GIJEA
Greenation International Journal of Economics and Accounting
+62 81210467572 https://research.e-greenation.org/GIJEA greenation.info@gmail.com
GREENATION RESEARCH

DOI: https://doi.org/10.38035/gijea.v4i5.1481
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Received: 03 October 2026 | **Revised:** 05 October 2026 | **Accepted:** 06 November 2026

Tax Compliance Enhancement Strategy Through Tax Morale: The Role of Social Norms, Perception of Justice, and Trust in Government (A Study on Individual Taxpayers in Dki Jakarta Province)

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Abstract: The purpose of this study is to empirically examine the role of social norms, perceived fairness, and trust in government as predictors of tax morale, the role of tax morale as a predictor of tax compliance, the mediating role of tax morale, and to formulate priority strategies for improving tax compliance among individual taxpayers in DKI Jakarta Province. The study is motivated by the realization of DKI Jakarta's local own-source revenue that never reached its target during 2020–2024 and the decline of the national formal compliance ratio of annual tax return filing in 2024, which indicate a compliance problem that is not purely economic. This research is a quantitative study with a conclusive descriptive design; the sample consists of 103 individual taxpayers selected using purposive sampling. This study used a questionnaire instrument and data analysis using Structural Equation Modeling–Partial Least Squares (SEM-PLS) with SmartPLS 4, followed by the Analytical Hierarchy Process (AHP) for strategy formulation. The empirical results show that perceived fairness) and trust in government are significant positive predictors of tax morale, whereas social norms are not a significant predictor). Tax morale is a significant positive predictor of tax compliance and mediates the relationships of perceived fairness and trust in government with tax compliance, but does not mediate the relationship between social norms and tax compliance. The model explains 61.9 percent of the variance in tax morale and 52.6 percent of the variance in tax compliance. The AHP results place trust in government as the priority criterion and strengthening the integrity and accountability of tax administration) as the priority strategy, followed by transparency and consistency of tax procedures). The implication of this research is that strengthening the integrity and accountability of tax administration and the transparency of tax procedures can serve as the foundation for building tax morale toward voluntary compliance.

Keyword: Tax Compliance, Tax Morale, Social Norms, Perceived Fairness, Trust In Government, SEM-PLS, AHP.

INTRODUCTION

Taxation is a vital source of state revenue that supports national development, contributing more than 70% of total government revenue in the State Budget (APBN) (Ministry of Finance, 2025). However, taxpayer compliance continues to face challenges. The formal tax compliance ratio increased from 77.63% in 2020 to 86.97% in 2023, but declined to 85.75% in 2024 (Directorate General of Taxes, 2025a). This condition indicates that administrative approaches, such as supervision, tax audits, and sanctions, have not been entirely sufficient to establish sustainable tax compliance. Therefore, psychological and social factors, including tax morale, social norms, perceptions of fairness, and trust in government, are increasingly important in explaining taxpayer compliance behavior (Alm & Torgler, 2006; Luttmer & Singhal, 2014; Torgler & Schneider, 2007).

Social norms can shape the tax compliance climate through social influence and peer effects, while perceptions of fairness—including distributive, procedural, and interactional justice—influence taxpayers' evaluations of the legitimacy of the tax system (Barone & Mocetti, 2011; Kirchler, 2007). In addition, trust in government, reflected in perceptions of competence, integrity, and commitment to public welfare, can strengthen taxpayers' intrinsic motivation to comply (Kirchler, Hoelzl, & Wahl, 2008; Prichard et al., 2019). In the Indonesian context, Jakarta is a strategic setting for examining these phenomena because it represents one of the country's major centers of tax revenue collection. In 2024, central government tax revenue collected in the Jakarta region reached IDR 1,799.54 trillion, equivalent to 110.53% of the target, while individual income tax under Article 25/29 grew by 19.23% (Directorate General of Taxes, 2025b). These conditions reinforce the relevance of examining the roles of social norms, tax morale, perceptions of fairness, and trust in shaping taxpayer compliance in Jakarta.

Table 1. Regional Original Revenue of DKI Jakarta for the Years 2020–2024

Year	Budget (Billion Rupiah)	Realization (Billion Rupiah)	Realization (Billion Rupiah)
2020	57.561,16	37.414,75	65,00
2021	51.891,12	41.606,31	80,18
2022	55.661,19	45.608,40	81,94
2023	52.773,52	44.312,57	83,97
2024	52.398,08	50.551,95	96,48

Source: Ministry of Finance, Directorate General of Financial Balance (2025)

Based on Table 1, Jakarta's Regional Original Revenue (PAD) consistently fell below its annual targets during 2020–2024, although performance improved from 65.00% of the target in 2020 to 96.48% in 2024. This persistent gap indicates that revenue optimization remains constrained by structural and behavioral factors beyond economic conditions. PAD is primarily derived from regional taxes, while this study focuses on individual taxpayers (WPOP) registered with a Taxpayer Identification Number (NPWP) who file annual income tax returns. These two aspects are closely related because they involve the same taxpayers and economic community, making tax morale relevant to both central and regional tax compliance.

Table 2. Formal Compliance Ratio of Annual Tax Return Submission for the Years 2020–2024

Year	Formal Compliance Ratio (%)	Change (Percentage Points)	Trend
2020	77,63	–	–
2021	84,07	+6,44	Up
2022	86,80	+2,73	Up
2023	86,97	+0,17	Up
2024	85,75	–1,22	Down

Source: Directorate General of Taxes (2025a); DDTC News (2025a); Pajak.com (2024)

Based on Table 2, Indonesia's national formal tax compliance ratio improved overall but declined from 86.97% in 2023 to 85.75% in 2024. This aggregate figure masks substantial disparities among taxpayer groups. In 2024, employee individual taxpayers (WPOP) recorded a compliance ratio of 108.78%, partly because some filed tax returns voluntarily, while non-employee WPOP compliance fell sharply to 27.96%, compared with more than 60% in previous years (DDTC News, 2025b).

