Negotiating Fairness: Exploration of Taxpayer Perceptions and its Socioeconomic Impact on Real Property Tax in the Local Government Unit of Orion

Bryan Albert D. Isidro

Graduate School, Bataan Peninsula State University

DOI: 10.29322/IJSRP.15.09.2025.p16513
https://dx.doi.org/10.29322/IJSRP.15.09.2025.p16513

Paper Received Date: 15th August 2025
Paper Acceptance Date: 13th September 2025
Paper Publication Date: 18th September 2025

Abstract- *This study explores taxpayers' perceptions of Real Property Tax (RPT) fairness in the Local Government Unit (LGU) of Orion, Bataan, Philippines. Through in-depth interviews, focus group discussions, document analysis, and survey questionnaire with a diverse sample of taxpayers, the research will uncover key factors influencing their views on RPT equity.*

Index Terms- *Fairness, LGU, Orion, RPT, Taxpayer*

I. INTRODUCTION

Real Property Tax (RPT) is considered one of the critical sources of funds for local governments to finance vital sectors and social infrastructures. Nevertheless, it reveals that taxpayers' perceptions of fairness and equity of RPT systems directly impact compliance, trust, and fiscality among the affected citizens across regions. This is the case if, like most LGUs, the goal is to generate adequate revenues for its operations while maintaining the satisfaction of its taxpayers and can be deemed to be paying just and equitable amounts of RPT assessments. In the United States, property taxes are a primary source of funding for public services like schools, roads, police departments, fire and emergency medical services, and other services associated with residency or property ownership (Tax Foundation). Canada similarly relies heavily on property taxes for funding public services such as education, with provincial governments playing a key role in managing these funds, as detailed by the Canadian Information Centre for International Credentials and the Canadian Centre for Policy Alternatives. Even in Japan, where the national government plays a larger role in education finance, property taxes contribute to funding compulsory education, as outlined by Ministry of Education, Culture, Sports, Science and Technology (MEXT) and the Organization for Economic Co-operation and Development (OECD). While in the Philippines RPT is imposed and collected annually by provinces, cities and municipalities (Republic Act 7160, Sec. 233). The power to levy RPT is vested on LGUs pursuant to the provisions of the Local Government Code of 1991 (RA 7160). Section 18 of the said law provides that LGUs shall have the power and authority to create their own sources of revenues and to levy taxes, fees and charges, which shall accrue exclusively for their use and disposition and which shall be retained by them. Alongside the collection of RPT is the Special Education Fund, for which to be utilized exclusively by the Department of Education (RA 5447). Section 1 of the said law stated that there is hereby created a Special Education Fund, hereinafter referred to as the Fund, to be derived from the additional tax on real property and from a certain portion of the taxes on Virginia-type cigarettes and duties on imported leaf tobacco.

Regarding reforms in the process of RPT administration, the recent trends exemplify increased focus on issues of openness, utilization of technological approaches to assessments, and community involvement. Taxpayers are becoming more assertive on how they want their properties valued, how the RPT rates are assessed, and how the revenues are applied. There has also been a shift in the automation of RPT systems, which has presented an opportunity for increasing efficiency and accuracy in operations and allowing easy access to information for taxpayers. With all these trends, however, several critical problems remain in the administration of RPT. Citizens get anxious over the stability of assessed values, the uncertainty in RPT policies, and poor information dissemination from local governments. Such concerns may result in conflicts, appeals, and people losing faith in the justice system. Also, variations in the economic conditions or property market or even disasters that affect the property market are likely to skew the market value and thus pose a high likelihood of perceived unfair practices.

Literature that involves previous researches on RPT administration and taxpayer attitude is scarce; the existing general comparative systems studies are Allaire & Dhaoui's (2023) comparative analysis of real property tax systems in developing countries while Byrne & Kielbaso (2022) examines the qualitative impact of RPT reassessments on taxpayer satisfaction. This lack of understanding considerably limits the LGU's potential to address the requisites and expectations of its people in terms of RPT policies and practices. In a journal by Uy M. T. (2021), the article seeks to assess the relationship of some economic and institutional factors was well as the influence of tax administration on RPT collection. The study also focuses on the different variables that affects the collection of RPT and formulates reform that could enhance revenue collection of LGU's. One problem the study addresses is how tax administration influence RPT collection which also one of the goals of this study, to address fairness of the present tax administration.

