Justice, Trust, Perceived of Risk and Voluntary Tax Compliance in MSME

Nitami Galih Pangesti a, Bani Alkausar a, Prinitha Nanda Soemarsono b, Hanifiah Yuliatul Hijriah c, Azrul Abdullah d

a Perpajakan, Faculty of Vocational, Airlangga University, Surabaya, Indonesia
b Akuntansi, Faculty of Vocational, Airlangga University, Surabaya, Indonesia
c Perbankan dan Keuangan, Faculty of Vocational, Airlangga University, Surabaya, Indonesia
d Accountancy, Faculty of Accountancy, Universiti Teknologi MARA, Perlis Branch, Malaysia

APA Citation:

Abstract

Background: Tax compliance has become a focused problem in various countries. Especially for developing countries with inadequate law enforcement, tax systems, and taxpayer awareness, this will indirectly impact high rates of taxpayer non-compliance. The issue of low taxpayer compliance is not a significant problem to solve, considering that the domino effect will cause more critical issues in the future.

Objective: This study tries to demonstrate additional elements that affect tax compliance, such as the psychological factors of taxpayers and to find out the motives that influence taxpayers. It becomes essential to consider how a person's behavior is influenced by self-perception regarding the system, beliefs, and sanctions before the taxpayer finally voluntarily fulfills their tax obligations.

Method: Through the use of a survey, this study employs a quantitative methodology. The poll was conducted via distributing Google forms with questionnaires for respondents to complete on their own. Then, using AMOS Graphic, structural equation modeling (SEM) analytic techniques were used to analyze the data.

Results: This study demonstrates that trust and voluntary tax compliance are unaffected by conceptions of fairness (procedural justice, distributive justice, and retributive justice). Meanwhile, perceptions of risk and trust affect voluntary tax compliance.

Conclusion: This shows that MSME taxpayers carry out voluntary tax compliance because they believe that the tax authority can detect non-compliance. In addition, MSME taxpayers increase voluntary tax compliance to avoid penalties due to tax risks arising from the internal and external risks they have.

Keywords: voluntary tax compliance; perceptions of justice; trust; perception of risk; MSME.
1. Introduction

Safety, well-being, and social security are services that the government must provide and are funded for by different state sources. Therefore, a country must be able to ensure that these resources can be obtained optimally. Taxes, as one of the dominant state revenue sources, are the basis for a country's running government. However, tax revenues often cannot be maximized due to a lack of public awareness of tax obligations. Low taxpayer compliance levels are a sign of low taxpayer knowledge in a nation. The idea of tax compliance refers to taxpayers' willingness to comply with their tax requirements (Khozen & Setyowati, 2023). Taxpayers are more motivated to pay taxes when there is greater tax compliance (Kirchler et al., 2008).

Tax compliance has become a focused problem in various countries (Kiconco et al., 2019). This is proven by the many research topics on tax compliance in several countries (Narrey, 2023). Especially for developing countries, the problem of tax compliance is still a challenge that must be faced (Aulia et al., 2022). Developing countries are often in the early stages of industrialization and are working toward improving their economic, social, and political conditions. Tax compliance also describes how enormous a country's economic growth potential is, one of which is a determining factor in the efficiency of tax revenue (Hayat et al., 2022). Especially for developing countries with inadequate law enforcement, tax systems, and taxpayer awareness, this will indirectly impact high rates of taxpayer non-compliance (Besley & Persson, 2014). The problem of low taxpayer compliance is not a significant problem to solve, considering that the domino effect will cause more critical issues in the future.

Indonesia, as a developing country, faces unique challenges and opportunities concerning tax compliance. Indonesia has a complex tax system with various types of taxes that can make tax compliance challenging for individuals and businesses. Taxpayer compliance is crucial in Indonesia as the nation uses a self-assessment system (Fajriana et al., 2023). Taxpayers' active engagement in fulfilling their tax duties, such as being granted the power to determine the amount of tax owed and pay it into the state treasury, is essential to the effective execution of the self-assessment system. The self-assessment system necessitates complete awareness on the part of taxpayers, which is a type of understanding of the significance of fulfilling tax duties in accordance with existing tax legislation.

