.16)				
<i>Treatment*Medium Debt</i>	0.304 (0.35)	0.258 (0.33)	0.417* (0.25)	0.346 (0.24)				
<i>Treatment*High Debt</i>	0.506 (0.34)	0.631** (0.32)	0.697** (0.29)	0.776*** (0.28)				
<i>Letter</i>					1.489*** (0.45)	0.658 (0.43)	1.455*** (0.23)	0.595** (0.25)
<i>Letter*Medium Debt</i>					0.650 (0.61)	0.549 (0.57)	0.664* (0.40)	0.590 (0.39)
<i>Letter*High Debt</i>					1.406** (0.62)	1.170** (0.59)	1.447*** (0.52)	1.228** (0.50)
<i>Email</i>					2.709*** (0.19)	2.442*** (0.19)	2.693*** (0.14)	2.410*** (0.15)
<i>Email*Medium Debt</i>					-0.242 (0.27)	-0.325 (0.26)	-0.225 (0.22)	-0.305 (0.22)
<i>Email*High Debt</i>					-0.153 (0.27)	-0.217 (0.25)	-0.130 (0.25)	-0.192 (0.24)
<i>Visit</i>					11.296*** (0.85)	13.042*** (1.29)	11.371*** (0.79)	12.870*** (1.25)
<i>Visit*Medium Debt</i>					1.262 (1.13)	-0.181 (1.11)	1.274 (1.18)	-0.119 (1.09)
<i>Visit*High Debt</i>					-0.745 (1.03)	-2.264** (1.09)	-0.822 (1.11)	-2.201** (1.10)
Estimation Controls	No 2OLS	Yes 2OLS	No Weighted 2OLS	Yes Weighted 2OLS	No 2OLS	Yes 2OLS	No Weighted 2OL	Yes Weighted 2OL
Observations	20,818	20,818	20,818	20,818	20,818	20,818	20,818	20,818
Adjusted R-squared	-0.00418	0.112	-0.0224	0.109	-0.0734	0.038	-0.101	0.0277
LM test statistic for underidentification (Anderson or Kleibergen-Paap)	4951	5139	1967	3347	2466	1071	443.3	473
p-value of underidentification LM statistic	0	0	0	0	0	0	0	0
F statistic for weak identification (Cragg-Donald or Kleibergen-Paap)	2164	2269	1475	2530	310.6	125.2	55.98	53.44

Notes: Standard errors in parentheses.*** p<0.01, ** p<0.05, * p<0.1. These estimations correspond to 2OLS regressions with the following controls: block dummies, Type of Tax(Wealth,Income, Sales is the base), Taxpayer type(firm), Actual liabilities (in logs), Pre-payments (in logs), number of debts, Wrong information, Negative debt, and district-specific dummies. The endogenous variables, actual treatments and the interactions have been instrumented with the assignment to treatment and interactions.

Table B.3.2.5 Second Stage-Debt Size

	Dependent Variable							
	Other Payments							
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<i>Overall treatment</i>	0.260*** (0.02)	0.179*** (0.02)	0.266*** (0.01)	0.178*** (0.01)				
<i>Treatment*Medium Debt</i>	0.006 (0.02)	0.007 (0.02)	0.014 (0.02)	0.013 (0.01)				
<i>Treatment*High Debt</i>	0.083*** (0.02)	0.092*** (0.02)	0.097*** (0.02)	0.100*** (0.02)				
<i>Letter</i>					0.286*** (0.03)	0.242*** (0.03)	0.284*** (0.02)	0.239*** (0.02)
<i>Letter*Medium Debt</i>					-0.020 (0.04)	-0.022 (0.04)	-0.020 (0.03)	-0.021 (0.03)
<i>Letter*High Debt</i>					0.179*** (0.04)	0.166*** (0.04)	0.181*** (0.04)	0.167*** (0.04)
<i>Email</i>					0.155*** (0.01)	0.143*** (0.01)	0.153*** (0.01)	0.140*** (0.01)
<i>Email*Medium Debt</i>					-0.003 (0.02)	-0.007 (0.02)	-0.001 (0.01)	-0.005 (0.01)
<i>Email*High Debt</i>					0.035** (0.02)	0.032* (0.02)	0.038*** (0.01)	0.034** (0.01)
<i>Visit</i>					0.705*** (0.06)	0.927*** (0.09)	0.700*** (0.06)	0.914*** (0.09)
<i>Visit*Medium Debt</i>					0.041 (0.07)	-0.058 (0.07)	0.052 (0.08)	-0.048 (0.08)
<i>Visit*High Debt</i>					-0.010 (0.07)	-0.150** (0.07)	0.001 (0.07)	-0.140* (0.08)
Estimation Controls	No 2OLS	Yes 2OLS	No Weighted 2OLS	Yes Weighted 2OLS	No 2OLS	Yes 2OLS	No Weighted 2OLS	Yes Weighted 2OLS
Observations	20,818	20,818	20,818	20,818	20,818	20,818	20,818	20,818
Adjusted R-squared	-0.088	0.0400	-0.115	0.0307	-0.205	-0.129	-0.236	-0.148
LM test statistic for underidentification (Anderson or Kleibergen-Paap)	4951	5139	1967	3347	2466	1071	443.3	473
p-value of underidentification LM statistic	0	0	0	0	0	0	0	0
F statistic for weak identification (Cragg-Donald or Kleibergen-Paap)	2164	2269	1475	2530	310.6	125.2	55.98	53.44

Notes: Standard errors in parentheses.*** p<0.01, ** p<0.05, * p<0.1. These estimations correspond to 2OLS regressions with the following controls: block dummies, Type of Tax(Wealth,Income, Sales is the base), Taxpayer type(firm), Actual liabilities (in logs), Pre-payments (in logs), number of debts, Wrong information, Negative debt, and district-specific dummies. The endogenous variables, actual treatments and the interactions have been instrumented with the assignment to treatment and interactions.