The primary purpose of this research is to perform a mixed-method analysis of taxpayers' perceptions of fairness and its socioeconomic impact on RPT in the LGU of Orion to show the potential relationship between the two. This paper could involve a comprehension interview, focus group discussion, document review of LGU Tax Records, surveys, and to identify socioeconomic indicators across relevant agencies to establish the antecedents of the opinions held by the taxpayers concerning RPT equity and socioeconomic indicators as well as establish areas of concern and gather beneficial information for the policy reform and communication strategy.

The following fundamentals outline the benefits that this study is bound to offer in the dispensation of RPT administration: Firstly, it could offer a more profound insight into how Orion taxpayers view the issue of RPT fairness, thus satisfying an information deficit in the literature. Secondly, the result of this study could provide specific recommendations for the LGU of Orion to formulate how to improve the existing RPT system, address the reasons for the low satisfaction of the taxpayers, and build up more trust and understanding from the side of the taxpayers. The study also aims to identify the potential relationship between taxpayers' perceptions and the its socioeconomic impact on RPT in Orion. In conclusion, this study could be a beneficial source of information for other local administrations that face similar challenges in managing RPT, along with the broader conversation on the success of fair and adequate approaches to engaging taxpayers and generating revenues.

Specifically, the study addresses the following issues:

1. How do taxpayers describe their experiences and feelings regarding the fairness and accuracy of their property assessments?
2. What are taxpayers' perceptions and understandings of the reasonableness and equity of the real property tax rates imposed by the Orion LGUs?
3. What are taxpayers' lived experiences in navigating the property assessment appeal process, and how do they perceive its accessibility and effectiveness?
4. What is the level of satisfaction with the current real property tax system in Orion among different socioeconomic groups?
5. Is there a statistically significant relationship between perceived fairness of the tax system and willingness to pay real property tax?

II. METHODOLOGY

Research Design

The study examines the intricate connections between taxpayers' views on Real Property Tax (RPT) fairness and socioeconomic effects using a mixed-method research design within Orion's Local Government Unit (LGU). This study employs a mixed-method approach to effectively capture taxpayers' nuanced experiences and beliefs while collecting statistical data regarding their perceptions of RPT fairness and its socioeconomic impacts.

In-depth interviews, focus group discussions, and questionnaires will be the main tools of data collection. In-depth interviews will probe taxpayers' unique experiences with the RPT system; focus group discussions will allow participants to share and investigate ideas together, exposing common themes and concerns; and surveys will measure taxpayers' opinions on fairness and socioeconomic impacts.

Using a mixed-methods research approach, the study examines, among taxpayers, opinions of Real Property Tax (RPT) fairness. Using thematic and content analysis techniques, the study of qualitative data from interviews and focus group discussions, along with pertinent documents, can help to find recurrent trends and themes linked to elements influencing opinions. Descriptive statistics can help us describe the socioeconomic traits of taxpayers and their responses to survey questions through quantitative data analysis. The study will use correlation and regression analysis to find how perceived fairness, socioeconomic effect, taxpayer traits, and policies influence RPT.

Using a rigorous strategy combining quantitative and qualitative data, the mixed-methods study will keep its credibility and reliability. Survey results and statistical studies will provide quantifiable data to spot trends and patterns. Examining the causes behind quantitative results will benefit from thorough contextual knowledge from the qualitative data from in-depth interviews and observational notes.

A comprehensive audit trail to document every decision will maintain throughout data collection and analysis phases to reduce potential bias in the qualitative research component. The researcher will use reflexive journaling to document personal biases and assumptions which enables ongoing self-assessment during the research process. The study will perform statistical analyses of quantitative data through appropriate software and methods while fully documenting each step of the process. The qualitative phase will utilize member checking to confirm interpretation accuracy by engaging participants to represent their perspectives correctly.

To cross-validate, findings will use descriptive correlation analysis and sequential exploratory data examination to compare quantitative and qualitative results while identifying various themes. The study will recognize and discuss its limitations which cover researcher bias because of the single researcher design and the restricted generalizability of results beyond Orion. The study will address both potential sampling bias and survey design limitations of the quantitative data. The comprehensive methodology will strengthen the study's rigor and depth which leads to a better understanding of the research question.

Population and Sampling

Property Taxpayers are the most essential group to include in the study on real property tax. These individuals directly experience the financial burden of the tax and can provide firsthand accounts of its impact on their lives. It's crucial to include a diverse sample of taxpayers, including homeowners from different income levels, landlords who own rental properties, and businesses of various sizes to capture the full range of experiences.

This study will employ stratified random sampling and purposive sampling strategy to identify and recruit participants who can provide rich and diverse perspectives. Stratification divides the population into distinct subgroups based on relevant characteristics, such as property type (residential, commercial, industrial, agricultural), property value, and geographical location within Orion. Concurrently, purposive sampling will be implemented to gather in-depth qualitative data from information-rich participants. This approach will target individuals possessing unique insights or experiences related to the RPT system, such as long-term residents, influential business leaders, and key LGU officials, thereby providing a nuanced understanding of the quantitative findings and enriching the overall analysis.

The respondents of the purposive sampling will be recruited through a combination of methods, including referrals from local officials, community leaders, and existing taxpayer associations. These respondents will be contacted through the phone or direct messages and invited to participate in the study. To broaden the participants further, initial respondents will be snowballed, meaning that the initial respondents will be requested to provide contact information for other taxpayers who might be interested and able to give their regard for testimony. This method assists in getting respondents who are not easily obtainable by conventional recruitment methods.

The sample size on stratified random sampling is to be obtained based on the size of each stratum. On Purposive sampling, the samples are not preset but will stem from the concept of sampling to saturation, which is the termination or stopping of data collection once no additional patterns from the interviews and focus groups springs forth. This captures the full range of RPT fairness issues in Orion thus ensuring that it is adequately covered.

Data Collection Procedure

The data gathering process will be conducted in four phases, starting with document analysis following by in-depth interviews, focus group discussions and distribution of surveys. In the first phase, documents such as, assessment rolls and previous revenue code document will be examined and determine the context of those documents in relation to fairness in tax collection. Next is, individual interviews will be arranged with selected taxpayers. These interviews will take place in a comfortable and private setting, either at the taxpayer's home or a mutually agreed upon location, ensuring a relaxed atmosphere conducive to open and honest dialogue. The interviewer will guide the conversation using the semi-structured interview guide, delving into the participants' experiences, opinions, and concerns regarding the RPT system. Each interview will be audio-recorded and transcribed verbatim for subsequent analysis.

After an in-depth one-on-one interview with the respondents, focus group discussions will be organized with groups of taxpayers. These discussions will be held in a neutral setting, such as a community center or library, to encourage participation and minimize any potential biases. A moderator will facilitate the discussion using the focus group guide, ensuring that all participants have an opportunity to share their views and engage in a meaningful exchange of ideas. The discussions will also be audio-recorded and transcribed for analysis.

In the last phase, building upon the insights gained from interviews and focus group discussions, a structure survey instrument will be administered to a statistically representative sample of taxpayers, derived from stratified random sampling. This survey will be designed to quantify and generalize the identified themes and perceptions regarding RPT fairness, compliance, and its socioeconomic impact in the LGU of Orion.

Throughout the phases of data collection, survey metadata and a reflexive journal to document their observations, reflections, essential information, and potential biases will be maintained. This metadata and journal will serve as an additional source of data, providing insights into the research process and potentially influencing the interpretation of findings. Upon completion of data collection, the transcripts will be carefully reviewed and analyzed using thematic analysis to identify recurring patterns and themes that shed light on taxpayers' perceptions of RPT fairness, compliance, and its socioeconomic impact in the LGU of Orion.

Data Analysis

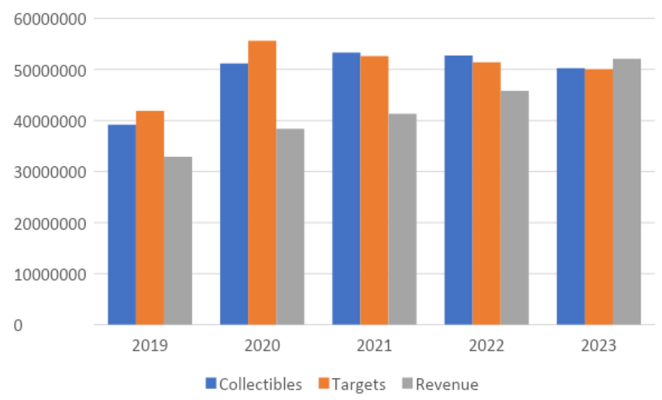
The data analysis for this project will use several techniques to answer the study problems. Thematic and content analysis will be the main means of analysis for qualitative data obtained from pertinent records, in-depth interviews, and focus group discussions. All audio recordings will first be transcribed verbatim, and then a thorough familiarization phase, including transcript recording, will start this process. The data will then be systematically coded to find recurring themes, trends, and ideas. After that, these codes will be arranged into more general themes that will be examined and polished to guarantee the correct portrayal of the participants' viewpoints. Software tools like NVivo or ATLAS will be built with a thorough codebook to ensure uniformity during the coding process. Using this software will help manage and analyze the qualitative data. Apart from thematic study, content, and narrative analysis could also be used to investigate particular facets of the qualitative data, such as the frequency of particular terms or the framework of individual tales.

Complementing the qualitative analysis, suitable statistical methods will be used to examine quantitative data from the survey instrument. Calculated to give an overview of the sample characteristics and the distribution of survey responses are descriptive statistics containing measures of central tendency and dispersion. Relationships between variables will be investigated using inferential statistics, which will also help to deduce general population conclusions. T-tests and ANOVA will be used to examine categorical data and compare means between different groups; correlation and regression analyses will be used to investigate the relationships between factors such as property value and perceived fairness; these will help to predict the impact of various variables on tax compliance. The survey data will be carefully cleaned to guarantee accuracy and consistency before analysis; statistical tools such as SPSS, R, or Stata will then be applied for the investigation.

At last, the study will combine the qualitative and quantitative results using triangulation, thereby contrasting and identifying areas of similarities and differences. This technique will help improve the research's validity and dependability by offering a more in-depth knowledge of taxpayer impressions and their social consequences. As necessary to help the two data sets be integrated, data transformation, narrative embedding, and joint displays will be used. Adherence to ethical issues, including confidentiality and anonymity, will be critical throughout the data analysis process; all operations will be precisely recorded to guarantee openness and replicability.

APPENDIX

Appendix A- Property tax collectibles, targets and revenue of LGU Orion, 2019-2023



The annual aggregate revenues of real property taxes consistently increased from P32.88 million in 2019 to P52.10 million in 2023 (Figure 1). This may appear to be a positive outcome, but according to the Bureau of Local Government Finance (BLGF), actual collection has remained low from the last audit to the Municipal Treasurer's Office of Orion, Bataan. While the target has been met, delinquent properties remain a variable that has a significant impact on how people perceive fairness in their property tax. Like in a journal by Marshall, M. et. al. (2021), this categorized how different tax payers perceived fairness in light of the real property tax system and its connection with compliance.

ACKNOWLEDGMENT

I would like to extend my sincere gratitude to the faculty members of the Graduate School, Bataan Peninsula State University. Their invaluable guidance, unwavering support, and intellectual mentorship were crucial throughout the research process.

Special thanks are owed to my professors, for their extraordinary patience and profound insight. Their dedication to this proposal, and their thoughtful feedback on countless drafts, significantly enhanced the quality and direction of this work.

This research would not have been possible without the academic rigor and supportive environment they fostered. I am truly indebted to them for their contributions to my academic and personal growth.

REFERENCES

[1] Allaire, M. C., & Dhaoui, L. (2023). A comparative analysis of real property tax systems in developing countries: A focus on equity and efficiency. Public Finance Review. 51(2), 245-270.

[2] *An Act Creating a Special Education Fund. Republic Act 5447.* (1968). Retrieved from The LAWPhil Project.

[3] *An Act Creating a Special Education Fund. Republic Act 5447 Sec. 1.* (1968). Retrieved from The LAWPhil Project.

Byrne, J., & Kielbaso, M. (2022). The impact of real property tax reassessments on homeowner satisfaction and political trust. State and Local Government Review. 54(3), 289-307.

Education in Canada. Retrieved from Canadian Information Centre for International Credentials

Education in Japan. Retrieved from Ministry of Education, Culture, Sports, Science and Technology (MEXT)

Financing Education in Japan. Retrieved from Organization for Economic Co-operation and Development

Local Government Code of 1991. Republic Act 7160. (1991). Retrieved from Official Gazette.

Local Government Code of 1991. Republic Act 7160 Sec. 18. (1991). Retrieved from Official Gazette.

Local Government Code of 1991. Republic Act 7160 Sec. 233. (1991). Retrieved from Official Gazette.

Marshall, M., Farrar, J., Massey, D., Thorne, L., Wu, A., & Bui, T. (2023). In All Fairness: A Meta-Analysis of the Tax Fairness–Tax Compliance Literature. *Behavioral Research in Accounting*.

Property Taxes and education Funding in Canada. Retrieved from Canadian Centre for Policy Alternatives

ISSN 2250-3153
Tax Foundation. (2021). Property Tax. Retrieved from Tax Foundation

Uy, M. T. (2021). Economic and Institutional Factors Affecting Real Property Tax Collection in the National Capital Region.

Villaroman, L. V. (2017). Factors Affecting Collection of Real Property Tax in the Provincial Treasurer's Office of Nueva Ecija.

AUTHORS

First Author – Bryan Albert D. Isidro, Graduate School, Bataan Peninsula State University, bryanalbert31@gmail.com