Over the last few years, the Indonesian government has issued several economic policy packages to implement reforms in the taxation sector. One of them includes the government giving a tax incentive policy for MSME players. It is hoped that this policy can encourage business growth for MSME players. The form of tax incentives provided is in the form of implementing an easy tax system and reducing MSME rates. Implementing an easy tax system for MSME business actors aims to increase the participation of MSME taxpayers. Thus, MSME business actors who have difficulty fulfilling their tax obligations can be helped and also indirectly increase tax compliance rates in Indonesia.

Previous research results show that taxpayer fairness encourages taxpayer compliance (Alasfour et al., 2016; Alshira’h & Abdul-Jabbar, 2019; Fajriana et al., 2023; Hayat et al., 2022; Inasius, 2019; Rachmawan et al., 2020; Saad, 2012; Verboon & Goslinga, 2009; Verboon & van Dijke, 2007; Wenzel, 2003). Apart from the justice factor, several other studies add that apart from justice, taxpayer compliance can also be built through trust in the tax authorities (Batrancea et al., 2019; Faizal et al., 2017; Kastlunger et al., 2013; Kogler et al., 2013; Murphy, 2004, 2008; Rashid et al., 2021; van Dijke & Verboon, 2010). It is believed that taxpayers' trust in the tax authorities can increase the influence of tax justice on taxpayer compliance. Enforcing tax compliance through punitive measures alone may not be effective in the long term, and can have several limitations and drawbacks (Kirchler et al., 2008).

For a number of reasons, it is crucial to do research on MSME business players' tax compliance. First, in addition to the tax system's simplicity, it's important to understand other aspects that affect it, such as taxpayers' psychological makeup. To discover the factors that affect taxpayers, it is crucial to complete studies concerning taxpayer compliance in the social and psychological sciences. The psychology of a person's conduct in regard to tax compliance is quite important. Therefore, it is crucial to take into account how a person's conduct is impacted by their perception of the system, their beliefs, and the consequences before they willingly pay their taxes. A person's conduct is explained and predicted by the theory of planned behavior, which is a framework of psychology that considers various decision-making processes (Ajzen, 2020). The environment and the individual are two main influences on taxpayer behavior in terms of tax compliance. A taxpayer's decision to comply with their
tax duties in accordance with the regulations or to disregard them is said to be influenced by elements including trust, risk, and beliefs of tax justice.

2. Literature Review

Theory of Planned Behavior (Ajzen, 2020), human behavior is a reaction that can be simple or complex. Since people have different characteristics, one stimulus can elicit more than one different response and several other stimuli can provoke the same response. Intention differentiates between human attitudes, and behavior and is the key to the relationship between attitudes and planned behavior. Intention is an individual's readiness to carry out a particular behavior. Based on this view, attitudes do not directly shape behavior but through intention as preparation for realizing behavior (Ajzen, 2020).

The planned behavior theory is used in this study to try to understand the factors that affect Indonesian taxpayers’ behavior. According to the idea of planned behavior, a person's conduct is influenced by three things: their attitude towards the activity, their perception of behavioral control, and subjective norms (Ajzen, 2020). Attitudes toward a certain conduct are formed by beliefs and appraisals of the outcomes and hopes and expectations, as each person's expectations will shape their own personal standards of behavior. Perceived behavioral control is influenced by a person's perceptions about the presence of items that stimulate conduct, as well as their impression of how strongly they impact it.

When constructing their desire to follow the rules, a person will consider views, personal standards, and perceived behavioral regulation. According to Ajzen (2005), attitude is the propensity to react favorably or unfavorably to things, people, organizations, or events. While a pessimistic outlook will lead to tax non-compliance, an optimistic one will promote it. A positive attitude will encourage tax compliance, while a negative attitude will trigger tax non-compliance (Marti, 2010; Kuria & Dr Omboi, 2016; Nurwanah et al., 2018; Kiconco et al., 2019).