3.3. Second Stage – Type of Taxpayer

Table. B.3.3.1 Second Stage – Type of Taxpayer

	Dependent Variable							
	Paid							
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Overall treatment	0.314*** (0.02)	0.166*** (0.02)	0.331*** (0.01)	0.168*** (0.01)				
Overall treatment*Firm	-0.050** (0.02)	0.014 (0.02)	-0.049*** (0.02)	0.019 (0.02)				
Letter					0.214*** (0.03)	0.099*** (0.03)	0.213*** (0.03)	0.098*** (0.02)
Letter*Firm					-0.087** (0.04)	-0.019 (0.04)	-0.085*** (0.03)	-0.019 (0.03)
Email					0.204*** (0.01)	0.172*** (0.01)	0.204*** (0.01)	0.171*** (0.01)
Email*Firm					-0.019 (0.02)	-0.005 (0.02)	-0.017 (0.01)	-0.003 (0.01)
Visit					0.784*** (0.04)	0.795*** (0.07)	0.788*** (0.05)	0.786*** (0.07)
Visit*Firm					0.134** (0.06)	0.139** (0.06)	0.123* (0.07)	0.128** (0.06)
Estimation Controls	No 2OLS	Yes 2OLS	No Weighted 2OLS	Yes Weighted 2OLS	No 2OLS	Yes 2OLS	No Weighted 2OLS	Yes Weighted 2OLS
Observations	20,818	20,818	20,818	20,818	20,818	20,818	20,818	20,818
Adjusted R-squared	-0.013	0.107	-0.0332	0.104	-0.088	0.0328	-0.118	0.021
LM test statistic for underidentification (Anderson or Kleibergen-Paap)	5364	5572	2397	5296	2866	1269	807.6	460.1
p-value of underidentification LM statistic	0	0	0	0	0	0	0	0
F statistic for weak identification (Cragg-Donald or Kleibergen-Paap)	3611	3795	2732	5883	553.5	224.7	153.2	82.96

Notes: Standard errors in parentheses. *** p<0.01, ** p<0.05, * p<0.1. These estimations correspond to 2OLS regressions with the following controls: block dummies, Type of Tax(Wealth,Income, Sales is the base), Taxpayer type(firm), Actual liabilities (in logs), Pre-payments (in logs), number of debts, Wrong information, Negative debt, and district-specific dummies. The endogenous variables, actual treatments and the interactions have been instrumented with the assignment to treatment and interactions.

Table. B.3.3.2 Second Stage – Type of Taxpayer

	Dependent variable							
	Full Payment							
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Overall treatment	0.189*** (0.01)	0.125*** (0.01)	0.199*** (0.01)	0.129*** (0.01)				
Overall treatment*Firm	-0.026* (0.02)	0.007 (0.02)	-0.024* (0.01)	0.009 (0.01)				
Letter					0.105*** (0.02)	0.066*** (0.02)	0.108*** (0.02)	0.069*** (0.02)
Letter*Firm					-0.044 (0.03)	-0.009 (0.03)	-0.043** (0.02)	-0.010 (0.02)
Email					0.141*** (0.01)	0.130*** (0.01)	0.141*** (0.01)	0.130*** (0.01)
Email*Firm					-0.014 (0.01)	-0.005 (0.01)	-0.013 (0.01)	-0.004 (0.01)
Visit					0.445*** (0.03)	0.601*** (0.05)	0.445*** (0.03)	0.596*** (0.06)
Visit*Firm					0.102** (0.04)	0.080* (0.04)	0.093* (0.05)	0.068 (0.05)
Estimation Controls	No 2OLS	Yes 2OLS	No Weighted 2OLS	Yes Weighted 2OLS	No 2OLS	Yes 2OLS	No Weighted 2OL	Yes Weighted 2OL
Observations	20,818	20,818	20,818	20,818	20,818	20,818	20,818	20,818
Adjusted R-squared	-0.003	0.0551	-0.016	0.0512	-0.049	-0.0282	-0.068	-0.0427
LM test statistic for underidentification (Anderson or Kleibergen-Paap)	5364	5572	2397	5296	2866	1269	807.6	460.1
p-value of underidentification LM statistic	0	0	0	0	0	0	0	0
F statistic for weak identification (Cragg-Donald or Kleibergen-Paap)	3611	3795	2732	5883	553.5	224.7	153.2	82.96

Notes: Standard errors in parentheses.*** p<0.01, ** p<0.05, * p<0.1. These estimations correspond to 2OLS regressions with the following controls: block dummies, Type of Tax(Wealth,Income, Sales is the base), Taxpayer type(firm), Actual liabilities (in logs), Pre-payments (in logs), number of debts, Wrong information, Negative debt, and distric-specific dummies. The endogenous variables, actual treatments and the interactions have been instrumented with the assignment to treatment and interactions.

