

The Reality amidst Pandemic on Trust and Morality of Tax Payer: Tax Payment and Tax Compliance in a Suburban Area in Indonesia

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Abstract: This research aimed to examine the determinant model of trust and morality in explaining the willingness to pay tax and taxpayer compliance. This research also examines the contingent effect of trust and morality to explain tax compliance through willingness to pay tax. The prediction model based on slippery slope theory and theory of planned behavior. The respondent of this survey research are the small and medium enterprises (SME's) taxpayer that listed on a tax authority office in West Sidoarjo district. The result of determinant model test showed that trust and morality have significant influences on the willingness to pay tax and taxpayer compliance. Those result also showed that willingness to pay tax has significant influence on taxpayer compliance. Furthermore, the contingent model test indicates that the willingness to pay tax only has mediating effect on the influence of morality toward taxpayer compliance. Meanwhile, the willingness to pay tax hasn't mediating effect on the influence of trust on taxpayer compliance.

1 INTRODUCTION

Horrible pandemic caused delaying civilization in millennium era. All aspects are to be come hostile for health allocation. Considering for supporting operational, the government try to maximize tax revenue to provide flexibility in determining the direction of the country's development policies. On the other hand, the taxpayer considers that the payment of taxes can reduce the income received. Payment of taxes to the state is considered to reduce personal economic benefits when they are still struggle in calamity.


The basic problem in optimizing tax revenue is the existence of an expectation gap between the government and taxpayers (Mujaddid, 2019). The government builds a system that encourages optimal tax revenue, meanwhile taxpayers tend to be reluctant to pay taxes (Torgler, 2008). Citizens will tend to be reluctant to pay taxes when the system presented by the government is considered corrupt, pertinently in Indonesia (Mujaddid, 2019). Tax payer in Indonesia are given the right to calculate, pay and report all their tax obligations themselves. Therefore, the state can only hope for the compliance and willingness of

taxpayers to fulfill their tax obligations (Benk et al., 2016).

This needs to be studied in a narrow sub-urban area that represents a variety of people's backgrounds. The level of trust and encouragement based on moral values, is it still maintained when citizens face unfavorable conditions during the pandemic.

The purpose of this research is to examine two forms of subjective norms emerge as trust and morality in explaining taxpayer compliance and willingness to pay taxes. Based on the framework of the Slippery Slope Theory and Theory of Planned Behavior (TPB) from Kirchler et al., (2007), (2008); Muehlbacher & Kirchler, (2010) and Ajzen (1991) researchers tried to test the premise of subjective norms in explaining these two issues.

This study focuses on internal factors, considering that the tax system in Indonesia depends on the activity of taxpayers (Nazaruddin, 2019). Torgler's (2008) literature study states that the factors of belief (faith) and trust (trust), which are derivations from the premise of subjective norms (subjective norms) are important predictors of compliance and willingness.

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2 THEORETICAL FRAMEWORK

2.1 Trust and Tax Morale to Compliance Behaviour

Several studies related to taxpayer compliance found empirical evidence that morality (tax morale) and religiosity showed a positive association (Benk et al., 2016; Cummings et al., 2009; Lhoka & Sukartha, 2020; Richardson, 2006; Torgler, 2003, 2003). 2006). Then, the trust variable can also empirically increase taxpayer compliance (Gobena & Van Dijke, 2017; Muehlbacher & Kirchler, 2010). It comes from the individual's understanding of obligations, which instinctively prioritizes the needs of his life. External disposition comprise to regulatory influences and social pressures can affect individuals to shift priorities.

Theory of Planned Behavior (TPB) is a basic theory to explain the association between trust and morality on willingness to pay taxes and taxpayer compliance. The TPB is the development of Theory of Reasoned Action (TRA). Both TRA and TPB have been widely used as predictors of behavioral intention and actual behavior (Madden et al., 1992).

The TRA contains two elements comprise to attitude (attitude toward behavior) and subjective norms (Trongmateerut & Sweeney, 2013). Meanwhile, TPB expands the predictor of intention by adding a third factor, reveal as perceived behavioral control (Ajzen, 1991). The TPB can explain immense of actual intention and behavior regard on complex psychological processes, however there is difficult to predict actual behavior (Gundlach, Michael J. Douglas, Scott C. Martinko, 2003). The TPB provides an explanation that the three factors previously mentioned can influence an individual's behavioral intention (Ajzen, 1991). However, the theory can explain most on ex-post happened than determine explanation of ex-ante.