2.1 Justice, Trust, and Tax Compliance

The planned behavioral approach adapted the will or intention concept, which means that the taxpayer's behavior in complying with tax obligations under government regulations (voluntary compliance) is influenced by the will or intention formed from the attitudes and beliefs of the taxpayer. The impression of the assistance or treatment people get from authorized parties is procedural justice. Procedural justice is related to the process of sharing resources by authorized parties (Kirchler et al., 2008). Someone will have greater faith in the authorities and be more willing to obey their judgments if they believe they are following fair and established procedures (Murphy, 2009).

When taxpayers feel that tax authorities treat them fairly and with respect, they will be more cooperative. Perceptions of procedural justice influence trust in tax authorities (Faizal et al., 2017; Chong & Arunachalam, 2018; Güzel et al., 2019; Rachmawan et al., 2020; Fajriana et al., 2023; Nartey, 2023). The tax authorities must persuade citizens through education and assistance in tax services. The fairer the procedures and quality of tax services the tax authority provides, the greater the confidence and trust of taxpayers (Fajriana et al., 2023).

Distributive justice refers to the perception of the expected results from taxpayers' input (tax) in achieving justice. Belief in injustice occurs when there are taxpayers who do not experience public rewards from the government. Distributive justice influences taxpayer trust (Faizal et al., 2017; Chong & Arunachalam, 2018; Güzel et al., 2019; Rachmawan et al., 2020; Fajriana et al., 2023; Nartey, 2023). Tax authorities must strive to foster confidence in the government's skills in managing taxpayers’ funds (Fajriana et al., 2023). Apart from that, awards are also considered as a form of respect and appreciation for taxpayers (Rashid et al., 2021).

Retributive justice refers to the perception of appropriate punitive action when an action goes against norms. Some taxpayers believe non-compliance will also be given proper penalties or sanctions by the tax authority (Faizal et al., 2017). Taxpayer confidence will increase when the tax authority can uphold tax enforcement (Chong & Arunachalam, 2018). A high level of perception of tax fairness means that trust in the government will increase (Güzel et al., 2019). Based on this literature, the hypothesis regarding the fairness variable on taxpayer trust is as follows:

H1: Procedural justice has a positive effect on trust.
H2: Distributive justice has a positive effect on trust.
H3: Retributive justice has a positive effect on trust.

Behavior is influenced by a person's attitudes and ideas. Taxation relationships between voluntary tax compliance and opinions on the tax authorities' fairness (Faizal et al., 2017; Güzel et al., 2019; Rachmawan et al., 2020). The importance of procedural justice perceptions towards the tax authorities and their favorable correlation with taxpayers' voluntary compliance (Rachmawan et al., 2020; Fajriana et al., 2023). Taxpayers' perceptions of fairness are correlated with their degree of faith in the government which raises voluntary compliance (Fajriana et al., 2023).

Tax authorities can increase confidence in distributive justice by giving appreciation and rewards to obedient and honest taxpayers. Compliant and ethical taxpayers will increase their voluntary compliance if they feel appreciated (Rashid et al., 2021). Distributive justice influences taxpayers' voluntary compliance (Rashid et al., 2021; Fajriana et al., 2023). In order to encourage trust in its capacity to handle tax dollars provided by taxpayers, the government must work to establish an equitable tax system (Fajriana et al., 2023). Tax compliance will increase when taxpayers trust the power of the tax authority to run the tax system effectively (Chong & Arunachalam, 2018; Kiconco et al., 2019). Based on this literature, the hypothesis regarding the fairness variable on taxpayer trust is as follows:

H4: Procedural justice has a positive effect on voluntary tax compliance.
H5: Distributive justice has a positive effect on voluntary tax compliance.
H6: Retributive justice has a positive effect on voluntary tax compliance.