Table 3. Formal Compliance Ratio by Taxpayer Group for the Year 2024

Taxpayer Groups	Tax Returns Required (millions)	Tax Returns Received (millions)	Compliance Ratio (%)
Employee Individual	12,28	13,36	108,78
Non-Employee Individual	4,92	1,37	27,96
Corporate	2,06	1,18	57,59

Source: DDTC News (2025b), processed from the 2024 Directorate General of Taxes Performance Report

Table 3 indicates that formal tax compliance among individual taxpayers whose taxes are withheld by employers is substantially higher than that of non-employee taxpayers who must independently calculate, pay, and report their taxes. This disparity highlights the importance of intrinsic motivation in determining tax compliance when administrative mechanisms are absent. By the end of 2024, individual taxpayers accounted for 92.58% of Indonesia's 86.7 million registered taxpayers (DDTC News, 2025c). In Jakarta, the low number of individual tax returns received by the South Jakarta I Regional Tax Office in early 2023 also indicates room for improvement (Directorate General of Taxes, 2023). The persistent gap between regional revenue targets and actual realization, alongside declining national tax compliance in 2024, underscores the need to examine tax morale. Factors such as perceived fairness, social norms, and trust in government may influence taxpayers' willingness to fulfill their obligations, particularly when tax benefits are not directly perceived through improvements in public services. International studies have demonstrated that social and institutional trust are associated with higher tax compliance, suggesting that strengthening tax morale may provide a sustainable approach beyond coercive enforcement (Luttmer & Singhal, 2014; Batrancea et al., 2019). However, research in Indonesia examining these factors simultaneously remains limited. Therefore, this study addresses the research gap by developing a structural model that examines the role of tax morale as a mediator and formulates strategies to improve tax compliance through psychological, social, legal, and administrative approaches.

Tax compliance is influenced not only by economic considerations but also by psychological and social factors. Economic deterrence theory explains compliance as a rational calculation of the benefits of tax evasion against the probability of detection and the severity of sanctions, while social exchange theory views the relationship between taxpayers and government as a reciprocal exchange based on public benefits, fair treatment, and trustworthy governance. These theories provide the foundation for understanding voluntary compliance beyond coercive enforcement.

Tax morale explains taxpayers' intrinsic motivation to comply, arising from moral values, social norms, and trust in institutions. Social norms influence behavior through descriptive norms, injunctive norms, social pressure, and internalized norms, while perceptions of fairness encompass distributive, procedural, and interactional justice. Trust in government reflects taxpayers' beliefs regarding governmental competence, integrity, transparency, responsiveness, and reliability. Collectively, these factors provide a psychological and social foundation for voluntary tax compliance.

In this study, tax compliance is conceptualized as taxpayers' willingness to fulfill their tax obligations, both formally and materially. Tax morale is positioned as a mediating variable, while social norms, perceived fairness, and trust in government are treated as explanatory variables. Tax morale is measured through moral obligation, social obligation, and belief in the proper management of tax revenues, whereas social norms, perceived fairness, and trust in government are measured through their respective behavioral and institutional dimensions. This framework integrates economic, psychological, social, and institutional perspectives to explain taxpayer compliance.

Based on conceptual definitions and relationships among variables, individual taxpayer compliance is influenced not only by coercive measures but also by intrinsic motivation, namely tax morale. Supportive social norms, perceived fairness, and trust in government strengthen taxpayers' moral motivation to fulfill their obligations. Tax morale subsequently translates into both formal and material tax compliance and is positioned as a mediating variable explaining how social norms, perceived fairness, and trust in government affect tax compliance. The model's empirical results provide a basis for formulating tax compliance improvement strategies using the AHP method, generating managerial implications for the government and tax authorities.