Another theory can explain interaction on individual cognizance and implication on their welfare. Slippery slope theory was developed to provide a theoretical review based on aspects of economic psychology by examining the factors of perception of taxpayers' trust to and power from tax authorities (Kirchler et al., 2007, 2008; Muehlbacher & Kirchler, 2010). Slippery slope theoretical framework stems from the premise that building a tax compliance climate in the community can be done in two forms, comprises as an antagonistic climate and a synergistic climate.

The antagonistic climate is intended by the tax authorities to build a coercive climate, this role is

formed because the tax authority has a full juridical mandate to claim its legitimacy. Taxpayers have no other situation than to comply, apart from sanctions and their condition is at stake in maintaining economic viability. A different concept occurs in a synergistic climate. A synergistic climate requires trust from the public to the tax authorities. Trust is considered to be an important element that must be built to create voluntary tax compliance (Wahl et al., 2010). A synergistic climate has two essential characteristics, namely that the tax authorities provide services to taxpayers and they represent themselves as equal parts of society (Kirchler et al., 2008). The approach that should be used is to consider the taxpayer as a partner of the authority. The concrete form of this approach can be given an immaterial policy of providing services as a customer and a material policy in the form of tax incentives. The implication of the synergistic approach is to reduce social distance between the authorities and taxpayers. In addition, the expectation gap between taxpayers and the state (in this case the tax authorities with an interest in tax revenues). Voluntary compliance can be built on such a synergistic climate. Efforts to evade taxes tend to be low, even taxpayers can be more aware and open about their obligations as taxpayers.

2.2 The Effect of Social Trust on Disposition to Pay Taxes

Trust in the context of tax compliance leads to taxpayers' trust in state administrators and tax authorities. Taxpayer trust can be built when there is public trust in the government system that is presented. The public (in this case the taxpayer) will only consider the implementation of the tax system to be trustworthy when it gets support from the government (Chong & Arunachalam, 2018).

The perception of trust in the government in allocating tax revenues for national development can encourage the creation of social trust. The assumption that tax management has been carried out efficiently can foster obedient behavior towards tax regulations. The emergence of trust from taxpayers can reduce the tendency of taxpayers taking against applicable rules (Chong & Arunachalam, 2018).

The behavior can be explained by slippery slope theory emphasize on economic psychology by examining the factors of perception of taxpayers' trust to and power from tax authorities (Kirchler et al., 2007, 2008; Muehlbacher & Kirchler, 2010). This theory endeavour by Allingham & Sandmo (1972) as causal tax compliance with the economic in empirical evidence. This concept can accept by taxpayer as

willingness to pay. Willingness to pay is the value at which individuals are willing to pay, exchange or sacrifice anything to obtain goods or services. The willingness to pay taxes can be interpreted as an action that reflects the moral values of the taxpayer, which is motivated as a form of social and economic contract between the taxpayer and the tax authority.

2.3 Intrinsic Motivation as Morality Conduct

The morality factor has become an important issue that has received much attention in empirical research on taxation topics since 1990 (Cummings et al., 2009; Feld et al., 2006; Horodnic, 2018; Torgler, 2006, 2008). Morality is a social factor which is a derivation of subjective norms that should be considered in predicting taxpayer compliance. The definition of morality in the context of tax (tax morale) is defined as intrinsic motivation to pay taxes (Horodnic, 2018). Intrinsic motivation leads to a tendency to be honest taxpayers and will not evade taxes on some taxpayers (Cummings et al., 2009; Feld et al., 2006; Torgler, 2006).