Table B.3.3.3 Second Stage – Type of Taxpayer

	Dependent Variable							
	Payment Share							
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Overall treatment	0.248*** (0.03)	0.149*** (0.03)	0.262*** (0.01)	0.153*** (0.01)				
Overall treatment*Firm	-0.045 (0.04)	0.004 (0.04)	-0.046 (0.04)	0.005 (0.04)				
Letter					0.149** (0.06)	0.076 (0.06)	0.151*** (0.02)	0.076*** (0.02)
Letter*Firm					-0.067 (0.07)	-0.012 (0.07)	-0.066 (0.05)	-0.013 (0.05)
Email					0.173*** (0.02)	0.153*** (0.02)	0.173*** (0.01)	0.152*** (0.01)
Email*Firm					-0.015 (0.03)	-0.002 (0.03)	-0.014 (0.03)	-0.001 (0.03)
Visit					0.607*** (0.08)	0.691*** (0.13)	0.608*** (0.04)	0.680*** (0.07)
Visit*Firm					0.055 (0.11)	0.056 (0.11)	0.047 (0.09)	0.045 (0.09)
Estimation Controls	No 2OLS	Yes 2OLS	No Weighted 2OLS	Yes Weighted 2OLS	No 2OLS	Yes 2OLS	No Weighted 2OLS	Yes Weighted 2OLS
Observations	20,818	20,818	20,818	20,818	20,818	20,818	20,818	20,818
Adjusted R-squared	-0.001	0.0126	-0.005	0.0135	-0.013	-0.002	-0.0202	-0.005
LM test statistic for underidentification (Anderson or Kleibergen-Paap)	5364	5572	2397	5296	2866	1269	807.6	460.1
p-value of underidentification LM statistic	0	0	0	0	0	0	0	0
F statistic for weak identification (Cragg-Donald or Kleibergen-Paap)	3611	3795	2732	5883	553.5	224.7	153.2	82.96

Notes: Standard errors in parentheses. *** p<0.01, ** p<0.05, * p<0.1. These estimations correspond to 2OLS regressions with the following controls: block dummies, Type of Tax(Wealth,Income, Sales is the base), Taxpayer type(firm), Actual liabilities (in logs), Pre-payments (in logs), number of debts, Wrong information, Negative debt, and district-specific dummies. The endogenous variables, actual treatments and the interactions have been instrumented with the assignment to treatment and interactions.

Table B.3.3.4 Second Stage – Type of Taxpayer

	Dependent Variable							
	Total Payment (in logs)							
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Overall treatment	4.191*** (0.23)	2.198*** (0.21)	4.412*** (0.19)	2.219*** (0.18)				
Overall treatment*Firm	-0.625** (0.29)	0.244 (0.27)	-0.599** (0.24)	0.310 (0.23)				
Letter					2.908*** (0.44)	1.371*** (0.42)	2.872*** (0.37)	1.343*** (0.34)
Letter*Firm					-1.116** (0.53)	-0.212 (0.50)	-1.079** (0.44)	-0.208 (0.42)
Email					2.712*** (0.17)	2.282*** (0.16)	2.698*** (0.16)	2.253*** (0.15)
Email*Firm					-0.226 (0.22)	-0.037 (0.21)	-0.206 (0.20)	-0.015 (0.20)
Visit					10.430*** (0.57)	10.601*** (0.91)	10.495*** (0.64)	10.489*** (1.00)
Visit*Firm					1.923** (0.82)	2.051*** (0.79)	1.778* (0.95)	1.904** (0.87)
Estimation Controls	No 2OLS	Yes 2OLS	No Weighted 2OLS	Yes Weighted 2OLS	No 2OLS	Yes 2OLS	No Weighted 2OLS	Yes Weighted 2OLS
Observations	20,818	20,818	20,818	20,818	20,818	20,818	20,818	20,818
Adjusted R-squared	-0.005	0.112	-0.0225	0.110	-0.075	0.0423	-0.102	0.0329
LM test statistic for underidentification (Anderson or Kleibergen-Paap)	5364	5572	2397	5296	2866	1269	807.6	460.1
p-value of underidentification LM statistic	0	0	0	0	0	0	0	0
F statistic for weak identification (Cragg-Donald or Kleibergen-Paap)	3611	3795	2732	5883	553.5	224.7	153.2	82.96

Notes: Standard errors in parentheses.*** p<0.01, ** p<0.05, * p<0.1. These estimations correspond to 2OLS regressions with the following controls: block dummies, Type of Tax(Wealth,Income, Sales is the base), Taxpayer type(firm), Actual liabilities (in logs), Pre-payments (in logs), number of debts, Wrong information, Negative debt, and district-specific dummies. The endogenous variables, actual treatments and the interactions have been instrumented with the assignment to treatment and interactions.