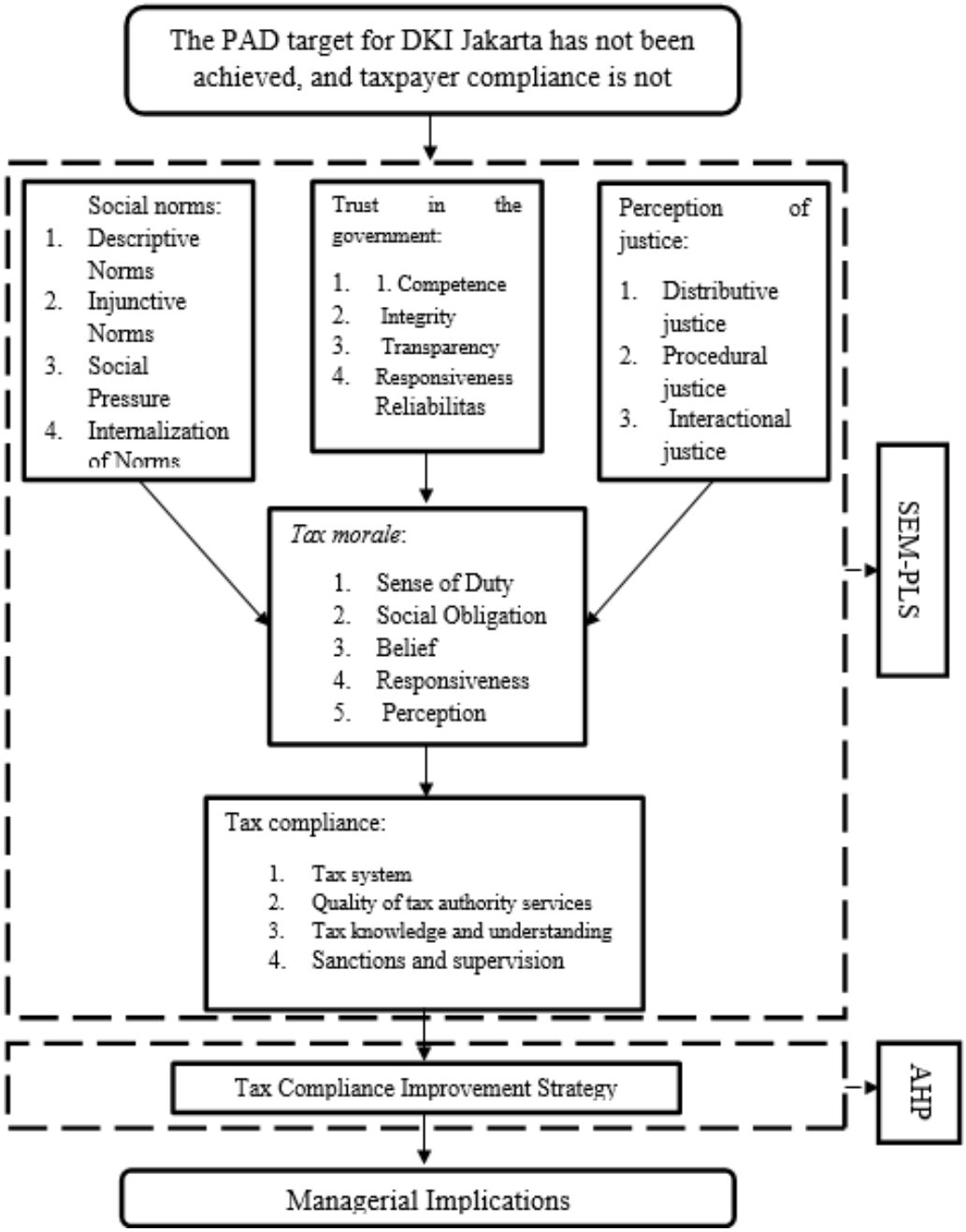


Figure 1. Research Framework Source: Processed Data (2026)

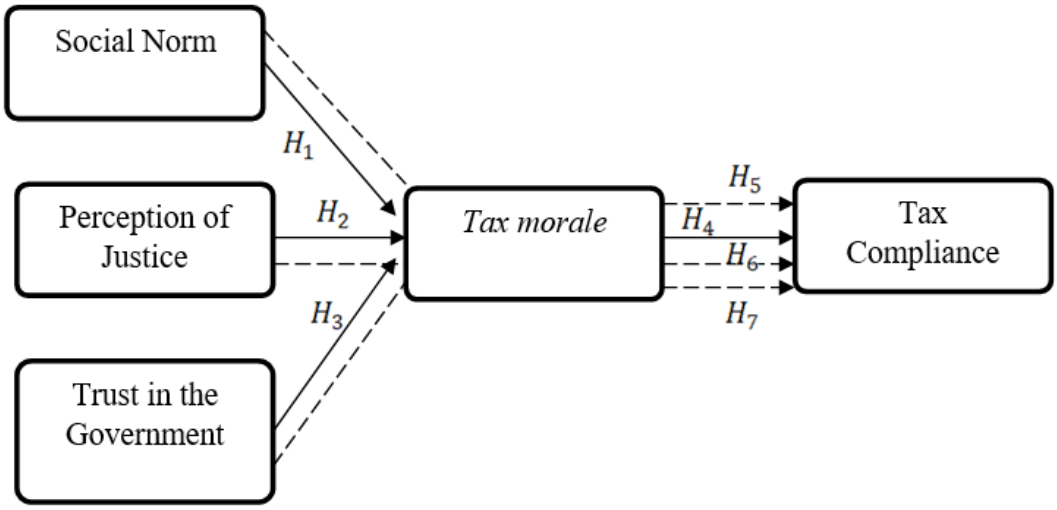


Figure 2. Research Model Source: Processed Data (2026)

METHOD

This study employed a quantitative, descriptive-conclusive, cross-sectional design using a structured questionnaire, without experimental manipulation or causal claims. The study was conducted in DKI Jakarta from November 2025 to January 2026, covering all six administrative areas. The population comprised individual taxpayers (WPOP) who met specific eligibility criteria, while purposive sampling was used because the population size and sampling frame were not precisely available. A minimum of 30 respondents was indicated by the PLS-SEM rule of thumb, while the study targeted at least 100 respondents; ultimately, 103 eligible respondents were obtained. The study examined social norms, perceived fairness, and trust in government as independent variables, tax morale as a mediator, and tax compliance as the dependent variable, with all constructs measured reflectively using a five-point Likert scale. Data were analyzed using SEM-PLS to assess the measurement and structural models, including mediation, while Analytical Hierarchy Process (AHP) based on expert judgments was employed to address the eighth research question. Overall, the study adopted a mixed-method design dominated by quantitative analysis, with the instruments adapted from relevant previous studies and contextualized for individual taxpayers in Indonesia.

Table 4. Variabel Operasional

Variabel and Definisi Operasional	Indicator	Kode	Scale
Norm Sociall (X1)	Descriptive Norm	NS.1.1	Likert 1–5
Unwritten rules, social pressure, and environmental expectations that influence someone's tax compliance behavior		NS.1.2	Likert 1–5
	Injunctive Norm	NS.2.1	Likert 1–5
		NS.2.2	Likert 1–5
	Social Pressure	NS.3.1	Likert 1–5
		NS.3.2	Likert 1–5
	Internalization of Norms	NS.4.1	Likert 1–5
		NS.4.2	Likert 1–5
Perception of Justice (X2)	Distributive Justice	PK.1.1	Likert 1–5
The taxpayer's subjective assessment of the extent to which the tax system is implemented fairly in terms of burden, procedures, and treatment by officials.		PK.1.2	Likert 1–5
	Procedural Justice	PK.2.1	Likert 1–5
		PK.2.2	Likert 1–5
	Interactional Justice	PK.3.1	Likert 1–5
		PK.3.2	Likert 1–5