Individual tax morality is shaped by a set of subjective attitudes and norms (Torgler, 2006). The attitude of the taxpayer to his tax obligations has implications for the evaluation of the taxpayer to pay or not pay taxes. The attitude itself results from the taxpayer's knowledge of the tax concept and its derivation (Farrar & Hausserman, 2016; Fishbein & Ajzen, 2011; Torgler, 2006). The minimum measure to justify voluntary compliance or intrinsic motivation is present when law enforcement for tax violations is at a low level (Cummings et al., 2009). Whether law enforcement for tax violations is low, it can be concluded that there is an indication of tax compliance. This is based on low law enforcement also shows that taxpayers are aware of taxes as their obligations, this is a form of intrinsic motivation (Richardson, 2006; Taing & Chang, 2020).

3 RESEARCH METHOD

The hypothesis was developed based on the premise of attitudes, subjective norms and behavioral control in relation to explaining the intentions of individual behavior.

Words like “is”, “or”, “then”, etc. should not be capitalized unless they are the first word of the subtitle.

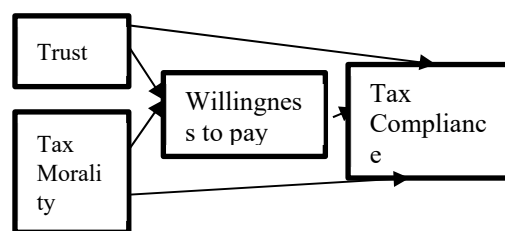


Figure 1. Internal and external exposures to tax compliance

Testing empirical facts based on the theoretical framework of Picture 1 can be done using path analysis techniques. The population in this study is 234 micro, small and medium enterprises registered at the West Sidarjo Taxation Center by simple random sampling technique. The number of respondents is determined using the formula from Roscoe (2014) where the number of respondents is at least equal to ten times the number of variables this is $4 \times 10 = 40$ respondents.

4 RESULTS AND DISCUSSION

4.1 Statistical Analysis

The results of descriptive statistical tests can be described by the characteristics of the data. The distribution of the value of the confidence variable which is the independent variable in this research, obtained the lowest value of 3.00. The highest value is 5.00. The average value of this variable is 3.88. The standard deviation value or the value gap between the data is 0.53.

Table 1. Descriptive Result

Variable	N	Min	Max	Mean	Std.Dev
Trust (X1)	79	3.00	5	3.88	0.53
Morality (X2)	79	4.00	5	4.51	0.35
Willingness to pay taxes (I)	79	1.83	5	3.49	0.93
Taxess Compliance (Y)	79	3.90	5	4.46	0.37

Next, it is known the value distribution of the morality variable. From the table, it is known that the lowest value of the morality variable is 4.00.

Meanwhile, the highest value for this variable is 5.00. The average research respondents answered this variable statement of 4.51. The standard deviation value of this variable is 0.35. Furthermore, the general description of the research data is for the variable of willingness to pay taxes. Data on the variable of willingness to pay taxes received the lowest response with a value of 1.83. The highest score of respondents' answers from this study was 5.00. The average respondent answered this statement item at an interval of 3.49. The value of the gap between respondents' answers for this variable is 0.93. Finally, the general description of the research data is for the taxpayer compliance variable. The lowest response from respondents to statements on this variable is 3.90. The highest score of respondents' answers from this study was 5.00. The average respondent answered this statement item at an interval of 4.46. The value of the gap between respondents' answers for this variable is 0.37.

4.1.1 Affiliations Partial Test Results: t Test

This test is conducted to test whether each independent variable has a significant effect on the dependent variable. The partial test in this study was used to analyze the direct effect of the trust and morality variables on taxpayer compliance without going through the willingness to pay taxes. This partial test is also useful for analysing the effect of willingness to pay taxes on taxpayer compliance. To find out which independent variable has a significant effect, then a partial hypothesis test is carried out. The following are the results of the partial hypothesis test:

Table 2. Multiple Regression Result- Model I

Variable	Coefficient	Sig.	Result
Trust (X1)	1.227	0.000**	H1 Accept
Morality (X2)	-0.532	0.021**	H2 Accept
Significant 5%**			

Based on the table of partial hypothesis test results for the first model, it is indicated that the variables of trust and morality affect taxpayer compliance. This indication can be seen by referring to the significance value (p value) which shows a number that is smaller than the specified significance level, namely 0.000 and 0.021. For the confidence variable, it can explain the willingness to pay taxes variable at a level of confidence level of 0.01 (1%). Meanwhile, the morality variable has a significant effect on the

willingness to pay taxes at a significance level of 0.05 (5%).