Table B.3.3.5 Second Stage – Type of Taxpayer

	Dependent Variable							
	Other Payments							
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Overall treatment	0.214*** (0.01)	0.115*** (0.01)	0.223*** (0.01)	0.113*** (0.01)				
Overall treatment*Firm	0.127*** (0.02)	0.158*** (0.02)	0.134*** (0.01)	0.165*** (0.01)				
Letter					0.277*** (0.03)	0.202*** (0.03)	0.275*** (0.02)	0.199*** (0.02)
Letter*Firm					0.097*** (0.03)	0.136*** (0.03)	0.098*** (0.03)	0.136*** (0.03)
Email					0.108*** (0.01)	0.093*** (0.01)	0.108*** (0.01)	0.091*** (0.01)
Email*Firm					0.092*** (0.01)	0.095*** (0.01)	0.092*** (0.01)	0.096*** (0.01)
Visit					0.468*** (0.04)	0.584*** (0.06)	0.469*** (0.03)	0.576*** (0.06)
Visit*Firm					0.473*** (0.05)	0.402*** (0.05)	0.464*** (0.06)	0.393*** (0.06)
Estimation Controls	No 2OLS	Yes 2OLS	No Weighted 2OLS	Yes Weighted 2OLS	No 2OLS	Yes 2OLS	No Weighted 2OL	Yes Weighted 2OL
Observations	20,818	20,818	20,818	20,818	20,818	20,818	20,818	20,818
Adjusted R-squared	-0.0854	0.0379	-0.110	0.0285	-0.213	-0.124	-0.245	-0.143
LM test statistic for underidentification (Anderson or Kleibergen-Paap)	5364	5572	2397	5296	2866	1269	807.6	460.1
p-value of underidentification LM statistic	0	0	0	0	0	0	0	0
F statistic for weak identification (Cragg-Donald or Kleibergen-Paap)	3611	3795	2732	5883	553.5	224.7	153.2	82.96

Notes: Standard errors in parentheses.*** p<0.01, ** p<0.05, * p<0.1. These estimations correspond to 2OLS regressions with the following controls: block dummies, Type of Tax(Wealth,Income, Sales is the base), Taxpayer type(firm), Actual liabilities (in logs), Pre-payments (in logs), number of debts, Wrong information, Negative debt, and distric-specific dummies. The endogenous variables, actual treatments and the interactions have been instrumented with the assignment to treatment and interactions.

3.4 Second Stage – Debt Age

Table B.3.4.1 Second Stage – Debt Age

	Dependent Variable							
	Paid							
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Overall treatment	0.277*** (0.01)	0.172*** (0.01)	0.299*** (0.01)	0.178*** (0.01)				
Overall treatment*Recent Debt	0.072* (0.04)	0.036 (0.04)	0.028 (0.03)	0.019 (0.03)				
Letter					0.145*** (0.02)	0.076*** (0.02)	0.147*** (0.02)	0.075*** (0.01)
Letter*Recent Debt					0.131* (0.07)	0.116* (0.07)	0.127** (0.06)	0.113** (0.05)
Email					0.194*** (0.01)	0.170*** (0.01)	0.194*** (0.01)	0.169*** (0.01)
Email*Recent Debt					-0.011 (0.03)	-0.009 (0.03)	-0.011 (0.03)	-0.009 (0.03)
Visit					0.868*** (0.03)	0.883*** (0.06)	0.863*** (0.04)	0.865*** (0.07)
Visit*Recent Debt					-0.104 (0.08)	0.009 (0.08)	-0.103 (0.09)	0.013 (0.08)
Estimation Controls	No 2OLS	Yes 2OLS	No Weighted 2OLS	Yes Weighted 2OLS	No 2OLS	Yes 2OLS	No Weighted 2OLS	Yes Weighted 2OLS
Observations	20,818	20,818	20,818	20,818	20,818	20,818	20,818	20,818
Adjusted R-squared	-0.014	0.107	-0.033	0.104	-0.087	0.0313	-0.117	0.021
LM test statistic for underidentification (Anderson or Kleibergen-Paap)	4411	4508	5912	790.5	2979	1269	1395	449
p-value of underidentification LM statistic	0	0	0	0	0	0	0	0
F statistic for weak identification (Cragg-Donald or Kleibergen-Paap)	2797	2870	6498	1098	579.2	224.6	268.7	80.99

Notes: Standard errors in parentheses. *** p<0.01, ** p<0.05, * p<0.1. These estimations correspond to 2OLS regressions with the following controls: block dummies, Type of Tax(Wealth,Income, Sales is the base), Taxpayer type(firm), Actual liabilities (in logs), Pre-payments (in logs), number of debts, Wrong information, Negative debt, and district-specific dummies. The endogenous variables, actual treatments and the interactions have been instrumented with the assignment to treatment and interactions.

Table B.3.4.2 Second Stage – Debt Age

	Dependent variable							
	Full Payment							
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Overall treatment	0.167*** (0.01)	0.125*** (0.01)	0.179*** (0.01)	0.131*** (0.01)				
Overall treatment*Recent Debt	0.082*** (0.03)	0.061** (0.03)	0.057** (0.02)	0.047** (0.02)				
Letter					0.067*** (0.01)	0.051*** (0.01)	0.070*** (0.01)	0.053*** (0.01)
Letter*Recent Debt					0.120** (0.05)	0.112** (0.05)	0.119*** (0.05)	0.111** (0.04)
Email					0.131*** (0.01)	0.126*** (0.01)	0.132*** (0.01)	0.127*** (0.01)
Email*Recent Debt					0.014 (0.02)	0.011 (0.02)	0.014 (0.02)	0.010 (0.02)
Visit					0.497*** (0.02)	0.643*** (0.04)	0.490*** (0.03)	0.628*** (0.05)
Visit*Recent Debt					0.023 (0.06)	0.089 (0.06)	0.029 (0.07)	0.096 (0.07)
Estimation Controls	No 2OLS	Yes 2OLS	No Weighted 2OLS	Yes Weighted 2OLS	No 2OLS	Yes 2OLS	No Weighted 2OLS	Yes Weighted 2OLS
Observations	20,818	20,818	20,818	20,818	20,818	20,818	20,818	20,818
Adjusted R-squared	-0.004	0.055	-0.0158	0.052	-0.049	-0.0305	-0.067	-0.042
LM test statistic for underidentification (Anderson or Kleibergen-Paap)	4411	4508	5912	790.5	2979	1269	1395	449
p-value of underidentification LM statistic	0	0	0	0	0	0	0	0
F statistic for weak identification (Cragg-Donald or Kleibergen-Paap)	2797	2870	6498	1098	579.2	224.6	268.7	80.99