Variabel and Definisi Operasional	Indicator	Kode	Scale
Trust in the government (X3)	Competence	KTP.1.1	Likert 1–5
The taxpayer's belief that the government acts honestly, competently, transparently, and reliably in managing tax revenue.		KTP.1.2	Likert 1–5
	Integrity	KTP.2.1	Likert 1–5
		KTP.2.2	Likert 1–5
	Transparency	KTP.3.1	Likert 1–5
		KTP.3.2	Likert 1–5
	Responsiveness	KTP.4.1	Likert 1–5
		KTP.4.2	Likert 1–5
	Reliability	KTP.5.1	Likert 1–5
		KTP.5.2	Likert 1–5
Tax Morale (Z)	Sense of Moral Obligation	TM.1.1	Likert 1–5
The intrinsic motivation of taxpayers to pay taxes, which stems from moral values, social obligations, and belief in institutions.		TM.1.2	Likert 1–5
	Social Obligation	TM.2.1	Likert 1–5
		TM.2.2	Likert 1–5
	Belief	TM.3.1	Likert 1–5
		TM.3.2	Likert 1–5
Tax Compliance (y)	Tax System	KP.1.1	Likert 1–5
The willingness of taxpayers to fulfilll all tax obligations formally and materially.		KP.1.2	Likert 1–5
	Quality of Tax Authority Services	KP.2.1	Likert 1–5
		KP.2.2	Likert 1–5
	Knowledge and Understanding of Taxes	KP.3.1	Likert 1–5
		KP.3.2	Likert 1–5
	Sanctions and Supervision	KP.4.1	Likert 1–5
		KP.4.2	Likert 1–5

RESULT AND DISCUSSION

The study was conducted in DKI Jakarta from November 2025 to January 2026, selected due to its role as the national center of government and economic activity. The research subjects were individual taxpayers (WPOP) residing and/or registered in DKI Jakarta who had an active NPWP, were at least 21 years old, had stable employment and income, and had previously paid taxes and/or filed an annual tax return. These criteria ensured that respondents had sufficient experience with the tax system to assess social norms, perceived fairness, trust in government, tax morale, and tax compliance. Data were collected through questionnaires distributed across the six administrative areas of DKI Jakarta: Central, North, West, South, and East Jakarta, and the Thousand Islands. The questionnaire consisted of respondent screening criteria, demographic information, 38 research items measured on a five-point Likert scale, and an optional section for suggestions and comments.

Evaluation of the Measurement Model (Outer Model)

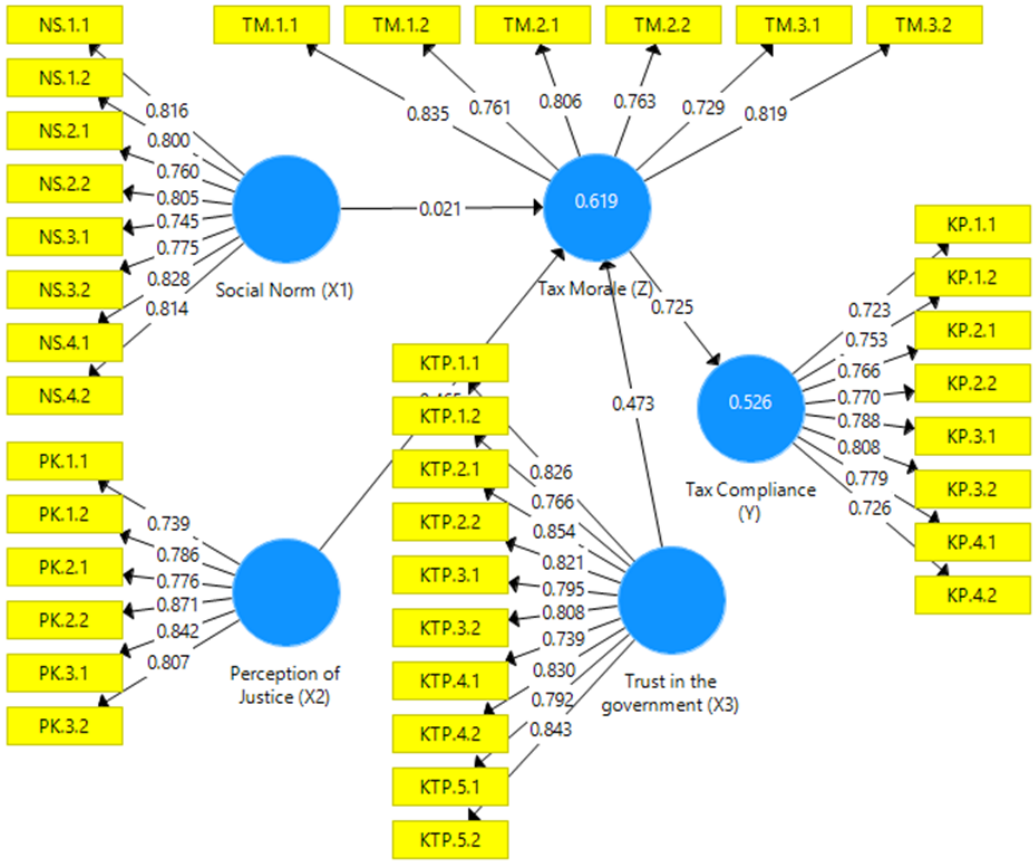


Figure 3. Full Outer Model

Convergent validity was assessed using indicator outer loadings and Average Variance Extracted (AVE). For this confirmatory study, the required thresholds were 0.70 for outer loadings and 0.50 for AVE (Hair et al., 2019). The results of the convergent validity assessment are presented in Table below