Furthermore, the researcher tested the second, third and fifth hypotheses. This model is separated into a second model. This second model contains a predictive model of trust and morality variables on taxpayer compliance. The test of this model is intended to analyze the direct effect of the variables of trust and morality on taxpayer compliance. Meanwhile, the second model also examines the variable of willingness to pay taxes which is positioned as an independent variable and contingent. It is a contingent nature by representing the element of mediation (intervening) which mediates the influence of trust and morality variables on taxpayer compliance. To predict the nature of the contingency, it is necessary to analyse the effect of the variable of willingness to pay taxes as an independent variable on taxpayer compliance. The following is a table of test results for the second model:

Table 3 Multiple Regression Test Result- Model II

Variable	Co-efficient	Sig.	Result
Trust (X1)	0.032	0.011**	H3 Accept
Morality (X2)	1.038	0.000***	H4 Accept
Willingness to pay taxes (I)	-0.019	0.006***	H5 Accept
Significant 1%*, 5%** , 10%***			

Table 3. contains the results of testing the research hypothesis partially. Based on the table, the significance values for the three independent variables are 0.011, 0.000 and 0.006, respectively. By looking at the significance value of each independent variable in the table, several conclusions are obtained.

First, the trust variable has a significant effect on taxpayer compliance. This is evidenced by the significance value of the confidence variable showing a value of 0.011. Based on the significance value (p value), it can be said that the confidence variable can explain taxpayer compliance at a significance level of 0.05 (5%).

The morality variable is stated to have an effect on taxpayer compliance. This indication can be seen by referring to the significance value of the morality variable, which is 0.000. This shows that the morality variable is able to explain the taxpayer compliance variable with a significance level of (0.01) 1%.

The variable of willingness to pay taxes shows a significant effect on taxpayer compliance. This indication can be seen based on the significance value

of the variable willingness to pay taxes, which is 0.006. The purpose of this figure is that the variable of willingness to pay taxes can be a determinant of taxpayer compliance at a significance level of (0.01) 1%.

4.1.2 Mediation Detection Test Results: Path Analysis

Three models are being tested using Sobel test as results shown in Table 4. The first model is the result of a regression test between two independent variables, comprises as trust and morality to the willingness to pay taxes as mediating variable. The results of hypothesis testing in the first model indicate that the two independents can show a significant consequence on willingness to pay taxes.

Table 4 Path Analysis Result

Variables	Path Coefficient		
	Model 1	Model 2	Model 3
X1- I	1.227		
X2- I	-0.532		
X1 - Z		0.032	
X2 - Z		1.038	
I - Z		-0.019	
X1 - I - Z			0.009
X2 - I - Z			1.048** *
Path model is significant if *** Model III > Model II			

The second model uses partial test (t test) reveal trust, morality, and willingness to pay taxes consistent explaining taxpayer compliance. Here, the willingness to pay taxes conducts as mediating variable.

Next is an analysis of the results of testing the third model, herein trust and morality factors on taxpayer compliance through the variable of willingness to pay taxes. In the Table 4 shown the path coefficient value or the value of the indirect influence coefficient is obtained using the Sobel test. The path coefficients for the two independent variables are 0.009 and 1.048.

The results of the Sobel test indicate that empirically the variable of willingness to pay taxes can only mediate the effect of morality on taxpayer compliance. Meanwhile, the variable of willingness to pay taxes cannot mediate the effect of trust on taxpayer compliance. The indication that willingness to pay taxes can only mediate the effect of morality on taxpayer compliance is by referring to the path coefficient value of the indirect effect which is greater

than the coefficient of direct influence (See table 4. Models II and III: $-0.434 < -0.484$). This indicates that the mediation model of the variable of willingness to pay taxes is stronger in predicting the effect of morality on taxpayer compliance.