Based on socio-cognitive trust theory (Castelfranchi & Falcone, 2010), the term "reason-based trust" refers to a purposeful choice to trust the taxing authority based on common objectives, skills, motives, perceived goodness, and extrinsic factors which encourage the taxpayer's choice. The automatic and associative response to the elements influencing trust is known as implicit trust. Therefore, trust is founded on logical decisions and develops over time as a result of pleasant experiences (Evans, 2008).

Voluntary compliance by taxpayers is influenced by their trust in the tax authorities (Faizal et al., 2017; Chong & Arunachalam, 2018; Musimenta et al., 2018; Güzel et al., 2019; Rachmawan et al., 2020; Rashid et al., 2021; Fajriana et al., 2023). Mutual trust and collaboration are essential for tax compliance between tax authorities and taxpayers. Taxpayers' voluntary compliance will rise if they have a high level of confidence in the taxing authority. When trust is formed, taxpayers assume that the tax authority is carrying out its duties without any indication of taking personal benefit from the taxes paid (Rachmawan et al., 2020). Trust in an honest tax authority will lead to confidence that the tax authority will uphold tax compliance enforcement (Chong & Arunachalam, 2018). In order to increase the voluntary compliance of MSME taxpayers, trust needs to be built between tax authorities and taxpayers (Fajriana et al., 2023). Based on this literature, the hypothesis regarding the fairness variable on taxpayer trust is as follows:

H7: Trust has a positive effect on voluntary tax compliance.

2.2. Perceived of Risk and Tax Compliance

Risk is the potential for events to happen which might have an impact on the implementation of a plan, and raise questions about the viability of corporate objectives (COSO, 2017). Different uncertainties will arise as a result of risks in the choices made by an organization, their actions, and operations. Internal and external threats are the two categories into which tax hazards fall. Internal risk is a risk that a corporation can manage or control from within the organization. External risks include things like shifting governmental policies, altered legal requirements, and other factors that come from outside the organization and cannot be internally controlled. Tax risks will also be influenced by the hazards that taxpayers face. Chen (2021) said that tax risk refers to the ambiguity surrounding company taxes, tax obligations, and upcoming corporate tax responsibilities.

One of the determining factors that can help tax authorities better understand taxpayer behavior is tax risk to ensure that the tax authorities can better adjust tax regulations through policies (Aulia et al., 2022). This strategy divides taxpayers into three categories: risk-averse taxpayers, averagely compliant taxpayers, and truthful, compliant taxpayers. Risk-averse taxpayers are treated starting with educating and persuading them on the repercussions or punishments for non-compliance. This approach is expected to successfully increase voluntary taxpayer compliance (Rashid et al., 2021). Tax awareness and tax sanctions encourage taxpayers' intention to comply with tax regulations (Hayat et al., 2022).
Tax compliance issues are significantly impacted by tax risk. Taxpayers’ efforts and propensities to abide by tax rules are influenced by the amount of tax risk. Internal and external risks will increase taxpayer efforts, thus impacting tax compliance (Aulia et al., 2022). Tax compliance theory advises taxpayers to calculate the risks of tax compliance actions, such as the consequences of avoiding taxes, the possibility of tax audits, and the choice to maximize after-tax profits (Kiconco et al., 2019). Therefore, if taxpayers better understand the risks they will face in the future, their tax compliance will be higher. Based on this literature, the hypothesis regarding the fairness variable on taxpayer trust is as follows:

H8: Perceived risk has a positive effect on voluntary tax compliance.

3. Method

3.1. Sample / Participants

This research used taxpayer respondents who are MSME businesses in Surabaya. From the survey results, 207 respondents came from various circles and backgrounds as research data samples. Random sampling in taxation research for Micro, Small, and Medium-sized Enterprises (MSMEs) plays a pivotal role in ensuring fairness and accuracy in tax compliance assessments. By employing random sampling techniques, tax authorities can select a representative subset of MSMEs for auditing or data collection, thus reducing the potential for bias and enhancing the integrity of the tax assessment process. This approach not only safeguards MSMEs from the undue burden of excessive scrutiny, but also enables tax authorities to allocate resources efficiently. By examining a randomly selected group, tax agencies can draw valid conclusions about the broader MSME tax compliance landscape, identify trends, and develop more targeted tax policies and enforcement strategies. Ultimately, random sampling fosters transparency, equity, and accountability within the taxation framework, benefiting both MSMEs and tax authorities alike.

3.2. Instrument(s)

The research instrument used was a questionnaire containing question items regarding taxpayers’ perceptions of tax fairness, perceptions of taxpayers’ level of trust, risk perceptions, and taxpayers’ level of compliance. The questions were adapted from previous studies from Faizal et al., (2017) with slight changes. Respondents filled in the suitability of statements based on the perceptions expressed in answer choices on seven scale items, starting from numbers 1–7. A perception scale of ‘1’ indicates that taxpayers increasingly disagree with the statement, while a scale of ‘7’ indicates that the respondent increasingly agrees with the statement given. A seven-point scale provides more response options than simpler scales (e.g., 3 or 5 points). This increased granularity allows respondents to express their opinions or attitudes with greater precision, which can lead to more accurate data collection and analysis.

3.3. Data collection procedures

This research uses a quantitative approach by conducting a survey. This research used taxpayer respondents who are MSME businesses in Surabaya. The survey was carried out by distributing questionnaires in a Google form to respondents to fill out independently. Distributing a questionnaire via WhatsApp is a convenient and efficient method for reaching a wide audience quickly, especially for surveys that are intended to be completed electronically. From the survey results, 207 respondents came from various circles and backgrounds as research data samples.

3.4. Data analysis

From the data obtained, data analysis was then carried out using Structural Equation Modeling (SEM) analysis techniques using AMOS Graphic (Awang et al., 2018). Figure 1 is the research model used as follows:
4. Results

The descriptive analysis shows that 44.4% were male and 55.6% were female. In terms of educational background, 34.3% had secondary school level education, 44.9% had a diploma certificate level education, and 20.8% had a bachelor degree-level education. Most respondents, 64.3% reported monthly earnings between 500.000.000 IDR to 4.800.000.000 IDR, whilst 22.2% had less than 500.000.000 IDR monthly earnings, and 13.5% were earning more than 4.800.000.000 in monthly earnings.

<table>
<thead>
<tr>
<th>Construct</th>
<th>AVE</th>
<th>Composite Reliability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Procedural Justice</td>
<td>0.798132</td>
<td>0.951791</td>
</tr>
<tr>
<td>Distributive Justice</td>
<td>0.585253</td>
<td>0.847807</td>
</tr>
<tr>
<td>Retributive Justice</td>
<td>0.658733</td>
<td>0.885115</td>
</tr>
<tr>
<td>Trust</td>
<td>0.717470</td>
<td>0.926634</td>
</tr>
<tr>
<td>Perceived of Risk</td>
<td>0.756066</td>
<td>0.925278</td>
</tr>
<tr>
<td>Tax Compliance</td>
<td>0.689727</td>
<td>0.929862</td>
</tr>
</tbody>
</table>

Table 1. Validity and Reliability

The AVE (Average Variance Extracted) value was applied during the validity test. The AVE need to be more than 0.5. Comparing the square root of the Average Variance Extracted (AVE) value for every component with the correlation between other constructs in the model is the approach for determining validity. By examining the composite reliability value, the reliability value was put to the test. There should be a composite dependability of at least 0.7 (Ghozali, 2016). The actual reliability value of a variable was assessed via composite reliability. The reliability coefficient determines overall reliability, which must be more than 0.70.

According to the findings in Table 1, every variable has a value greater than 0.5. It can be said that all variables are reliable and valid. All variables have composite reliability values more than 0.70, as shown in Table 1. It can also be said that all variables may be safely used in subsequent analysis.
Based on Table 2 Hypothesis Testing H1, H2, and H3 above, it is known that perceptions of justice (procedural justice, distributive justice, and retributive justice) do not affect trust. Table 2 also shows the hypothesis tests H4, H5, and H6. It is known that perceptions of justice (procedural justice, distributive justice, and retributive justice) do not affect trust. This can happen because tax authorities need more trust in some unstable developing countries, resulting in low compliance. In contrast, stable countries trust the tax authorities, guaranteeing high tax compliance (Gangl et al., 2019).

The H7 test in Table 2 shows that trust positively affects tax compliance with a coefficient value of 0.236 (p-value < 0.05). The results of the H7 test supports previous research that trust in the tax authority influences taxpayers' voluntary compliance (Faizal et al., 2017; Chong & Arunachalam, 2018; Musimenta et al., 2018; Güzel et al., 2019; Rachman et al., 2020; Fajriana et al., 2023). Tax compliance must be based on trust between the taxpayer and the tax authority. To increase voluntary compliance by MSME taxpayers, it is necessary to build trust between both tax authorities and taxpayers (Fajriana et al., 2023).

Test H8 Table 2 shows that perceived risk positively affects tax compliance with a coefficient value of 0.517 (p-value < 0.01). The H8 test results support previous research that perceived risk positively affects tax compliance (Kiconco et al., 2019; Rashid et al., 2021; Hayat et al., 2022; Aulia et al., 2022). Internal risks can include a lack of understanding of accounting, tax controls and documents, data, and system integrity. External risks can be changes, complexity, and ambiguity in tax regulations (Aulia et al., 2022). Thus, tax risk influences taxpayer compliance because taxpayers consider the risks they may receive for non-compliant behavior with tax regulations.

5. Discussion

Justice, Trust, and Tax Compliance

Perception of justice is not a factor that determines MSME taxpayers' trust in the tax authority. This shows that justice procedures, the quality of tax services provided, and rewards in the form of public facilities from the government are not factors that influence the trust of MSME taxpayers. Based on socio-cognitive trust theory (Castelfranchi & Falcone, 2010), taxpayer trust is first built based on rational decisions, such as the same goal of enforcing tax compliance. However, over time, trust is built by the positive experiences experienced by taxpayers.

MSME taxpayers do not feel that procedural justice, distributive justice, and retributive justice for the prosperity of the people can influence their trust in the tax authority. This is due to the limited knowledge of taxation that is owned, so the meaning of the common goal of enforcing tax compliance...
needs to be established. Their beliefs are influenced by the experiences that they have had. They believe the tax authorities will punish taxpayers for ignorance or for deliberately committing tax evasion.

This research found that MSME taxpayers do not build trust in the tax authority based on perceptions of justice and protection, but rather as a threat. MSME taxpayers believe that the tax authority has the power to examine and punish non-compliant taxpayers. MSME taxpayers carry out voluntary tax compliance because they feel forced to do so through power and punishment. Voluntary tax compliance is not considered a moral responsibility as an Indonesian citizen but a form of behavior, so taxpayers avoid inspection and punishment due to non-compliance.

The ability to obtain tax information from ILAP (Government Agencies, Institutions, Associations, and Other Parties) is another example of the tax authority’s power. Since the Law on General Provisions and Tax Procedures Number 28 of 2007’s passage, it has been established in article 35A that each governmental agency, institution, association, and other party is required to give the Directorate General of Taxes data and information relevant to taxation. The greater the tax authority's authority, the more faith the taxpayer has in it (Aulia et al., 2022). Tax authorities are believed to have the power to detect tax evasion, so MSME taxpayers will try to increase their voluntary tax compliance.

Previous research shows that implicit trust will decrease if the tax authority has coercive power (contains coercion), namely punishing taxpayers who are deemed to be avoiding taxes (Gangl et al., 2015). However, this study found the opposite results. The results of this study are supported by other research which shows that the negative relationship between coercive power and implicit trust may vary due to cultural background and perceptions of whether this power is perceived as protective or threatening (Hofmann et al., 2017; Gangl et al., 2019). This happens in several developing countries. Trust will be difficult to build if the country's condition is unstable. The tax authorities lack trust, resulting in a low level of voluntary tax compliance, whereas in stable countries, the level of trust in the tax authorities guarantees tax compliance (Gangl et al., 2019).

**Perceived of Risk and Tax Compliance**

Another factor that can influence the voluntary tax compliance of MSME taxpayers is the risk factor. Risks can come from internal or external to the company. Insufficient accounting records and controls, ineffective management, and inadequate resources can be internal factors that can increase tax risk. MSMEs are considered simple entities and need more tax knowledge, making it difficult to carry out tax compliance. The complexity and frequent changes in tax regulations in Indonesia are also external factors that can increase tax risk. However, this does not mean that MSME taxpayers do not want to carry out voluntary tax compliance. Limitations due to internal and external risks only hinder them, not reduce their intention or intention to carry out voluntary tax compliance.

Risks resulting from limited tax capacity and complexity and frequent changes in regulations influence the voluntary compliance of MSME taxpayers. Thus, to increase voluntary tax compliance, it is necessary to create an administrative system that makes it easier for taxpayers unfamiliar with the tax administration system. These limitations can hinder MSME taxpayers, but do not reduce their intention to implement voluntary tax compliance. The tax authority is expected to help minimize tax risk, thereby increasing voluntary tax compliance. Under Government Regulation Number 23 of 2018, taxpayers whose gross turnover does not exceed IDR 4.8 billion are subject to final tax at a rate of 0.5%. This policy is one of the government's efforts to reduce the tax risk of MSME taxpayers in Indonesia. Simplifying tax complexity is expected to reduce tax risk, thereby increasing voluntary tax compliance.

MSME taxpayers conduct voluntary tax compliance to avoid tax risks that may arise, such as tax audits, penalties, or fines. If taxpayers face the risk of audit due to non-compliance, MSME taxpayers will require a lot of effort to deal with this. Therefore, taxpayers with high tax risks will try to improve their tax compliance. Tax risk influences taxpayers' efforts to implement tax compliance (Aulia et al., 2022).

This research supports the theory of planned behavior by Ajzen (2005), where personal beliefs regarding the existence of things that drive behavior and how strong these perceptions are will shape behavioral control. MSME taxpayers believe that non-compliance will result in audits or fines. The potential for inspections or fines will encourage the behavior of MSME taxpayers to comply with tax regulations. MSME taxpayers will carry out voluntary tax compliance before the risk of being examined arises.
6. Conclusions

This research shows that perceptions of justice (procedural justice, distributive justice, and retributive justice) do not affect trust and voluntary tax compliance. Meanwhile, trust and perception of risk influences voluntary tax compliance. This shows that MSME taxpayers carry out voluntary tax compliance because they believe the tax authority can detect non-compliance. In addition, MSME taxpayers increase voluntary tax compliance to avoid penalties/sanctions due to tax risks arising from the internal and external risks they have.

MSME taxpayers tend to choose easy ways to carry out administration and procedures in implementing voluntary tax compliance. MSME taxpayers do not consider voluntary tax compliance a form of moral responsibility but instead want to avoid potential tax audits, penalties, or fines. It can be concluded that ease of administration and legal enforcement for non-compliance can be factors that can increase voluntary tax compliance. Thus, the results of this research can be a consideration for tax authorities in adjusting tax regulations to increase voluntary tax compliance in Indonesia.

This research uses a questionnaire filled out by MSME taxpayers. Research has found that many MSME taxpayers still need to familiarize themselves with tax regulations in Indonesia. This could influence results that are inconsistent with previous studies. Therefore, it is hoped that future research will analyze the differences in voluntary tax compliance between lay taxpayers and taxpayers who already know about taxation in Indonesia.

References