Table 5. Convergent Validity

Variable	Indicator	Outer Loading	T Statistics	P Values	AVE	Explanation
Social Norm (X1)	NS.1.1	0,816	7,468	0,000	0,629	Valid
	NS.1.2	0,800	7,972	0,000		
	NS.2.1	0,760	7,636	0,000		
	NS.2.2	0,805	7,704	0,000		
	NS.3.1	0,745	7,853	0,000		
	NS.3.2	0,775	6,769	0,000		
	NS.4.1	0,828	9,435	0,000		
	NS.4.2	0,814	6,947	0,000		
Perception of Justice (X2)	PK.1.1	0,739	14,333	0,000	0,648	Valid
	PK.1.2	0,786	18,458	0,000		
	PK.2.1	0,776	17,631	0,000		
	PK.2.2	0,871	35,259	0,000		
	PK.3.1	0,842	35,116	0,000		
	PK.3.2	0,807	18,938	0,000		
Trust in the government (X3)	KTP.1.1	0,826	28,197	0,000	0,653	Valid
	KTP.1.2	0,766	17,114	0,000		
	KTP.2.1	0,854	32,388	0,000		

Variable	Indicator	Outer Loading	T Statistics	P Values	AVE	Explanation
	KTP.2.2	0,821	26,806	0,000		
	KTP.3.1	0,795	22,994	0,000		
	KTP.3.2	0,808	23,689	0,000		
	KTP.4.1	0,739	16,502	0,000		
	KTP.4.2	0,830	31,431	0,000		
	KTP.5.1	0,792	22,496	0,000		
	KTP.5.2	0,843	34,843	0,000		
Tax Morale (Z)	TM.1.1	0,835	30,303	0,000	0,618	Valid
	TM.1.2	0,761	19,992	0,000		
	TM.2.1	0,806	19,951	0,000		
	TM.2.2	0,763	16,896	0,000		
	TM.3.1	0,729	15,129	0,000		
	TM.3.2	0,819	19,641	0,000		
Tax Compliance (y)	KP.1.1	0,723	12,600	0,000	0,585	Valid
	KP.1.2	0,753	14,038	0,000		
	KP.2.1	0,766	19,115	0,000		
	KP.2.2	0,770	20,226	0,000		
	KP.3.1	0,788	20,575	0,000		
	KP.3.2	0,808	22,130	0,000		
	KP.4.1	0,779	17,545	0,000		
	KP.4.2	0,726	13,742	0,000		

Based on the table above, all indicators have outer loading values between 0.723 and 0.871, all greater than 0.70, with significant T statistics values ($p < 0.05$). The indicators with the highest loading for each construct are NS.4.1 (0.828) for social norms, PK.2.2 (0.871) for perceived justice, KTP.2.1 (0.854) for trust in the government, TM.1.1 (0.835) for tax morale, and KP.3.2 (0.808) for tax compliance. The AVE values for all constructs range from 0.585 to 0.653, all greater than 0.50, meaning each construct can explain more than half of the variance of its indicators. Thus, all indicators and constructs in the model have met the criteria for convergent validity, so no indicators need to be eliminated from the model.

Table 6. Fornell-Larcker Criterion (FLC)

	Tax Compliance (Y)	Trust in the Government (X3)	Social Norm (X1)	Perception of Justice (X2)	Tax Morale (Z)
Tax Compliance (Y)	0,765				
Trust in the government (X3)	0,660	0,808			
Social Norm (X1)	0,155	0,172	0,793		
Perception of Justice (X2)	0,638	0,389	0,267	0,805	
Tax Morale (Z)	0,725	0,657	0,226	0,654	0,786

Based on the test result table, the square root AVE values of each construct, namely tax compliance (0.765), trust in government (0.808), social norms (0.793), perception of justice (0.805), and tax morale (0.786), are all greater than the correlation between constructs in the same row and column. The highest correlation occurs between tax morale and tax compliance (0.725), and this value is still smaller than the square root AVE of both constructs. Thus, all constructs have met the Fornell-Larcker discriminant validity criteria.

Table 7. Structural Model Testing

Indicator	Tax Compliance (Y)	Trust in the Government (X3)	Social Norm (X1)	Perception of Justice (X2)	Tax Morale (Z)
KP.1.1	0,723	0,487	0,285	0,495	0,521
KP.1.2	0,753	0,526	0,074	0,497	0,566
KP.2.1	0,766	0,545	0,090	0,472	0,555
KP.2.2	0,770	0,446	0,113	0,455	0,541
KP.3.1	0,788	0,509	0,129	0,549	0,627
KP.3.2	0,808	0,571	0,052	0,494	0,584
KP.4.1	0,779	0,514	0,069	0,456	0,524
KP.4.2	0,726	0,429	0,153	0,474	0,500
KTP.1.1	0,657	0,826	0,265	0,419	0,592
KTP.1.2	0,491	0,766	0,065	0,321	0,469
KTP.2.1	0,508	0,854	0,100	0,336	0,530
KTP.2.2	0,596	0,821	0,144	0,406	0,648
KTP.3.1	0,451	0,795	0,039	0,123	0,457
KTP.3.2	0,562	0,808	0,122	0,272	0,572
KTP.4.1	0,483	0,739	0,229	0,282	0,383
KTP.4.2	0,568	0,830	0,190	0,366	0,558
KTP.5.1	0,421	0,792	0,155	0,235	0,475
KTP.5.2	0,540	0,843	0,078	0,323	0,542
NS.1.1	0,097	0,129	0,816	0,170	0,148
NS.1.2	0,162	0,167	0,800	0,224	0,195
NS.2.1	0,103	0,155	0,760	0,202	0,228
NS.2.2	0,083	0,166	0,805	0,192	0,167
NS.3.1	0,114	0,134	0,745	0,229	0,190
NS.3.2	0,149	0,100	0,775	0,190	0,114
NS.4.1	0,168	0,126	0,828	0,275	0,205
NS.4.2	0,091	0,066	0,814	0,165	0,104
PK.1.1	0,521	0,349	-0,008	0,739	0,426
PK.1.2	0,468	0,292	0,293	0,786	0,474
PK.2.1	0,477	0,262	0,351	0,776	0,491
PK.2.2	0,563	0,334	0,195	0,871	0,619
PK.3.1	0,569	0,346	0,320	0,842	0,609
PK.3.2	0,472	0,299	0,100	0,807	0,499
TM.1.1	0,631	0,571	0,201	0,609	0,835
TM.1.2	0,593	0,484	0,194	0,456	0,761
TM.2.1	0,525	0,519	0,178	0,539	0,806
TM.2.2	0,549	0,466	0,154	0,494	0,763
TM.3.1	0,515	0,430	0,131	0,499	0,729
TM.3.2	0,600	0,612	0,202	0,481	0,819