Meanwhile, the predictive model for the variable of trust in taxpayer compliance is stated not to be stronger when mediated by the variable of willingness to pay taxes. This model obtains a path coefficient value which is not greater than the direct effect coefficient ((See table 4.10 Models II and III: $0.032 > 0.009$). Based on this analysis, the seventh hypothesis is accepted (H7: Accepted). Meanwhile, the sixth hypothesis is rejected. (H6: Rejected). The decision obtained is that there is a significant effect of the morality variable on taxpayer compliance mediated by the willingness to pay taxes. The following are the test results of this research model:

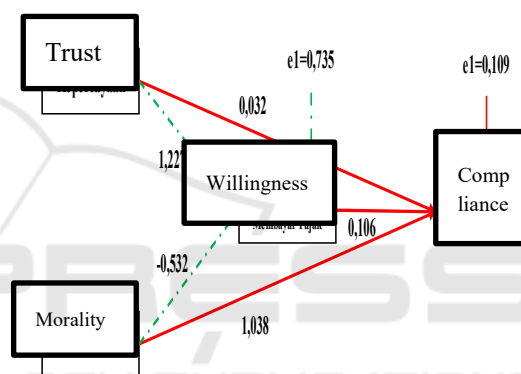


Figure 2. Path analysis test result

4.1.3 Determinant Coefficient

The coefficient of determination can be seen in the Adjusted R Square value which shows how much the independent variable can explain the independent variable. The magnitude of the coefficient of determination is 0 to one. The higher the Adjusted R Square value, the better the regression model used because it indicates that the ability of the independent variable to explain the dependent variable is also greater, and vice versa. The following are the results of the coefficient of determination from the first and second models:

Table 5. Coefficient of Determination test results

	Determination Coefficient	
	Adjusted R Square	%
Model I	0.459	46
Model II	0.988	99

Table 4. is the result of the coefficient of determination test. In the table, the adjusted r-square values for model one and model two are 0.459 and 0.988. These results indicate that the variables of trust and morality can explain the willingness to pay taxes with an influence intensity of 45.9%. While the residual of 54.1% is explained by other predictors. Meanwhile, for the second model, the adjusted r square value obtained is 0.988. This indicates that the intensity of the variables of trust, morality and willingness to pay taxes can explain taxpayer compliance with a percentage of 98.8%.

4.2 Findings

4.2.1 The Effect of Trust on Willingness to Pay Taxes

The results of the first hypothesis test show that trust can explain willingness to pay taxes. The indication that can be seen from this result is that public trust in the tax authority is an important determinant or factor in presenting the willingness of the public to pay taxes. That is, to ensure that the public (taxpayers) are willing to pay taxes, the tax authorities need to build a system and present a synergistic climate to increase public trust (Wahl et al., 2010). There are two perspectives that can be used to view trust as an important element in encouraging willingness to pay taxes, namely based on the theoretical framework of the theory of planned behavior and slippery slope theory.

Based on the framework of the theory of planned behavior, trust is a form of subjective norm or something that seems to be agreed upon by the community (Mujaddid & Ramadan, 2019). The trust in question is a sense of trust from the public to the tax authorities or state administrators that they have worked well and have presented a trusted system with a service orientation to the community. When the public considers that (there is a subjective norm of trust in authority) the tax management system presented is an effective system and is oriented to the interests of the community, then this belief can reduce the tendency of taxpayers to take actions that violate the applicable rules (Chong & Arunachalam, 2018).

Instead of using authority as the authority to conduct inspections and prioritize law enforcement, it is better to use a partnership approach. Based on slippery slope theory, such efforts will only increase the gap in expectations and the distance between the tax authorities and taxpayers and/or the public. These results confirm the premise of trust from the slippery slope theory and the premise of subjective norms

from the theory of planned behavior (Kirchler et al., 2007, 2008; Muehlbacher & Kirchler, 2010). These results are also consistent with the results obtained in several previous studies that trust can be a determinant of willingness to pay taxes (Farrar & Hausserman, 2016; Gobena & Van Dijke, 2017; Kirchler et al., 2007, 2008; Muehlbacher & Kirchler, 2010; Wahl et al., 2010).

4.2.2 The Influence of Morality on Willingness to Pay Taxes

The results of the second hypothesis test indicate that morality can explain willingness to pay taxes. Taxpayer morality is an external factor from the perspective of the tax authority which is also an important element in determining the willingness to pay taxes. The willingness to pay taxes depends on the morality of the taxpayer itself.