Notes: Standard errors in parentheses.*** p<0.01, ** p<0.05, * p<0.1. These estimations correspond to 2OLS regressions with the following controls: block dummies, Type of Tax(Wealth,Income, Sales is the base), Taxpayer type(firm), Actual liabilities (in logs), Pre-payments (in logs), number of debts, Wrong information, Negative debt, and distric-specific dummies. The endogenous variables, actual treatments and the interactions have been instrumented with the assignment to treatment and interactions.

Table B.3.4.3 Second Stage – Debt Age

	Dependent variable							
	Payment Share							
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Overall treatment	0.214*** (0.02)	0.147*** (0.02)	0.229*** (0.02)	0.152*** (0.02)				
Overall treatment*Recent Debt	0.083 (0.07)	0.059 (0.07)	0.050 (0.04)	0.042 (0.03)				
Letter					0.093*** (0.03)	0.056 (0.03)	0.094*** (0.03)	0.056* (0.03)
Letter*Recent Debt					0.156 (0.13)	0.147 (0.13)	0.153** (0.06)	0.143** (0.06)
Email					0.165*** (0.01)	0.152*** (0.02)	0.165*** (0.02)	0.152*** (0.02)
Email*Recent Debt					-0.007 (0.06)	-0.007 (0.05)	-0.007 (0.03)	-0.007 (0.03)
Visit					0.635*** (0.06)	0.719*** (0.11)	0.629*** (0.06)	0.698*** (0.09)
Visit*Recent Debt					-0.007 (0.15)	0.082 (0.15)	-0.005 (0.09)	0.086 (0.08)
Estimation Controls	No 2OLS	Yes 2OLS	No Weighted 2OLS	Yes Weighted 2OLS	No 2OLS	Yes 2OLS	No Weighted 2OLS	Yes Weighted 2OLS
Observations	20,818	20,818	20,818	20,818	20,818	20,818	20,818	20,818
Adjusted R-squared	-0.001	0.0125	-0.005	0.0135	-0.013	-0.00225	-0.0198	-0.005
LM test statistic for underidentification (Anderson or Kleibergen-Paap)	4411	4508	5912	790.5	2979	1269	1395	449
p-value of underidentification LM statistic	0	0	0	0	0	0	0	0
F statistic for weak identification (Cragg-Donald or Kleibergen-Paap)	2797	2870	6498	1098	579.2	224.6	268.7	80.99

Notes: Standard errors in parentheses.*** p<0.01, ** p<0.05, * p<0.1. These estimations correspond to 2OLS regressions with the following controls: block dummies, Type of Tax(Wealth,Income, Sales is the base), Taxpayer type(firm), Actual liabilities (in logs), Pre-payments (in logs), number of debts, Wrong information, Negative debt, and distric-specific dummies. The endogenous variables, actual treatments and the interactions have been instrumented with the assignment to treatment and interactions.

Table B.3.4.4 Second Stage – Debt Age

	Dependent Variable							
	Total Payment (in logs)							
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Overall treatment	3.727*** (0.14)	2.314*** (0.13)	4.005*** (0.13)	2.391*** (0.11)				
Overall treatment*Recent Debt	1.028* (0.55)	0.543 (0.52)	0.407 (0.40)	0.275 (0.38)				
Letter					2.016*** (0.25)	1.085*** (0.24)	2.019*** (0.21)	1.064*** (0.20)
Letter*Recent Debt					1.858* (0.96)	1.653* (0.91)	1.752** (0.80)	1.564** (0.76)
Email					2.585*** (0.11)	2.263*** (0.11)	2.585*** (0.10)	2.249*** (0.10)
Email*Recent Debt					-0.138 (0.42)	-0.111 (0.39)	-0.155 (0.36)	-0.129 (0.36)
Visit					11.619*** (0.45)	11.882*** (0.80)	11.566*** (0.52)	11.645*** (0.91)
Visit*Recent Debt					-1.274 (1.12)	0.245 (1.07)	-1.294 (1.18)	0.262 (1.11)
Estimation Controls	No 2OLS	Yes 2OLS	No Weighted 2OLS	Yes Weighted 2OLS	No 2OLS	Yes 2OLS	No Weighted 2OLS	Yes Weighted 2OLS
Observations	20,818	20,818	20,818	20,818	20,818	20,818	20,818	20,818
Adjusted R-squared	-0.006	0.112	-0.022	0.110	-0.074	0.0409	-0.0998	0.033
LM test statistic for underidentification (Anderson or Kleibergen-Paap)	4411	4508	5912	790.5	2979	1269	1395	449
p-value of underidentification LM statistic	0	0	0	0	0	0	0	0
F statistic for weak identification (Cragg-Donald or Kleibergen-Paap)	2797	2870	6498	1098	579.2	224.6	268.7	80.99