Based on the table above, each indicator has the highest loading value on the construct it measures (bolded) compared to other constructs. For example, the indicator NS.1.1 has a loading of 0.816 on social norms, much higher than its loading on tax compliance (0.097), trust in government (0.129), perception of justice (0.170), and tax morale (0.148). The same pattern applies to all 38 indicators, thus meeting the cross-loading criteria. The third method is HTMT, which is recommended by Henseler et al. (2015) as a more sensitive criterion in detecting discriminant validity issues. A construct is considered to meet discriminant validity if the HTMT value between constructs is less than 0.90. Here is the HTMT table.

Table 8. Heterotrait-Monotrait Ratio (HTMT)

	Tax Compliance (Y)	Trust in the Government (X3)	Social Norm (X1)	Perception of Justice (X2)	Tax Morale (Z)
Tax Compliance (Y)					
Trust in the government (X3)	0,709				
Social Norm (X1)	0,173	0,180			
Perception of Justice (X2)	0,710	0,417	0,290		
Tax Morale (Z)	0,813	0,708	0,236	0,730	

Based on Table, all HTMT values between constructs range from 0.173 to 0.813 and none exceed 0.90. The highest HTMT value is found in the pair of tax morale and tax compliance (0.813), which is still below the threshold. The results of the three testing methods consistently show that the outer model has met the required criteria for discriminant validity.

Table 9. Discriminant Validity

Variable	Cronbach's Alpha	Composite Reliability (rho_a)	Composite Reliability (rho_c)	AVE	Explanation
Social Norm (X1)	0,917	0,927	0,931	0,629	Reliabel
Perception of Justice (X2)	0,891	0,903	0,917	0,648	Reliabel
Trust in the government (X3)	0,941	0,947	0,950	0,653	Reliabel
Tax Morale (Z)	0,876	0,880	0,907	0,618	Reliabel
Tax Compliance (Y)	0,898	0,900	0,918	0,585	Reliabel

All constructs demonstrated excellent reliability, with Cronbach's alpha, rho_A, and rho_C exceeding 0.70. Outer-model VIF values ranged from 1.734 to 3.256, while inner-model VIF values ranged from 1.000 to 1.239. All values were below recommended thresholds, indicating high internal consistency and no significant multicollinearity issues (Hair et al., 2019).

Table 10. R Square

Variablel Endogen	R Square	R Square Adjusted	Category
Tax Morale (Y)	0,619	0,608	Moderate
Tax Compliance (Y)	0,526	0,521	Moderate

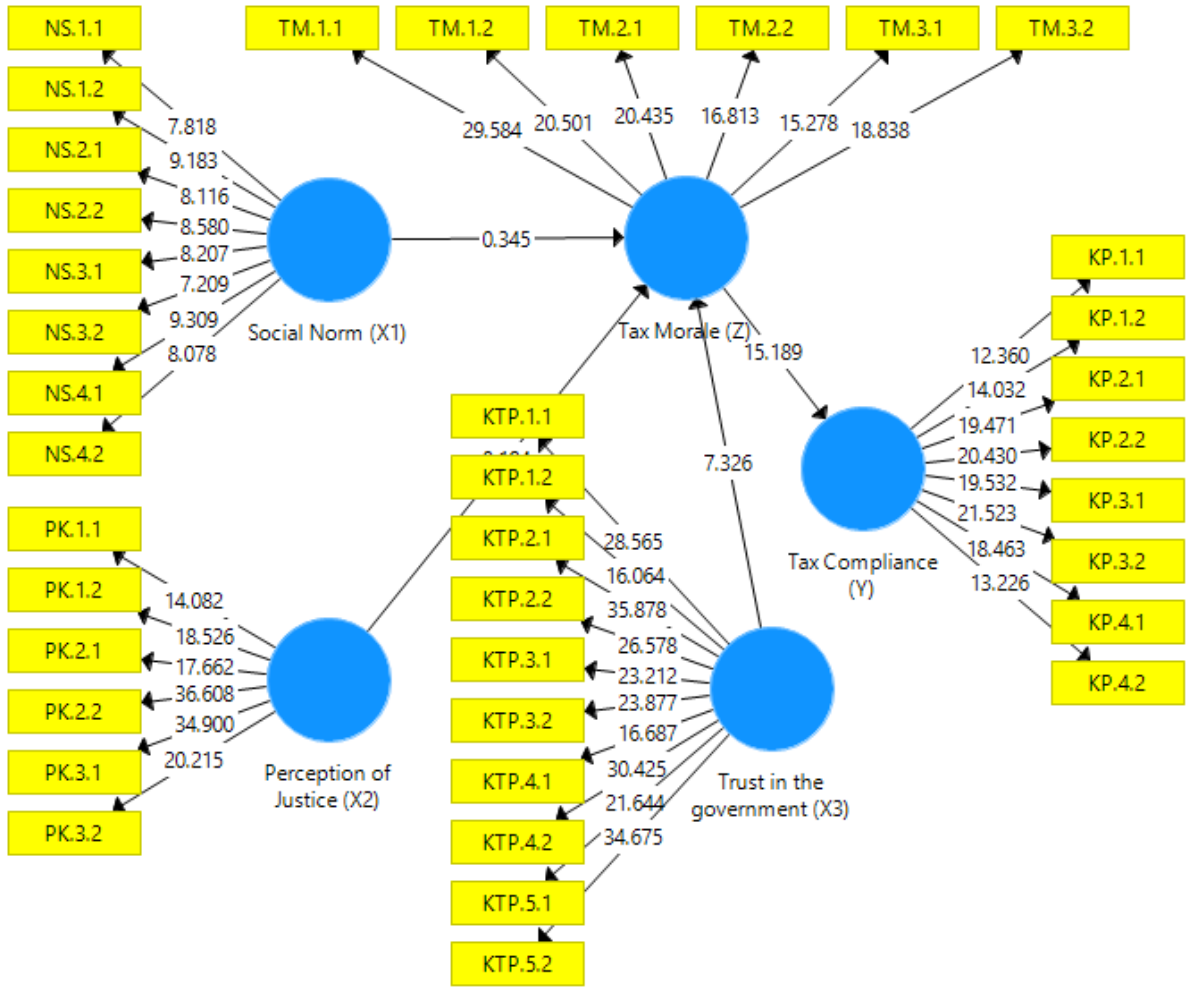
Based on Table, the R^2 value for tax morale of 0.619 means that 61.9 percent of the variance in tax morale can be explained by social norms, perceptions of justice, and trust in the government, while the remaining 38.1 percent is explained by other factors outside the model. The R^2 value for tax compliance of 0.526 means that 52.6 percent of the variance in tax compliance can be explained by tax morale, while the remaining 47.4 percent is explained by other factors outside the model. Both R^2 values fall into the moderate to strong category, indicating that the model has adequate predictive ability.

Table 11. F Square

Track	F Square	Influence Category
Social Norm → Tax Morale	0,001	No Influence
Perception of Justice → Tax Morale	0,457	Significant
Trust in the government → Tax Morale	0,495	Significant
Tax Morale → Tax Compliance	1,108	Significant

Based on Table, trust in the government ($f^2 = 0.495$) and the perception of justice ($f^2 = 0.457$) make significant contributions to the formation of tax morale, while social norms ($f^2 = 0.001$) practically do not contribute. Tax morale makes a very large contribution to tax

compliance (f^2 = 1.108). These results are consistent with the magnitude of the path coefficients that will be discussed in the hypothesis testing.



Results of Direct Influence Testing

Table 12. Results of Direct Influence Testing

Path	Original Sample (O)	Sample Mean (M)	Standard Deviation	T Statistics	P Values
Social Norm → Tax Morale	0,021	0,032	0,058	0,356	0,722
Perception of Justice → Tax Morale	0,465	0,464	0,057	8,152	0,000
Trust in the government → Tax Morale	0,473	0,472	0,063	7,513	0,000
Tax Morale → Tax Compliance	0,725	0,731	0,046	15,618	0,000

Based on Table, the results of testing each direct relationship hypothesis are described in the following paragraphs. The statistical conclusion of each hypothesis is based on the sign of the path coefficient, the T statistics value, and the P values at a 5 percent significance level.

First hypothesis (H1), social norms → tax morale. Social norms are not a significant predictor of tax morale, as indicated by a path coefficient of 0.021 with a T statistic of 0.356 < 1.96 and P values of 0.722 > 0.05. The 95 percent confidence interval (–0.086 to 0.146) includes the number zero. This means that the level of social norms does not affect the level of taxpayers' tax morale.

Second hypothesis (H2), perception of justice → tax morale. Perception of justice is a significant positive predictor of tax morale, as indicated by a path coefficient of 0.465 with a T statistic of 8.152 > 1.96 and P values of 0.000 < 0.05. This means that the higher the taxpayers' perception of justice toward the tax system, the higher their tax morale. Hypothesis three (H3), trust in the government → tax morale. Trust in the government is a significant positive predictor of tax morale, as indicated by a path coefficient of 0.473 with a T statistic of 7.513 > 1.96 and P values of 0.000 < 0.05. This means that the higher the taxpayers' trust in the government, the higher their tax morale. Trust in the government is the strongest predictor of tax morale in this model.

Fourth hypothesis (H4), tax morale → tax compliance. Tax morale is a significant positive predictor of tax compliance, indicated by a path coefficient of 0.725 with T statistics of 15.618 > 1.96 and P values of 0.000 < 0.05. This means that the higher the tax morale, the higher the tax compliance of the taxpayers.

Table 13. Results of Indirect Influence Testing

Path	Original Sample (O)	Sample Mean (M)	Standard Deviation	T Statistics	P Values
Social Norm → Tax Morale → Tax Compliance	0,015	0,024	0,043	0,352	0,725
Perception of Justice → Tax Morale → Tax Compliance	0,337	0,339	0,046	7,303	0,000
Trust in the government → Tax Morale → Tax Compliance	0,343	0,346	0,056	6,169	0,000

Fifth hypothesis (H5), social norms → tax morale → tax compliance. Tax morale does not mediate the influence of social norms on tax compliance, as indicated by the indirect effect coefficient of 0.015 with a T statistic of 0.352 < 1.96 and P values of 0.725 > 0.05. This is a consequence of the insignificance of the social norms → tax morale path (path a), making the product of the coefficients of path a and b (0.021 × 0.725) insignificant.