Morality is a form of "behavioral norms" which is the intrinsic motivation of taxpayers to pay taxes (Torgler, 2006). This intrinsic motivation leads to the tendency of taxpayers to be honest taxpayers and not show the intention to evade taxes (Cummings et al., 2009; Feld et al., 2006; Horodnic, 2018; Torgler, 2006). Morality in the context of tax compliance is the presence of the value of honesty and awareness of taxpayers that paying taxes is a good action. At the same time, taxpayers believe that tax evasion is something that is not right and immoral (Torgler, 2003).

Taxpayers who are oriented towards moral action tend to be willing to pay taxes because paying taxes is something moral (Taing & Chang, 2020). The association between taxpayer morality and willingness to pay taxes can be explained because moral considerations will underlie (Fishbein & Ajzen, 2011). Morality can encourage taxpayers to have a willingness to pay taxes because taxpayers think that by paying taxes, they have shown behavior that reflects the values of honesty and kindness.

The results of this study confirm that taxpayer morality which is a form of behavioral norms can predict willingness to pay taxes. The results of this study also support the results of several previous studies, namely Cummings et al., (2009), Benk, et.al., (2016), Torgler (2006), Mohdali & Pope (2014), Mujaddid & Ramadan (2019) and Setyonugroho & Sardjono (2013) which proves empirically that taxpayer morality is an important element in predicting willingness to pay taxes.

4.2.3 Titles Trust Encourages on Taxpayer Compliance

The results of the third hypothesis test obtain empirical evidence that trust can explain taxpayer compliance. To build a voluntary compliance factor is needed from the public to the tax authorities. Based on the indications obtained from the results of this study, taxpayer trust can be seen as a form of strategic approach to create a voluntary compliance.

The ability of trust to explain taxpayer compliance confirms the premise of slippery slope theory. The confirmed premise is the premise of trust or trust from the public, in this case the taxpayer. The perception of public trust in the system presented by the government in managing tax revenues for national development can encourage the creation of social trust. The subjective norm that tax management has been carried out efficiently can foster obedient behavior towards tax regulations. The presence of trust from the public has implications for the decreasing tendency of taxpayers to take actions that violate applicable rules (Chong & Arunachalam, 2018).

The theory of planned behavior framework sees that trust which is a form of subjective norm must be presented massively. The premise of subjective norms positions trust as a form of taxpayer's perception of the effectiveness and efficiency of the presented tax management system. That is, the government and tax authorities should be able to convince taxpayers that tax management has been carried out transparently and accountably.

The concrete form of efforts to foster public trust is for example by shifting the approach which originally started from a law enforcement approach to a partnership approach. An example is presenting a synergistic climate, but at the same time not forgetting law enforcement to those who violate or do not negate the elements of an antagonistic climate (Wahl et al., 2010). The results of this research also support the results obtained from the research of Gobena & Dijke (2017), Muehlbacher & Kichler (2010) and Chong & Arunachalam (2018) which state that public trust is the essence of voluntary tax compliance. High taxpayer trust followed by high government support can increase taxpayer compliance.

4.2.4 The Effect of Morality on Taxpayer Compliance

The results of the fourth hypothesis test indicate that morality can affect taxpayer compliance. Tax compliance will not be created without the moral

behavior of taxpayers. The element of morality represents the determination of the taxpayer itself. Taxpayer morality talks about behavior that reflects honesty values to taxpayers in the context of fulfilling their tax obligations.

The premise of the Theory of Planned Behavior views that taxpayer morality is a subjective norm. Morality in the context of the premise of subjective norms reflects a certain measure of moral and immoral behavior in the context of tax compliance which seems to be agreed upon by many people in a particular context. The measure of moral behavior in fulfilling tax obligations leads to the views of people in that context. If a context upholds the values of honesty, then these values will be embraced and demonstrated by someone in that context. When the general view is present in the community that paying taxes is a moral act, then the individuals in it will tend to show moral behavior, namely paying taxes.

