

Table S1. Sample characteristics.

	25–34	35–44	45–54	55–64	65–74	75–84
Age (years)	6.7%	14.5%	30.9%	32.7%	14.2%	0.9%
Income (£)	0–10,000	10,000– 20,000	20,000– 30,000	30,000– 40,000	40,000– 60,000	over 60,000
	13.0%	20.6%	17.6%	20.3%	13.6%	14.8%
Education	GCSE	A-level/ vocational training	BA or BSc	Postgraduate (MSc/PhD)	Other	
	12.4%	30.9%	26.1%	18.8%	11.8%	
Business type	Occasional freelancer	Self- employed/ sole trader	Partnership	Limited liability company	Other	
	3.6%	34.5%	8.2%	52.7%	0.9%	
Geography	England	Northern Ireland	Scotland	Wales		
	79.4%	0.3%	2.4%	7.9%		

The dynamics of intrinsic and extrinsic motivation in the ethical decision making of small business owners. The questions were based on the British education system, where: General Certificate of Secondary Education (GCSE): Exam taken by school students 16 years of age; A-level/vocational training: Qualification taken around 16–18, with exams around 18 years of age; BA or BSc: Undergraduate university education; Postgraduate (MSc/PhD): Postgraduate university education; Other: Other professional training.

Table S2. Factor analysis results for tax planning, avoidance and evasion items.

	Factor 1: Tax evasion	Factor 2: Tax planning	Factor 3: Tax avoidance	Communality
1. You could spend time taking a detailed look at the tax regulations yourself to search for potential savings. How likely would you be to take this detailed look at the tax regulations?		.891		.785
2. You could attend a course which informs you about the current possibilities for making claims against tax. How likely would you be to attend such a course?		.856		.763
3. You could buy low-value assets (e.g., printer, scanner, etc.) which you do not currently need for your business, so as to decrease the figure on which your tax calculation is based. How likely would you be to purchase such assets? [REMOVED FROM ANALYSIS DUE TO LOW SCALE RELIABILITY]			-.541	.440
4. Your accountant recommends a tax scheme. This scheme uses an intermediary offshore company to direct payments from your clients to your business. Your accountant assures you this will generate large tax savings in a legal way. How likely are you to get involved in the scheme?			-.895	.767
5. A friend with a business like yours tells you about their tax advisor. His advisor managed to save him large sums of tax by using loopholes in the tax law. How likely are you to want to use this specialist tax advisor?			-.871	.752
6. A customer paid in cash and did not require an invoice. You could intentionally omit this income from your income tax return. How likely is it that you would omit this income?	.899			.735
7. You bought some of your goods privately (not through the business). You could resell those goods later to established customers and omit the profit from this sale on your income tax return. How likely would you be to omit the profit from this sale on your tax return?	.871			.715
8. You purchase a smartphone as a present for a family member. You could declare this cost as a business expense. How likely would you be to claim it as a business expense?	.690			.619

9. You have been abroad to meet relatives and to have a short meeting with one of your suppliers. You could declare your expenses for the hotel as business travel although you spent most nights there to meet relatives and friends. How likely would you be to claim all your expenses as business travel?	.734			.585
10. Recently you took part in a project in an acquaintance's company. Now you could conceal this taxable additional income on your income tax return. How likely is it that you would conceal this additional income?	.828			.711
Eigenvalue	3.974	1.660	1.237	
% Total variance	39.738	16.604	12.373	
Total variance			68.714	

Table S3. Variables – descriptive statistics and correlation among study variables

	Mean	SD	Min	Max	1	2	3	4	5	6	7	8	9	10	11	12
1. Tax planning	3.238	1.654	1	7	-	-	-	-	-	-	-	-	-	-	-	-
2. Tax avoidance	2.683	1.328	1	7	.136*	-	-	-	-	-	-	-	-	-	-	-
3. Tax evasion	2.463	1.335	1	7	.006	.451**	-	-	-	-	-	-	-	-	-	-
4. Self-reported compliance	5.854	1.303	1	7	.064	-.298**	-.681**	-	-	-	-	-	-	-	-	-
5. Audit belief	5.160	1.571	1	7	-.042	-.033	-.166**	.279**	-	-	-	-	-	-	-	-
6. Penalty belief	5.490	1.589	1	7	.016	.006	-.105	.238**	.292**	-	-	-	-	-	-	-
7. Personal norm	6.420	1.106	1	7	.001	-.230**	-.354**	.529**	.202**	.208**	-	-	-	-	-	-
8. Social norm	5.070	1.641	1	7	.076	-.063	-.076	.150**	.152**	.070	.246**	-	-	-	-	-
9. Fairness	4.649	1.379	1	7	.049	-.194**	-.131*	.177**	.218**	.007	.289**	.145**	-	-	-	-
10. Belief about tax system	4.260	1.443	1	7	.206**	.127*	.090	-.027	-.142*	-.005	-.034	-.030	.046	-	-	-
11. Tax knowledge	4.560	1.675	1	7	.266**	-.082	-.183**	.243**	.064	.060	.118*	.145**	.164**	.113*	-	-
12. Evasion as serious crime	3.826	1.302	1	7	.048	-.102	-.334**	.401**	.197**	.188**	.236**	.088	.231**	-.046	.113*	-

* $p < .05$, ** $p < .01$, *** $p < .001$.