Notes: Standard errors in parentheses.*** p<0.01, ** p<0.05, * p<0.1. These estimations correspond to 2OLS regressions with the following controls: block dummies, Type of Tax(Wealth,Income, Sales is the base), Taxpayer type(firm), Actual liabilities (in logs), Pre-payments (in logs), number of debts, Wrong information, Negative debt, and distric-specific dummies. The endogenous variables, actual treatments and the interactions have been instrumented with the assignment to treatment and interactions.

Table B.3.4.5 Second Stage – Debt Age

	Dependent Variable							
	Other Payments							
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Overall treatment	0.293*** (0.01)	0.216*** (0.01)	0.309*** (0.01)	0.220*** (0.01)				
Overall treatment*Recent Debt	-0.003 (0.04)	-0.008 (0.03)	-0.041* (0.02)	-0.026 (0.02)				
Letter					0.339*** (0.02)	0.290*** (0.02)	0.338*** (0.02)	0.287*** (0.01)
Letter*Recent Debt					-0.016 (0.06)	-0.004 (0.06)	-0.019 (0.05)	-0.003 (0.05)
Email					0.168*** (0.01)	0.153*** (0.01)	0.167*** (0.01)	0.151*** (0.01)
Email*Recent Debt					-0.019 (0.03)	-0.015 (0.03)	-0.022 (0.02)	-0.017 (0.02)
Visit					0.744*** (0.03)	0.848*** (0.05)	0.740*** (0.03)	0.831*** (0.06)
Visit*Recent Debt					-0.194*** (0.07)	-0.050 (0.07)	-0.204*** (0.07)	-0.052 (0.07)
Estimation Controls	No 2OLS	Yes 2OLS	No Weighted 2OLS	Yes Weighted 2OLS	No 2OLS	Yes 2OLS	No Weighted 2OL	Yes Weighted 2OL
Observations	20,818	20,818	20,818	20,818	20,818	20,818	20,818	20,818
Adjusted R-squared	-0.0896	0.040	-0.114	0.033	-0.205	-0.125	-0.236	-0.141
LM test statistic for underidentification (Anderson or Kleibergen-Paap)	4411	4508	5912	790.5	2979	1269	1395	449
p-value of underidentification LM statistic	0	0	0	0	0	0	0	0
F statistic for weak identification (Cragg-Donald or Kleibergen-Paap)	2797	2870	6498	1098	579.2	224.6	268.7	80.99

Notes: Standard errors in parentheses.*** p<0.01, ** p<0.05, * p<0.1. These estimations correspond to 2OLS regressions with the following controls: block dummies, Type of Tax(Wealth,Income, Sales is the base), Taxpayer type(firm), Actual liabilities (in logs), Pre-payments (in logs), number of debts, Wrong information, Negative debt, and distric-specific dummies. The endogenous variables, actual treatments and the interactions have been instrumented with the assignment to treatment and interactions.

Assignment Non-Compliance

Regression results reported in the first column of the table show that there are no systematic patterns other than a slightly larger probability of having the wrong address for legal entities, and for those owing income and VAT instead of wealth taxes. No correlations are found with debt levels (and no correlations are found either with the block level dummies). Some of the districts seem to be particularly problematic, which may indicate that addresses have not been updated or lower effort in the part of the mail delivery personnel. Therefore, while we recognize that our results are local, we do not see any specific biases in terms of the sample we are using. Interestingly, it does not seem to be the case that the wrong addresses have been the result of a conscious decision by the taxpayers to avoid prosecution.

Table B.4.1. Evaluating Assignment Non-Compliance

	Dependent Variables	
	Attempted Visit	Failed Treatment (wrong address)
Letter	0.004 (0.00)	0.305*** (0.02)
Email	-0.001 (0.00)	-0.130*** (0.02)
Inspection	0.189*** (0.00)	
Informed Liabilities (log)	0.008*** (0.00)	-0.006 (0.01)
Number of Debts	-0.001 (0.00)	-0.002 (0.00)
Tax (income)	-0.003 (0.00)	0.058*** (0.02)
Tax (VAT)	0.002 (0.00)	0.046*** (0.01)
Taxpayer type (Firms)	0.002 (0.00)	0.018** (0.01)
Observations	20,818	10,732
Adjusted R-squared	0.556	0.223
Controls	Yes	Yes
Model	OLS	OLS

Standard errors in parentheses.*** p<0.01, ** p<0.05, * p<0.1. OLS estimations with the following controls: block dummies and district-specific dummies.