Based on the premise of subjective norms, the important point that must be pursued is to present a value to the community that paying taxes is an obligation as a citizen and reflects moral behavior. This is intended so that there is a massive view in the community that paying taxes is doing something good and oriented to helping realize social interests. The way that can be done to present this subjective norm is by showing the public that tax management by the authorities is carried out in a transparent and accountable manner. The results of this study are consistent with empirical evidence from previous research that the intrinsic motivation of taxpayers, namely morality, is an essential factor in building tax compliance (Cummings et al., 2009; Lhoka & Sukartha, 2020; Richardson, 2006; Taing & Chang, 2020; Torgler, 2003, 2006).

4.2.5 The Influence of Willingness to Pay Taxes on Taxpayer Compliance

The results of the fifth hypothesis test empirically prove that willingness to pay taxes can affect taxpayer compliance. The willingness to pay taxes represents the taxpayer's awareness of his tax obligations. The willingness to show that the taxpayer has a commitment to all forms of obligations to the state. In addition, willingness to pay taxes also shows respect for the state.

The premise used to explain the effect of willingness to pay taxes on taxpayer compliance is the premise of attitude (attitude toward behavior) and intention (behavioral intention) (Ajzen, 1991). The willingness to pay taxes in this study uses one indicator of the willingness to know the procedures

and procedures for fulfilling tax obligations (Mujaddid & Ramadan, 2019). Willingness arises because of the taxpayer's knowledge of the procedures and procedures for fulfilling tax obligations. This knowledge is then understood by taxpayers and determines their attitude towards these obligations. Knowledge and attitudes of taxpayers that represent the consequences of their behavior that encourage the intention or intention of taxpayers to pay taxes.

Chong & Arunachalam (2018) state that compliance is preceded by behavior that leads to a will. Based on this premise, it can be confirmed that taxpayer compliance can be explained by willingness to pay taxes. The willingness of taxpayers can encourage them to fulfill their tax obligations in an orderly and disciplined manner.

4.2.6 The Effect of Trust on Taxpayer Compliance through Willingness to Pay Taxes

The results of the sixth hypothesis test indicate that willingness to pay taxes cannot mediate the effect of trust on taxpayer compliance. The contingent nature of the variable willingness to pay taxes does not strengthen the predictive model in the sixth hypothesis. The direct effect of the trust variable on taxpayer compliance is stronger than the indirect effect.

The predictor model of the taxpayer compliance variable with the trust predictor variable with the mediation of the willingness to pay taxes has not confirmed the contingency nature. The results of this research do not support the results of previous research regarding the contingency nature of the variable of willingness to pay taxes (Benk et al., 2016; Mas'Ud et al., 2019; Mujaddid, 2019). The indirect effect cannot be confirmed due to the fairly high variation of respondents' answers to the statement of willingness to pay taxes. This can be seen based on the value of the standard deviation which is quite high.

Predictions about willingness to pay taxes that can mediate the relationship between trust and taxpayer compliance are stronger in the linear model. Public trust is a primary element that can directly explain taxpayer compliance. Trust and willingness to pay taxes are not unrelated to tax compliance.

4.2.7 the Influence of Morality on Taxpayer Compliance through Willingness to Pay Taxes

The results of the seventh hypothesis test obtain empirical evidence that morality affects taxpayer

compliance through willingness to pay taxes. The mediation model of willingness to pay taxes is empirically stronger in explaining the determination of trust in taxpayer compliance. Morality which is the intrinsic motivation of taxpayers can encourage a desire to pay taxes. Willingness to pay taxes can then mediate trust in explaining taxpayer compliance.

The tax morality factor means that someone considers the values of honesty and awareness of obligations as a taxpayer in everyday life, for example in the process of making decisions and fulfilling tax obligations. Morality can affect willingness to pay taxes based on the premise that when a person considers the value of honesty and awareness in fulfilling his tax obligations, there will be an incentive to take choices and actions that are in accordance with the subjective norms he believes.

The association model between morality and taxpayer compliance empirically has a contingency nature. Mujaddid & Ramadan (2019) found that religiosity which is a behavioral norm can affect willingness to pay taxes. Meanwhile, several other studies such as research by Mohdali & Pope (2014), Nazaruddin (2019), Benk, et.al., (2016), Cummings et al., (2009), Horodnic (2018), and Torgler (2006) states that morality is a form of subjective norm that can determine taxpayer compliance.

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