Hypothesis six (H6), perception of justice → tax morale → tax compliance. Tax morale significantly mediates the effect of perception of justice on tax compliance, as indicated by an indirect effect coefficient of 0.337 with a T statistic of 7.303 > 1.96 and P values of 0.000 < 0.05. This means that the higher the perception of justice, the higher the tax morale, which in turn increases tax compliance. Hypothesis seven (H7), trust in the government → tax morale → tax compliance. Tax morale significantly mediates the effect of trust in the government on tax compliance, as indicated by an indirect effect coefficient of 0.343 with a T statistic of 6.169 > 1.96 and P values of 0.000 < 0.05. This indirect effect is the largest among the three mediation paths.

Because the research model does not include a direct path from social norms, perceptions of justice, and trust in the government to tax compliance (as shown in Figure 2.2), the total effect of each exogenous variable on tax compliance is equal to its indirect effect, which is 0.015 for social norms, 0.337 for perceptions of justice, and 0.343 for trust in the government. Referring to Zhao et al. (2010), the significant indirect effects of perceptions of justice and trust in the government indicate that tax morale acts as a mediating mechanism that channels the influence of these two variables to tax compliance.

Summary of Hypothesis Testing Results

Table 14. Hypothesis Test Results

No	Hipotesis	Path Coefficient	T Statistics	P Values	Decision
H1	Social Norms are a positive predictor of Tax Morale	0,021	0,356	0,722	Rejected
H2	Perception of Justice is a positive predictor of Tax Morale	0,465	8,152	0,000	Accepted
H3	Trust in the Government is a positive predictor of Tax Morale	0,473	7,513	0,000	Accepted
H4	Tax Morale is a positive predictor of Tax Compliance	0,725	15,618	0,000	Accepted
H5	Tax Morale mediates the relationship between Social Norms and Tax Compliance	0,015	0,352	0,725	Rejected
H6	Tax Morale mediates the relationship between Perception of Justice and Tax Compliance	0,337	7,303	0,000	Accepted
H7	Tax Morale mediates the relationship between Trust in the Government and Tax Compliance.	0,343	6,169	0,000	Accepted

Based on Table, out of the seven proposed hypotheses, five were accepted (H2, H3, H4, H6, and H7) and two were rejected (H1 and H5). The two rejected hypotheses are related to the social norm variable, both its direct influence on tax morale and its indirect influence on tax compliance through tax morale.

The findings show that social norms did not significantly predict tax morale ($\beta = 0.021$; $p = 0.722$), while perceived fairness significantly and positively influenced tax morale ($\beta = 0.465$; $p < 0.001$). Social norms had minimal explanatory contribution, whereas perceived fairness demonstrated a substantial effect. This suggests that taxpayers' intrinsic motivation is influenced more strongly by institutional perceptions of fairness than by their social environment.

Trust in government was also a significant positive predictor of tax morale ($\beta = 0.473$; $p < 0.001$), representing the strongest predictor in the model. Furthermore, tax morale significantly predicted tax compliance ($\beta = 0.725$; $p < 0.001$), explaining 52.6% of its variance. These findings indicate that institutional trust and fairness contribute to taxpayers' intrinsic motivation, which subsequently supports tax compliance. Regarding mediation, tax morale did not mediate the relationship between social norms and tax compliance. However, it significantly mediated the effects of perceived fairness and trust in government on tax compliance, with indirect effects of 0.337 and 0.343, respectively. Overall, tax morale appears to function as an important mechanism linking institutional factors, particularly fairness and government trust, to taxpayers' compliance behavior.

The SEM-PLS findings indicate that perceived fairness and trust in government significantly predict tax morale, while tax morale significantly predicts tax compliance and mediates the effects of both factors. Managerial implications should focus on strengthening government trust through transparent tax reporting, responsive services, and communication of tax-management performance. Perceived fairness should be improved by maintaining transparent procedures, strengthening distributive fairness, and ensuring respectful taxpayer services. Tax morale can be reinforced through citizenship-based tax messages and concrete evidence of tax utilization for national development. Tax compliance should be supported through tax education, Coretax assistance, clearer regulations, and accessible guidance, while enforcement should remain a supporting instrument. Although social norms were not significant predictors, educational and community-based approaches may encourage moral

internalization rather than social pressure. Overall, improving government trust and tax fairness should become key foundations for strengthening tax morale and promoting sustainable voluntary tax compliance in Jakarta.

CONCLUSIONS AND RECOMMENDATIONS

Conclusion

The findings show that social norms do not significantly predict tax morale, whereas perceived fairness and trust in government are significant positive predictors. Tax morale strongly predicts tax compliance and mediates the effects of perceived fairness and trust in government on compliance. The SEM-PLS and AHP results indicate that improving government integrity, accountability, transparency, procedural fairness, competence, and responsiveness should be prioritized. Overall, tax morale among individual taxpayers in Jakarta is primarily shaped by institutional factors rather than social norms. Strengthening tax morale through fairness and public trust can therefore support sustainable voluntary tax compliance.

Limitations

This study has several limitations. First, purposive sampling was used because a complete population sampling frame was unavailable, limiting the generalizability of the findings. Second, the cross-sectional design does not establish causal relationships among variables. Third, the use of self-reported questionnaire data may create common method and social desirability biases, particularly regarding tax compliance. Fourth, the instrument pilot test used the same research subjects as the main study. Finally, the absence of direct paths from independent variables to tax compliance prevents a clear classification of tax morale mediation, while the AHP strategy depends on a limited number and composition of experts.

Recommendation

Future research should examine group identification and community characteristics to determine when social norms influence tax morale. Additional direct paths to tax compliance should also be tested to clarify mediation effects, alongside variables such as tax knowledge, religiosity, and authority power. Practically, tax authorities should strengthen public trust through transparency, accountability, integrity, responsive services, and clearer communication of tax benefits. Procedural and distributive fairness should also be improved, while tax education should emphasize moral responsibility rather than social pressure. Future studies should consider wider samples, other regions, mixed-method approaches, longitudinal designs, field experiments, and probability sampling to strengthen causal evidence and generalizability.

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