The same results in the first column of the table offer an interesting glimpse into the effectiveness of using letters as a delivery mechanism: despite the fact that Table 1 shows a higher delivery rate for letters than visits, here we see that conditional on taxpayer and debt type, it is more likely to miss the taxpayer when sending a letter than when sending an email or an inspector. The first fact may be explained by the fact that people's email address may have been collected more recently than postal addresses.³³ The second fact may be explained by higher effort on the part of the inspector to locate the taxpayer than the mail delivery person. This result is relevant in terms of its policy implications (emails are cheaper than letters, reach more individuals, and have a higher effect on compliance) but also in terms of its academic implications. Some of the non-results in the literature may be explained by the fact that some of these papers have been able to estimate only ITT effects.³⁴

A second issue the field experiment faced in terms of non-compliance with the treatment assignment was that the number of personal visits performed was lower than originally agreed. While this fact hindered slightly the ability of the agency to collect back owed taxes and it reduces the external validity of the exercise, it allows exploring how inspectors decide which taxpayers to visit (and whether there were any systematic criteria behind the decision.) As can be observed in the second column of Table 4, the Agency attempted to inspect about 20 percent of those assigned to the treatment and gave a barely positive but still statistically significant higher priority to those with relatively higher liabilities (for example, somebody in the 90th percentile would have had approximately a 2 percent higher probability of being audited than somebody in the 50th percentile). Some differences do also exist across districts, with taxpayers in some districts being more likely to receive an inspection than taxpayers in others. This result may have multiple reasons, from the number of inspectors available in each district to weather conditions.

³³ It is also true that reliance on the non-delivery of emails may be worse than on that of letters (we only know of those cases that were rejected by the server which may be an undercounting than the actual number of wrong email addresses).

³⁴ As it was indicated before, not finding the taxpayer is not unique to a developing country context. In the United States, in 2013 there were more than half a million individuals which the IRS could not find for collecting past debts.

Letter and Email Message Example

Anexo I: Modelos cartas/correos electrónicos

Bogotá D.C. 02/10/2013

Radicado No. 057327

Consecutivo No. 9803

Señor

Apellidos Nombres o razón social completa:

N.I.T.:

E-mail.

Dirección:

Municipio:

Departamento:

Asunto: **PAGO INMEDIATO**

Cordial saludo,

La Dirección de Impuestos y Aduanas Nacionales – DIAN lo invita a realizar el pago a más tardar dentro de los 10 días siguientes al recibo de esta comunicación de las obligaciones tributarias que a 31 de julio de 2013 se encuentran en mora a su nombre. Una vez revisadas las bases de datos se registra las siguientes:

<<Impuesto>> <<Año>> <<Mes>> <<Importe>>

La liquidación y pago de sus obligaciones la puede hacer a través de los servicios informáticos electrónicos haciendo uso del mecanismo de firma digital, si no dispone de ella puede habilitar su cuenta, liquidar el recibo oficial de pago, imprimir dos ejemplares y realizar el pago en la entidades bancarias autorizadas o puede adquirir los recibos oficiales de pago en los puntos de venta, diligenciarlo de forma manual y realizar el pago en la entidades bancarias.

Tenga en cuenta que la falta de pago a tiempo de sus obligaciones tributarias hace más costosa su deuda:

La DIAN calcula los intereses moratorios diarios a la tasa de usura vigente certificada por la Superintendencia Financiera de Colombia. Lo que anualmente equivale a 30.51 % de los impuestos, anticipos y retenciones a su cargo, es decir 10.17 % más costosa que la tasa de interés bancario corriente efectivo anual para la modalidad de crédito de consumo y ordinario que se sitúa en 20.34 %.

Así mismo, las sanciones que lleven más de un año de vencidas, serán reajustadas y acumuladas el 1 de enero de cada año, en el ciento por ciento (100%) de la inflación del año anterior certificado por el Departamento Administrativo Nacional de Estadística, DANE.

Adicionalmente, el no pago de sus obligaciones, obliga a la Entidad a reportarlo en el Boletín de Deudores Morosos del Estado-UAE Contaduría de la Nación y a decretar medidas cautelares que afectarían su historial crediticio.

Cualquier aclaración será efectuada por el funcionario CRUZ MOJICA OLIVIA LILIBETH de la División de Gestión de Cobranzas y/o Recaudo y Cobranzas de la Dirección Seccional de Impuestos y Aduanas de Bucaramanga.

Cordialmente,

“Colombia, un compromiso que no podemos evadir”

ENRIQUE JAVIER BRAVO DIAZ
Subdirector de Gestión de Recaudo y Cobranzas

Anexo II: Acta de visita

Dirección Seccional: 02 BARRANQUILLA		Dependencia: 244 – DIVISIÓN GESTIÓN DE	
N.I.T.: «NIT»	Nombres o razón social completa: «Razon_Social»		
Dirección: «Direccion»		Municipio: Barranquilla	Departamento: Atlántico
Resultado Anterior:		Visita Anterior:	

Con fundamento en el Auto(s) Comisorio(s) 90022 del 21 de junio de 2.013 proferido(s) por el jefe de la División de Gestión de Cobranzas de la Dirección Seccional de Impuestos de Barranquilla. Y en uso de las facultades legales conferidas, el funcionario descrito al pie de esta acta Siendo las _____ horas me traslade a la dirección «Direccion» de la ciudad de Barranquilla – Atlántico, donde fui atendido por el Sr.(a) _____ identificado con la cédula de ciudadanía número _____ de _____ en su calidad de _____ quien manifiesta:

Quien atendió la visita Nombre:	C.C.:	Firma:
Nombre Funcionario: C.C.:	Cargo:	Firma:
Nombre Funcionario: C.C.:	Cargo:	Firma:

ACTUALIZACION DE DATOS:

Correo Electrónico: _____

Teléfonos: _____

Personal visit protocol

Anexo III: Guion de visitas

Apertura visita:

“Buenos días, mi nombre es _____ y el nombre de mi compañero(a) es _____”

_____ somos funcionarios(a) de la DIAN, estos son los carnés que nos acreditan como tal y este es el auto comisorio que nos faculta para realizar esta visita enmarcada dentro de la Jornada Nacional de Cobro.

Según los datos disponibles a la fecha en la entidad, me permito informarle que usted tiene deudas a cargo por valor de \$ _____ más los intereses de mora causados hasta la fecha de pago, por favor me indica si en los últimos días realizó pagos y/o compensaciones a las obligaciones que le mencione; la inquietud obedece a que el plazo que tienen las entidades autorizadas para recaudar es de veinte (20) días para reportar información a la DIAN”.

Si el contribuyente exhibe los documentos que demuestran el pago y/o la compensación, diligenciar el acta, firmar, consignar información en el formato N°1 y pasar a la parte de cierre de la visita.

En el caso de que las deudas sean reales indicarle al deudor que debe pagar inmediatamente so pena de verse incurso en el delito de Omisión al Agente Retenedor o Recaudador tipificado en el artículo 402 del Código Penal; ser reportado en el Boletín de deudores morosos en cumplimiento de la Ley 901 de 2004,; provocar el cierre del establecimiento de conformidad con el artículo 657 del E.T., deteriorar su imagen a nivel comercial y social y generar el inicio de un proceso de cobro coactivo que repercutirá en su patrimonio.

Si el deudor accede a pagar o compensar las obligaciones en las próximas dos (2) semanas señalar el compromiso de pago y/o la fecha en que realizará la solicitud de compensación en el acta, firmar, consignar información en el formato N°1 y pasar a la parte de cierre de la visita. En todo caso insistirle al contribuyente sobre la recomendación de pagar y entregar los recibos de pago e instruir sobre su diligenciamiento, cuando sea del caso.

Si el contribuyente es renuente al pago indicarle como última alternativa, que puede acceder a una facilidad de pago con una cuota mínima del 30% de la deuda, la cual deberá formalizar en las dos próximas semanas, aportando los requisitos establecido en la Orden Administrativa N 004 de 2007. Insistir en lo oneroso que resulta adeudar impuestos a la DIAN, dadas las tasas de interés que generalmente son superiores a las bancarias y recordarle que para las obligaciones de retención en la fuente no se otorga facilidad de pago.

Si el contribuyente solicita una facilidad de pago, consignar el compromiso en el acta detallando la fecha de pago de la cuota inicial y fijar una fecha de reunión en la Dirección Seccional para precisar los requisitos, firmar, consignar información en el formato N°1 y pasar a la parte de cierre de la visita.

Si el contribuyente no formula una alternativa legal de pago diligenciar el acta indicándole que en los próximos quince (15) días deberá allegar a la Dirección Seccional División de Gestión de Cobranzas o División de Gestión de Recaudo y Cobranzas la siguiente información: Detalle del patrimonio identificando activos fijos, cuentas bancarias y cuentas por cobrar, además listado de clientes y flujo de caja.

Firmar acta, consignar información en el formato N°1 y pasar a la parte de cierre de la visita.

Cierre de la visita:

Señor(a), muchas gracias por su tiempo, recuerde que: “PAGAR ES OTRO COMPROMISO QUE NO PODEMOS EVADIR”

Observaciones Generales:

1. Indicar al contribuyente que si realiza pagos a las obligaciones, este deberá ser reportado al correo electrónico pagarpaga@dian.gov.co
2. Señalar al deudor que solicite descuentos que en virtud de los principios de equidad, eficiencia y progresividad contenidos en los artículos 338 y 363 de la Constitución Política de Colombia, únicamente mediante Ley, se podrán otorgar rebajas de intereses sobre los impuestos adeudados a la Dirección de Impuestos y Aduanas Nacionales.
3. Diligenciar acta en todos los casos o situaciones encontradas.
4. Si el contribuyente se niega a firmar el acta de visita, se debe dejar constancia de lo sucedido en la misma.

Anexo IV: Citación

Dirección Seccional: 02 BARRANQUILLA		Dependencia: 244 – DIVISIÓN GESTIÓN DE	
N.I.T.: «NIT»	Nombres o razón social completa: «Razon_Social»		
Dirección: «Direccion»		Municipio: Barranquilla	Departamento: Atlántico
Resultado Anterior:		Visita Anterior:	

VISITA CON CITACION __

FECHA ATENCION:

Por no contactar al deudor o representante legal ____o el lugar se encuentra cerrado ____le informamos que fue visitado por un funcionario de la DIAN dentro de la **JORNADA NACIONAL DE COBRO**, por lo tanto lo invitamos a comparecer a la Carrera 30 Avenida Hamburgo Edificio Aduana 3^{er} Piso y para cualquier aclaración o entrega de documentos dirigirse al funcionario: XXXXXXXXXXXXX.

CONTACTO TELEFONICO: _____ **NOTA:** Esta casilla es de obligatorio cumplimiento.

Quien atendió la visita Nombre:	C.C.:	Firma:
Nombre Funcionario: C.C.:	Cargo:	Firma:
Nombre Funcionario: C.C.:	Cargo:	Firma: