

# THE INFLUENCE OF SERVICE QUALITY, COMPLEXITY OF THE TAX SYSTEM, ACCOUNTING MENTALITY, TAX AUDIT, COMPLIANCE COSTS AND RISK PREFERENCES ON TAXPAYERS' AWARENESS AND COMPLIANCE IN ONLINE TAX SYSTEM MODERATION FOR MSMEs IN THE CITY OF SURABAYA

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## Abstract

The purpose of this study is to determine the influence of service quality, complexity of the tax system, accounting mentality, tax audit, compliance costs and risk preferences on mandatory awareness and tax compliance in the moderation of the online tax system in MSMEs in the city of Surabaya. This study is a quantitative research with data collection techniques through observation, questionnaires, and interviews, as well as data analysis techniques using a questionnaire validity and reliability test of 229 respondents with the Structural Equation Modeling (SEM AMOS) program on taxpayers of MSME Agencies in the city of Surabaya. The results of this study show that the complexity of the tax system has no effect on taxpayer compliance; accounting mentality has no effect on taxpayer compliance; tax audit has no effect on tax awareness; and risk preference has no effect on tax awareness. So there are 10 other hypotheses that have an influence. The results of the total effect analysis showed a sequence of variables that had a significant effect on taxpayer compliance as indicated by the probability value (p-value) ranging from tax awareness, tax service quality, risk preferences, accounting mentality, complexity of the tax system, compliance costs, and tax audits.

**Keywords:** Complexity of Tax System, Accounting Mentality, Compliance Costs, Taxpayer Awareness, Online Tax System.

## INTRODUCTION

Taxes have a crucial role in supporting state revenue, especially in the Micro, Small, and Medium Enterprises (MSMEs) sector in Indonesia. State revenue obtained from taxes is used to finance various development programs to improve people's welfare. Given the large contribution of taxes to the State Revenue and Expenditure Budget (APBN), taxpayer compliance is an important element to ensure that the state can continue to carry out its functions. In the MSME sector, increasing tax compliance has the potential to strengthen the national economy. The number of registered MSMEs has increased but has no impact on data from the Directorate General of Taxes (DGT) showing that the formal compliance of MSME taxpayers fluctuated between 2019 and 2021. Not all taxpayers carry out their obligations in reporting and paying taxes on time, even though the number of registrants is increasing. This challenge is the government's focus in achieving compliance targets. Several factors such as a complicated tax system, low tax awareness, and the quality of tax services also affect the low

level of compliance, so it requires further attention. This study aims to examine the influence of tax system complexity factors, tax service quality, compliance costs, accounting mentality, and risk preferences on MSME tax compliance and awareness with online tax system moderation. By understanding the relationship between these factors, it is hoped that effective solutions can be found to improve the compliance level of MSME taxpayers in Indonesia. Increasing tax awareness and services, as well as simplifying the tax system, is expected to be able to encourage taxpayers to be more compliant in carrying out their obligations.

### **Research Hypothesis**

- H1: The quality of tax services has a significant effect on taxpayers' compliance with mandatory Corporate MSME tax in the city of Surabaya.
- H2: The complexity of the tax system has a significant effect on taxpayers' compliance with the Corporate MSME taxpayers in the city of Surabaya.
- H3: Accounting mentality has a significant effect on taxpayer compliance with taxpayers MSMEs in the City of Surabaya.
- H4: Tax audits have a significant effect on taxpayer compliance with taxpayers MSMEs in the City of Surabaya.
- H5: Compliance costs have a significant effect on taxpayer compliance with taxpayers MSMEs in the City of Surabaya.
- H6: Risk preferences have a significant effect on taxpayer compliance MSMEs in the City of Surabaya.
- H7: Taxpayer awareness has a significant effect on taxpayers' compliance with mandatory Corporate MSME tax in the city of Surabaya.
- H8: The quality of tax services has a significant effect on taxpayers' awareness of mandatory Corporate MSME tax in the city of Surabaya.
- H9: The complexity of the tax system has a significant effect on taxpayer awareness to Corporate MSME taxpayers in the city of Surabaya.
- H10: Accounting mentality has a significant effect on taxpayers' awareness MSMEs in the City of Surabaya.
- H11: Tax audit has a significant effect on taxpayers' awareness of taxpayers MSME Bodies in the City of Surabaya
- H12: Compliance costs have a significant effect on taxpayer awareness among taxpayers MSMEs in the City of Surabaya.
- H13: Risk preferences have a significant effect on taxpayers' awareness MSMEs in the City of Surabaya.
- H14: Taxpayer awareness affects taxpayer compliance with moderation by Online Tax System for Corporate MSME taxpayers in the city of Surabaya.

### 1.1 Conceptual framework

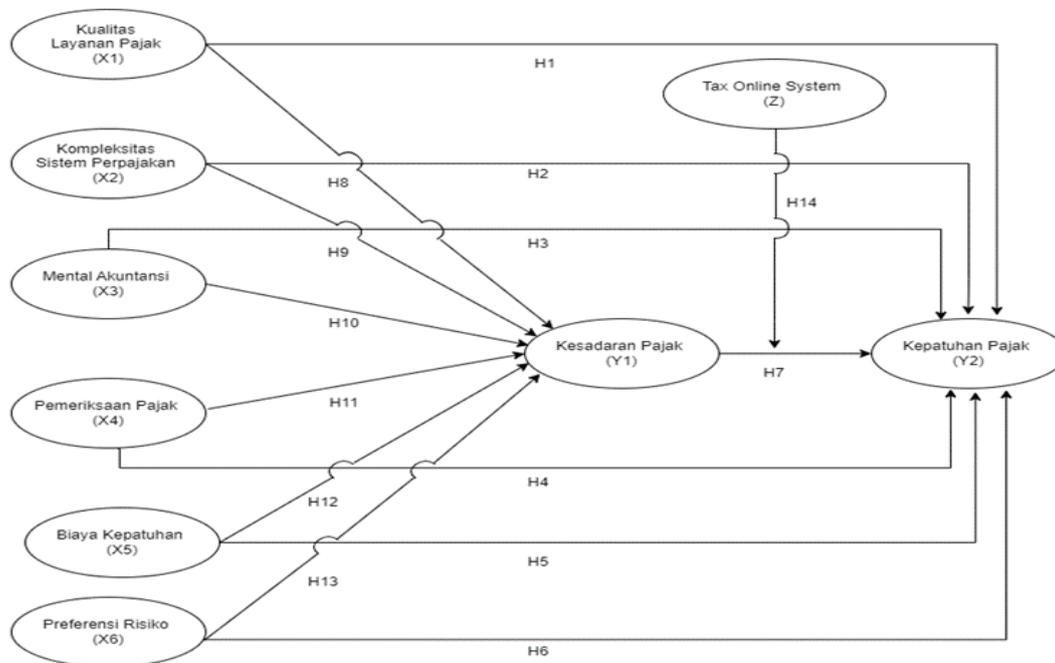


Figure 1: Conceptual Framework

## 2. LITERATURE REVIEW

### 2.1 Theoretical Overview

#### Perpajakan

Taxes according to Law Number 07 of 2021 tax are "mandatory contributions to the state owed by individuals or entities that are coercive based on the Law, by not receiving direct reciprocity and used for state purposes for the greatest possible prosperity of the people. (Law Republic Indonesian Number 7, 2021)

#### *The Theory of Planned Behavior*

Theory of Planned Behaviour is a development of the Theory of Reasoned Action, the Theory of Reasoned Action has scientific evidence that the intention to perform an action can be caused by two factors, namely attitude and subjective norms. (Fishbein & Ajzen, 1977)

#### *Technology Acceptance Model (TAM)*

The technology acceptance model is one of the models commonly used to analyze the factors that affect the acceptance or not of an information system. The model introduced for the first time by this is the result of the development of the (Davis, 1986) *Theory of Reasoned Action* (TRA).

### **Compliance Theory**

Compliance theory is a theory that describes a condition in which a person obeys a given order or rule. There are two types of taxpayer compliance, namely: formal compliance and material compliance. (Asber, 2015)

### **Attribution Theory**

Attribution theory states that when individuals observe a person's behavior, they try to determine whether it is caused internally or externally. (Anonymous, 2006)

### **Public Service Theory**

Based on Law Number 25 of 2009 article one (1) concerning public services provides the definition of public service as follows: "Public service is an activity or series of activities in order to meet the needs of services in accordance with laws and regulations for every citizen and resident for goods, services, and/or administrative services provided by public service providers". (Law Number 25, 2009)

### **Quality of Service**

The definition of service quality or service quality according to is as follows: service quality is the expected level of excellence and the control over that level of excellence to meet customer desires. (Tjiptono, 2002)

### **The Complexity of the Tax System**

According to, the complexity of taxation is a complexity in the tax system that causes difficulties for taxpayers in understanding, reading, and complying with tax regulations. (Hoppe et al., 2017)

### **Mental Accounting**

(Thaler, 1999), mental accounting is a series of cognitive operations used by individuals and households to organize, evaluate, and track their financial activities.

### **Tax Audit**

Based on, a tax audit is a level of investigation that aims to determine the level of fraud or deliberate negligence or negligence committed by the taxpayer and obtain evidence of prosecution against the perpetrator. (Adams, 2001)

### **Compliance fees**

Tax compliance fees are costs that must be incurred by taxpayers in fulfilling their tax payments. The greater the cost that must be incurred by the taxpayer to make tax payments, the lower the level of taxpayer compliance and vice versa, if the costs incurred are smaller, the level of taxpayer compliance will increase. (Susmita & Supadmi, 2016)

## **Risk Preferences**

Risk preference by as a consumer's perception of uncertainty and possible negative consequences for purchasing a product or service. Risk preference is an opportunity that taxpayers can consider and make the first priority of various options available. (Oglethorpe & Monroe, 1994)

## **Online Tax System**

Online Tax Service is an electronic system provided by the Directorate General of Taxes or other parties appointed by the Director General of Taxes used by Taxpayers to conduct Electronic Transactions with the Directorate General of Taxes including DGT Online and Electronic Tax Return Service Providers based on the Circular Letter (SE) of the Director General of Taxes number SE-42/PJ/2017. (Direktorat Jenderal Pajak, 2017)

## **Tax compliance**

(Oktaviani et al., 2017) states that the principle of tax compliance forces taxpayers to understand the laws and regulations regarding taxation so that they can carry out tax administration duties. Based on the Regulation of the Minister of Finance Number 192/PMK.03/2007, a compliant Taxpayer is a Taxpayer who is designated by the Director General of Taxes as a Taxpayer who meets certain criteria. (Regulation Minister Finance Number 192/PMK.03, 2007)

## **Tax awareness**

Taxpayer awareness is a condition in which taxpayers have known, recognized, appreciated and obeyed the applicable tax provisions and have the seriousness and desire to fulfill their tax obligations. Taxpayer awareness means that taxpayers are willing to automatically carry out their tax obligations such as registering, calculating, paying and reporting the amount of tax owed. (Suandy, 2011)

## **2.2 Empirical Review**

### **Quality of Tax Services on Taxpayer Compliance**

(Andreas et al., 2015; Flippant et al., 2022) Supporting this by showing that good tax services increase taxpayer awareness and compliance. The research also emphasizes that the quality of service has a positive effect on taxpayer compliance, both individuals and entities. (Fuliant, 2022) (Wardhani et al., 2022)

### **The Complexity of the Tax System on Taxpayer Compliance**

Research shows that the lower the complexity of tax policies, the higher the company's tax compliance. Also asserted that tax complexity reduces tax compliance among Malaysian SMEs. (Nguyen, 2022) (Hamid et al., 2019)

### **Accounting Mentality on Taxpayer Compliance**

(Hikmah et al., 2021) shows that the accounting mentality does not strengthen the intention of tax compliance into compliance behavior. Explores the influence of perceived trust in tax authorities and does not specifically highlight the accounting mentality. On the other hand, it highlights that accounting understanding has a significant impact on taxpayer compliance, even though they do not discuss accounting mentality separately. (Muntanga et al., 2021) (Flippant et al., 2022)

### **Tax Audit on Taxpayer Compliance**

Research by shows that the higher the frequency of tax audits, the greater the level of taxpayer compliance. In addition, research in Jordan shows that the tax audit system has a significant impact on Value Added Tax (VAT) compliance, especially through the implementation of strict compliance and audit fees.(Darmayasa et al., 2022; Nguyen, 2022) (Shakkour et al., 2021)

### **Compliance Fee for Taxpayer Compliance**

Research by in Jordan found that compliance costs are positively related to tax compliance, where an increase in compliance costs can lower compliance levels due to the burden felt by taxpayers. This is also supported by the findings, which show that high compliance costs, especially in terms of the complexity of tax rules and administration, make small businesses feel overwhelmed, making it difficult to comply with tax obligations.(Shakkour et al., 2021) (Carsamer & Abbam, 2020; Hamid et al., 2019)

### **Risk Preferences for Taxpayer Compliance**

According to, risk preferences moderate the relationship between understanding tax regulations and taxpayer compliance, although it has no effect on other factors such as tax amnesty, accounting understanding, and the quality of fiscal services. Other research by also supports these findings, where risk preferences directly affect taxpayers' compliance with land and building taxes. (Flippant et al., 2022) (Sholikhah & Syaiful, 2022)

### **Taxpayer Awareness of Taxpayer Compliance**

Taxpayer awareness plays an important role in improving taxpayer compliance, as shown in various studies. It was found that taxpayer awareness has a significant positive influence on compliance, where the higher the taxpayer awareness, the more compliant they are in fulfilling tax obligations. Other research by also confirms that taxpayer awareness is one of the main factors that affect compliance, in addition to other factors such as tax understanding and sanctions. (Anggadini et al., 2022) (Sholikhah & Syaiful, 2022)

### **Quality of Tax Services on Taxpayer Awareness**

Research confirms that good fiscal services can increase taxpayers' awareness to pay taxes. It also highlights the importance of transparency in tax services, where a lack of transparency can reduce taxpayer awareness. (See also Photo, 2016) (Abdu & Breath, 2023)

### **The Complexity of the Tax System on Taxpayer Awareness**

Based on research, the relationship between the complexity of the tax system and taxpayer awareness is very significant. The high complexity of tax regulations is often an obstacle for taxpayers to meet their obligations. (See also Photo, 2016)

### **Accounting Mentality on Taxpayer Awareness**

Based on research conducted by, there is a significant relationship between mental accounting and tax awareness among MSME taxpayers. Mental accounting plays an important role in increasing taxpayers' awareness of their tax obligations. (Tarigan & Tina Evania, 2020)

### **Tax Audit on Taxpayer Awareness**

Research conducted by revealed that the quality of tax audits, including routine and transparent audits, can encourage taxpayers to better understand and be aware of applicable tax regulations. (Oktadini et al., 2018; Olaoye & Ekundayo, 2019)

### **Taxpayer Awareness Compliance Fee**

Research shows that the cost of tax compliance can be a very high burden for individuals and businesses. The research highlights the importance of tax awareness among the Hungarian public. Low knowledge of the types and rates of taxes contributes to the fiscal illusion, where people do not fully understand the cost of public spending. (Eichfelder & Hechtner, 2018) (Csontos et al., 1998)

### **Risk Preference to Taxpayer Awareness**

Research by found that risk preferences have a positive influence on tax awareness, although this influence is not significant on tax compliance. On the other hand, research by shows that risk preference functions as a moderation variable, which can moderate the effect of tax sanctions on compliance, but does not play a role in moderating the influence of understanding of tax regulations and taxpayer awareness. (Syah et al., 2022) (Karen, 2023)

### **Taxpayer Awareness of Taxpayer Compliance with Moderation by Online Tax System**

Taxpayer awareness plays an important role in increasing the level of tax compliance. Research by shows that when taxpayers have a high awareness of their tax obligations. Research conducted by revealed that the online tax system not only simplifies the tax reporting process, but also increases the accuracy in filling out tax reports. (Anggadini et al., 2022) (Harrison Mwangi Muturi, 2015)

## **METHOD**

### **Research Plan**

The data collected in this study was statistically analyzed using *Strutural Equation Modeling* (SEM) with concepts and applications using the *Analysis of Moment Structures* (AMOS) version 22 program.

## Population and Sample

This research is a quantitative research with data collection techniques through observation, questionnaires, and interviews, as well as data analysis techniques using validity and reliability tests. The number of indicators in this study is 52 indicators multiplied by 5, based on this formula the sample in this study is 260. The research sample is MSME corporate taxpayers in the city of Surabaya spread across twelve, with a total sample size of 229 MSME corporate taxpayer respondents.

## Research Finding

### Theoretical Findings

Based on the results of hypothesis testing and discussion of the research results above, the findings of the structural model and research results in this dissertation can be shown as follows:

1. The quality of Tax Services has a significant effect on the compliance of taxpayers of MSME entities in the city of Surabaya. The results of this study are in line with the results of the study. (Andreas & Savitri, 2015; Fuliyanto, 2022; Nila Wardhani Hermianti Princess & Nur Diana Afifudin , 2022)
2. The complexity of the Tax System does not have a significant effect on the compliance of taxpayers of MSME entities in the city of Surabaya. The results of this study support the research. However, this is different from the results of the study. (Nguyen, 2022) (Hamid et al., 2019)
3. The complexity of the Tax System does not have a significant effect on the compliance of taxpayers of MSME entities in the city of Surabaya. The results of this study support the research. However, this is different from the results of the study. (Nguyen, 2022) (Hamid et al., 2019)
4. Accounting mentality does not have a significant effect on the compliance of taxpayers of MSME entities in the city of Surabaya. The results of this study are in line with the results of the study. However, this is different from the results of the study. (Hikmah et al., 2021) (Flippant et al., 2022; Muntanga et al., 2021)
5. Tax audits have a significant effect on the compliance of taxpayers of MSME entities in the city of Surabaya. The results of this study support the research. (Darmayasa et al., 2022; Nguyen, 2022; Shakkour et al., 2021)
6. Accounting mentality does not have a significant effect on the compliance of taxpayers of MSME entities in the city of Surabaya. The results of this study are in line with the results of the study. However, this is different from the results of the study. (Hikmah et al., 2021) (Flippant et al., 2022; Muntanga et al., 2021)
7. Tax audits have a significant effect on the compliance of taxpayers of MSME entities in the city of Surabaya. The results of this study support the research. (Darmayasa et al., 2022; Nguyen, 2022; Shakkour et al., 2021)

8. Compliance costs have a significant effect on the compliance of taxpayers of MSME entities in the city of Surabaya. The results of this study support the research. However, this is different from the results of the study. (Shakkour et al., 2021) (Carsamer & Abbam, 2020; Hamid et al., 2019)
9. Risk Preferences have a significant effect on the compliance of taxpayers of MSME entities in the city of Surabaya. The results of this study are in line with the results of the study. However, this is not in line with the results of the study. (Sholikhah & Syaiful, 2022) (Flippant et al., 2022)
10. Tax awareness has a significant effect on the compliance of taxpayers of MSME entities in the city of Surabaya. The results of this study are in line with the results of the study. (Anggadini et al., 2022; Sholikhah & Syaiful, 2022)
11. The quality of Tax Services has a significant effect on tax awareness among taxpayers of MSME entities in the city of Surabaya. The results of this study support the research. However, this is different from the results of the study. (Enny, 2016) (Abdu & Breath, 2023)
12. The complexity of the Tax System has a significant effect on tax awareness among taxpayers of MSME entities in the city of Surabaya. The results of this study are in line with the results of the research. (Enny, 2016)
13. Accounting mentality has a significant effect on tax awareness among taxpayers of MSME entities in the city of Surabaya. The results of this study support the research (Tarigan & Tina Evania, 2020) .
14. Tax audit does not have a significant effect on tax awareness among taxpayers of MSME entities in the city of Surabaya. The results of this study are in line with the results of the study. (Oktadini et al., 2018; Olaoye & Ekundayo, 2019)
15. Compliance costs have a significant effect on tax awareness among taxpayers of MSME entities in the city of Surabaya. The results of this study support the research. However, this is different from the results of the study. (Eichfelder & Hechtner, 2018) (Csontos et al., 1998)
16. Risk preference did not have a significant effect on tax awareness among taxpayers of MSME entities in the city of Surabaya. The results of this study are in the direction of research. However, this is different from the results of the study. (Syah et al., 2022) (Karen, 2023)
17. The Online Tax System weakens the influence of tax awareness on taxpayer compliance with MSME taxpayers in the city of Surabaya. The results of this study support the research. (Anggadini et al., 2022; Harrison Mwangi Muturi, 2015)

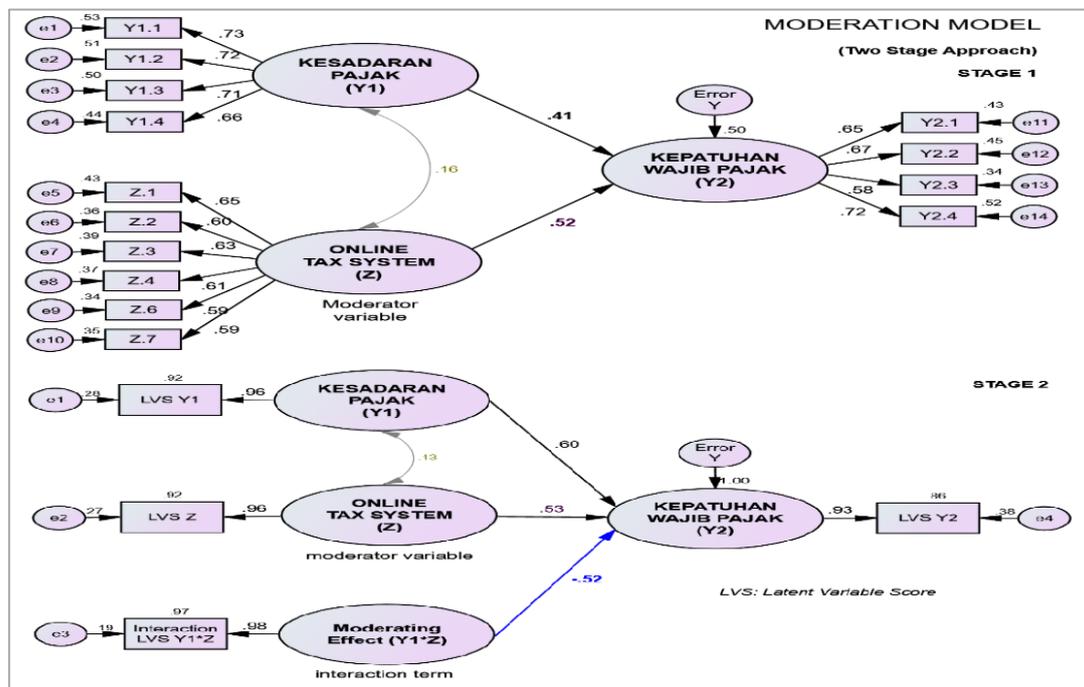
The findings of the above study show that the complexity of the tax system has no effect on taxpayer compliance; accounting mentality has no effect on taxpayer compliance; tax audit has no effect on tax awareness; and risk preferences have no effect on tax awareness. So there are 10 other hypotheses that have an influence, namely hypothesis 1 The quality of Tax Services

has a significant effect on the compliance of taxpayers of MSME entities in the city of Surabaya, hypothesis 4 Tax Audit has a significant effect on the compliance of taxpayers of MSME entities in the city of Surabaya, hypothesis 5 Compliance costs have a significant effect on the compliance of taxpayers of MSME entities in the city of Surabaya, hypothesis 6 Risk Preferences have a significant effect on the compliance of MSME taxpayers in the city of Surabaya, hypothesis 7 Tax Awareness has a significant effect on the compliance of MSME taxpayers in the city of Surabaya, hypothesis 8 Tax Service Quality has a significant effect on tax awareness in MSME taxpayers in the city of Surabaya, hypothesis 9 The complexity of the Tax System has a significant effect on tax awareness among taxpayers of MSME entities in the city of Surabaya, hypothesis 10 Accounting Mentality has a significant effect on tax awareness among taxpayers of MSME entities in the city of Surabaya, hypothesis 12 Compliance Costs have a significant effect on tax awareness among taxpayers of MSME entities in the city of Surabaya, and hypothesis 14 The Online Tax System weakens the influence of tax awareness on taxpayer compliance with MSME taxpayers in the city of Surabaya.

**Structural Model Analysis**

**Model Suitability Testing**

The conceptual model in this study contains a moderator variable in it, namely the online tax system (Z). Conceptual models with moderation influences can be solved with SEM through 2 stages. From the AMOS analysis, the following results were obtained:



**Figure 2: Estimation of SEM Moderation Model (2-Stage Approach)**

Source: Processed data

The values of the match criteria generated by the SEM model are as follows:

**Table 1: Fit Measure on Structural Models**

| <i>Fit Measure</i>   |                    | <i>Critical Value</i> | <b>Model Structural</b> |                      |
|--|--------------------|-----------------------|-------------------------|----------------------|
|  |                    |                       | <i>Index value</i>      | <b>Results</b>       |
| <i>Absolute Fit Indices</i>  | Prob. $\chi^2$ (a) | > 0,05                | 0,000                   | <i>Even good fit</i> |
|  | Cmin/DF            | $\leq 3,00$           | 1,222                   | <i>Good fit</i>      |
|  | GFI                | $\geq 0,90$           | 0,844                   | <i>Marginal fit</i>  |
|  | RMSEA              | $\leq 0,08$           | 0,031                   | <i>Good fit</i>      |
|  | SRMR               | $\leq 0,08$           | 0,066                   | <i>Good fit</i>      |
| <i>Incremental Fit Indices</i>   | CFI                | $\geq 0,95$           | 0,951                   | <i>Good fit</i>      |
|  | TLI                | $\geq 0,94$           | 0,947                   | <i>Good fit</i>      |
|  | NFI                | $\geq 0,90$           | 0,884                   | <i>Marginal fit</i>  |
|  | RFI                | $\geq 0,90$           | 0,863                   | <i>Marginal fit</i>  |
| <i>Parsimony Fit Indices</i>   | AGFI               | $\geq 0,90$           | 0,821                   | <i>Marginal fit</i>  |
| <sup>(a)</sup> In a model with a sample number of $n > 250$ or many indicators more than 25 ( $m > 25$ ), the model is still fit even though the value of <i>probability</i> below 0.05 or <i>even a good fit</i> . (Hair <i>et al.</i> , 2018:584). |                    |                       |                         |                      |

Source: Processed data

The results of the structural model suitability test show that all the criteria of absolute fit indices, incremental fit indices, and parsimony fit indices have been met (good fit and marginal fit), so that the structural model can be accepted, and then the significance of the influence between variables, both direct and moderation influences, is tested.

### Direct Effect Significant Test

The first stage of hypothesis testing is testing for direct effect, which is testing the significance of the direct influence pathway, which is an examination of the estimation of the parameters of the relationship between variables that represent each theoretical hypothesis.

The hypothesis is acceptable if the path parameter is statistically significant with the direction of influence as predicted, meaning that the path parameter must be greater than zero for the positive direction and less than zero for the negative direction. (Hair J.F. et al., 2018)

In testing for direct effect, hypothesis testing is carried out to test the significance of the direct influence between variables, using the critical ratio (CR) and probability value (p-value).

The significance of the direct influence between variables using the provision if the CR value is  $\geq 1.96$  or the p-value  $\leq$  a real level of 5%, then it is decided that there is a significant influence, on the other hand, if the CR value  $< 1.96$  or the p-value  $>$  a real level of 5%, then it is decided that there is an insignificant influence.

The following are the results of testing structural relationships in order to test each research hypothesis based on SEM output:



the accounting mentality in MSMEs will not have a major impact on increasing taxpayer compliance. Thus, the third hypothesis that states that accounting mentality has a significant effect on the compliance of taxpayers of MSME entities in the city of Surabaya, is also unacceptable (H3 rejected).

- 4) The results of the estimation of the coefficient of the influence of tax audit on taxpayer compliance showed a significant influence with a CR value of -4.972 (the absolute value is greater than 1.96) and a significance value (p-value) of 0.004 (less than the real level of 5%). The resulting coefficient of influence is -0.365 (negative), meaning that the higher the tax audit, the lower the taxpayer's compliance. Thus, the fourth hypothesis that states that tax audits have a significant effect on the compliance of taxpayers of MSME entities in the city of Surabaya, can be accepted (H4 accepted).
- 5) The results of the estimation of the coefficient of the influence of compliance costs on taxpayer compliance also showed a significant influence with a CR value of -4.182 (the absolute value is greater than 1.96) and a significance value (p-value) of 0.000 (less than the real level of 5%). The resulting coefficient of influence is -0.370 (negative), meaning that the greater the compliance cost, the lower the taxpayer's compliance. Thus, the fifth hypothesis that the cost of compliance has a significant effect on the compliance of taxpayers of MSME entities in the city of Surabaya, is also acceptable (H5 accepted).
- 6) The results of the estimation of the coefficient of the influence of risk preference on taxpayer compliance also showed a significant influence with a CR value of 4.708 (greater than 1.96) and a significance value (p-value) of 0.007 (less than the real level of 5%). The resulting coefficient of influence is 0.174 (positive), meaning that the higher the risk preference, the greater the compliance of taxpayers. Thus, the sixth hypothesis that risk preferences have a significant effect on the compliance of taxpayers of MSME entities in the city of Surabaya, is also acceptable (H6 accepted).
- 7) The results of the estimation of the coefficient of the influence of tax awareness on taxpayer compliance also showed a significant influence with a CR value of 3.407 (greater than 1.96) and a significance value (p-value) of 0.000 (less than the real level of 5%). The resulting coefficient of influence is 0.426 (positive), meaning that the higher the tax awareness, the higher the taxpayer's compliance. Thus, the seventh hypothesis which states that tax awareness has a significant effect on the compliance of MSME taxpayers in the city of Surabaya, is also acceptable (H7 accepted).
- 8) The results of the estimation of the coefficient of influence of tax service quality on tax awareness showed a significant influence with a CR value of 4.563 (greater than 1.96) and a significance value (p-value) of 0.000 (less than the real level of 5%). The resulting coefficient of influence is 0.319 (positive), meaning that the higher the quality of tax services, the higher the tax awareness. Thus, the eighth hypothesis which states that the quality of tax services has a significant effect on tax awareness among taxpayers of MSME entities in the city of Surabaya, is acceptable (H8 accepted).

- 9) The results of the estimation of the coefficient of the influence of tax system complexity on tax awareness also showed a significant influence with a CR value of -4.248 (the absolute value is greater than 1.96) and a significance value (p-value) of 0.000 (less than the real level of 5%). The resulting coefficient of influence is -0.314 (negative), meaning that the higher the complexity of the tax system, the lower the tax awareness. Thus, the ninth hypothesis that the complexity of the tax system has a significant effect on tax awareness among taxpayers of MSME entities in the city of Surabaya, is also acceptable (H9 accepted).
- 10) The results of the estimation of the coefficient of mental influence of accounting on tax awareness also showed a significant influence with a CR value of 4.244 (greater than 1.96) and a significance value (p-value) of 0.000 (less than the real level of 5%). The resulting coefficient of influence is 0.314 (positive), meaning that the better the accounting mentality, the higher the tax awareness. Thus, the tenth hypothesis that accounting mentality has a significant effect on tax awareness in taxpayers of MSME entities in the city of Surabaya, is also acceptable (H10 accepted).
- 11) The results of the estimation of the coefficient of the influence of tax audit on tax awareness showed an insignificant influence with a CR value of -0.625 (the absolute value is less than 1.96) and a significance value (p-value) of 0.532 (greater than the real level of 5%). The resulting coefficient of influence is only -0.042 (close to zero), meaning that the higher tax audit has not been able to have a real impact on increasing tax awareness. Thus, the eleventh hypothesis that tax audits have a significant effect on tax awareness among taxpayers of MSME entities in the city of Surabaya, is unacceptable (H11 is rejected).
- 12) The results of the estimation of the coefficient of the influence of compliance costs on tax awareness showed a significant influence with a CR value of 5.092 (greater than 1.96) and a significance value (p-value) of 0.000 (less than the real level of 5%). The resulting coefficient of influence is 0.387 (positive), meaning that the higher the compliance cost, the higher the tax awareness. Thus, the twelfth hypothesis that the cost of compliance has a significant effect on tax awareness in taxpayers of MSME entities in the city of Surabaya, is acceptable (H12 accepted).
- 13) The results of the estimation of the coefficient of the influence of risk preference on tax awareness showed an insignificant influence with a CR value of 0.402 (the absolute value is less than 1.96) and a significance value (p-value) of 0.688 (greater than the real level of 5%). The resulting coefficient of influence is only 0.026 (close to zero), meaning that the higher risk preference has not been able to have a real impact on increasing tax awareness. Thus, the thirteenth hypothesis that risk preferences have a significant effect on tax awareness in taxpayers of MSME entities in the city of Surabaya, is unacceptable (H13 rejected).

### **Significant Test of Moderating Effect**

The next stage of analysis is the testing of the influence of moderation. In this study, the moderating effect testing will use a two-stage approach because the purpose of the analysis is

to test the significance of the moderation effect. The results of moderation effect testing (Hair J.F. et al., 2017:259) using a *two-step approach* can be summarized in the following table:

**Table 3: Analysis Moderating Effect**

| <i>Moderating relationship</i>   | <i>Std. Estimate</i> | <i>S.E.</i> | <i>C.R.</i> | <i>P-value</i> | <b>Hypothesis Conclusion</b> |
|--|----------------------|-------------|-------------|----------------|------------------------------|
| <i>Online tax system moderates the influence of tax awareness on taxpayer compliance (Y1*Z → Y2)</i> | -0,521               | 0,107       | -8,928      | 0,000          | H14 accepted                 |

Source: Processed data

Table 5.28 shows the results of online tax system moderation on the effect of tax awareness on taxpayer compliance showing a significant influence with a CR value of -8.928 (the absolute value is greater than 1.96) and a significance value (p-value) of 0.000 (less than  $\alpha$  5%). The coefficient of influence of moderation is 0.521 (negative), so it is concluded that the online tax system weakens the influence of tax awareness on taxpayer compliance (H14 is accepted), meaning that in MSME corporate taxpayers with high use of the online tax system, the influence of tax awareness on taxpayer compliance will be reduced. This result provides empirical implications that taxpayers of MSME entities who have implemented a good online tax system, their tax compliance will remain strong even with low tax awareness.

## RESULTS AND DISCUSSION

### **The quality of Tax Services has a significant effect on the compliance of taxpayers of MSME entities in the city of Surabaya.**

The results of the estimation of the coefficient of influence of tax service quality on taxpayer compliance showed a significant influence with a CR value of 2.841 (greater than 1.96) and a significance value (p-value) of 0.004 (less than the real level of 5%). The resulting influence coefficient is 0.217 (positive), meaning that the higher the quality of tax services, the higher the taxpayer's compliance. Thus, the first hypothesis that states that the quality of tax services has a significant effect on the compliance of taxpayers of MSME entities in the city of Surabaya, is acceptable (H1 accepted).

### **The complexity of the Tax System does not have a significant effect on the compliance of taxpayers of MSME entities in the city of Surabaya.**

The results of the estimation of the coefficient of the influence of tax system complexity on taxpayer compliance showed an insignificant influence with a CR value of -0.498 (less than 1.96) and a significance value (p-value) of 0.618 (greater than the real level of 5%). The resulting coefficient of influence is only -0.037 (close to zero), meaning that the higher the complexity of the tax system, the greater the impact on the decrease in taxpayer compliance. Thus, the second hypothesis that the complexity of the tax system has a significant effect on the compliance of taxpayers of MSME entities in the city of Surabaya, is unacceptable (H2 rejected).

**Accounting mentality does not have a significant effect on the compliance of taxpayers of MSME entities in the city of Surabaya.**

The results of the estimation of the coefficient of mental influence of accounting on taxpayer compliance also showed an insignificant influence with a CR value of 0.429 (less than 1.96) and a significance value (p-value) of 0.668 (greater than the real level of 5%). The resulting coefficient of influence is only 0.031 (close to zero), meaning that the better the accounting mentality in MSMEs will not have a major impact on increasing taxpayer compliance. Thus, the third hypothesis that states that accounting mentality has a significant effect on the compliance of taxpayers of MSME entities in the city of Surabaya, is also unacceptable (H3 rejected).

**Tax audits have a significant effect on the compliance of taxpayers of MSME entities in the city of Surabaya.**

The results of the estimation of the coefficient of the influence of tax audit on taxpayer compliance showed a significant influence with a CR value of -4.972 (the absolute value is greater than 1.96) and a significance value (p-value) of 0.004 (less than the real level of 5%). The resulting coefficient of influence is -0.365 (negative), meaning that the higher the tax audit, the lower the taxpayer's compliance. Thus, the fourth hypothesis that states that tax audits have a significant effect on the compliance of taxpayers of MSME entities in the city of Surabaya, can be accepted (H4 accepted).

**Compliance costs have a significant effect on the compliance of taxpayers of MSME entities in the city of Surabaya.**

The results of the estimation of the coefficient of the influence of compliance costs on taxpayer compliance also showed a significant influence with a CR value of -4.182 (the absolute value is greater than 1.96) and a significance value (p-value) of 0.000 (less than the real level of 5%). The resulting coefficient of influence is -0.370 (negative), meaning that the greater the compliance cost, the lower the taxpayer's compliance. Thus, the fifth hypothesis that the cost of compliance has a significant effect on the compliance of taxpayers of MSME entities in the city of Surabaya, is also acceptable (H5 accepted).

**Risk Preferences have a significant effect on the compliance of taxpayers of MSME entities in the city of Surabaya.**

The results of the estimation of the coefficient of the influence of risk preference on taxpayer compliance also showed a significant influence with a CR value of 4.708 (greater than 1.96) and a significance value (p-value) of 0.007 (less than the real level of 5%). The resulting coefficient of influence is 0.174 (positive), meaning that the higher the risk preference, the greater the compliance of taxpayers.

Thus, the sixth hypothesis that risk preferences have a significant effect on the compliance of taxpayers of MSME entities in the city of Surabaya, is also acceptable (H6 accepted).

**Tax awareness has a significant effect on the compliance of taxpayers of MSME entities in the city of Surabaya.**

The results of the estimation of the coefficient of the influence of tax awareness on taxpayer compliance also showed a significant influence with a CR value of 3.407 (greater than 1.96) and a significance value (p-value) of 0.000 (less than the real level of 5%).

The resulting coefficient of influence is 0.426 (positive), meaning that the higher the tax awareness, the higher the taxpayer's compliance. Thus, the seventh hypothesis which states that tax awareness has a significant effect on the compliance of MSME taxpayers in the city of Surabaya, is also acceptable (H7 accepted).

**The quality of Tax Services has a significant effect on tax awareness among taxpayers of MSME entities in the city of Surabaya.**

The results of the estimation of the coefficient of influence of tax service quality on tax awareness showed a significant influence with a CR value of 4.563 (greater than 1.96) and a significance value (p-value) of 0.000 (less than the real level of 5%).

The resulting coefficient of influence is 0.319 (positive), meaning that the higher the quality of tax services, the higher the tax awareness. Thus, the eighth hypothesis which states that the quality of tax services has a significant effect on tax awareness among taxpayers of MSME entities in the city of Surabaya, is acceptable (H8 accepted).

**The complexity of the Tax System has a significant effect on tax awareness among taxpayers of MSME entities in the city of Surabaya.**

The results of the estimation of the coefficient of the influence of tax system complexity on tax awareness also showed a significant influence with a CR value of -4.248 (the absolute value is greater than 1.96) and a significance value (p-value) of 0.000 (less than the real level of 5%).

The resulting coefficient of influence is -0.314 (negative), meaning that the higher the complexity of the tax system, the lower the tax awareness. Thus, the ninth hypothesis that the complexity of the tax system has a significant effect on tax awareness among taxpayers of MSME entities in the city of Surabaya, is also acceptable (H9 accepted).

**Accounting mentality has a significant effect on tax awareness among taxpayers of MSME entities in the city of Surabaya.**

The results of the estimation of the coefficient of mental influence of accounting on tax awareness also showed a significant influence with a CR value of 4.244 (greater than 1.96) and a significance value (p-value) of 0.000 (less than the real level of 5%).

The resulting coefficient of influence is 0.314 (positive), meaning that the better the accounting mentality, the higher the tax awareness. Thus, the tenth hypothesis that accounting mentality has a significant effect on tax awareness in taxpayers of MSME entities in the city of Surabaya, is also acceptable (H10 accepted).

**Tax audit does not have a significant effect on tax awareness among taxpayers of MSME entities in the city of Surabaya.**

The results of the estimation of the coefficient of the influence of tax audit on tax awareness showed an insignificant influence with a CR value of -0.625 (the absolute value is less than 1.96) and a significance value (p-value) of 0.532 (greater than the real level of 5%). The resulting coefficient of influence is only -0.042 (close to zero), meaning that the higher tax audit has not been able to have a real impact on increasing tax awareness. Thus, the eleventh hypothesis that tax audits have a significant effect on tax awareness among taxpayers of MSME entities in the city of Surabaya, is unacceptable (H11 is rejected).

**Compliance costs have a significant effect on tax awareness among taxpayers of MSME entities in the city of Surabaya.**

The results of the estimation of the coefficient of the influence of compliance costs on tax awareness showed a significant influence with a CR value of 5.092 (greater than 1.96) and a significance value (p-value) of 0.000 (less than the real level of 5%). The resulting coefficient of influence is 0.387 (positive), meaning that the higher the compliance cost, the higher the tax awareness. Thus, the twelfth hypothesis that the cost of compliance has a significant effect on tax awareness in taxpayers of MSME entities in the city of Surabaya, is acceptable (H12 accepted).

**Risk preference did not have a significant effect on tax awareness among taxpayers of MSME entities in the city of Surabaya.**

The results of the estimation of the coefficient of the influence of risk preference on tax awareness showed an insignificant influence with a CR value of 0.402 (the absolute value is less than 1.96) and a significance value (p-value) of 0.688 (greater than the real level of 5%). The resulting coefficient of influence is only 0.026 (close to zero), meaning that the higher risk preference has not been able to have a real impact on increasing tax awareness. Thus, the thirteenth hypothesis that risk preferences have a significant effect on tax awareness in taxpayers of MSME entities in the city of Surabaya, is unacceptable (H13 rejected).

**The Online Tax System weakens the influence of tax awareness on taxpayer compliance with MSME taxpayers in the city of Surabaya.**

The results of online tax system moderation on the influence of tax awareness on taxpayer compliance showed a significant influence with a CR value of -8.928 (the absolute value is greater than 1.96) and a significance value (p-value) of 0.000 (less than  $\alpha$  5%). The coefficient of influence of moderation is 0.521 (negative), so it is concluded that the online tax system weakens the influence of tax awareness on taxpayer compliance (H14 is accepted), meaning that in MSME corporate taxpayers with high use of the online tax system, the influence of tax awareness on taxpayer compliance will be reduced. This result provides empirical implications that taxpayers of MSME entities who have implemented a good online tax system, their tax compliance will remain strong even with low tax awareness.

## CONCLUSION

Based on the formulation of the problem, literature review, research results. And the discussion that has been explained in the previous chapters, the conclusion of this study is as follows:

1. The quality of Tax Services affects Taxpayer Compliance with MSME taxpayers in the city of Surabaya. This shows that the quality of tax servants in the tax service office who meet the taxpayer criteria will affect tax compliance. The quality of tax services is reflected in the tax officers and the supporting facilities needed by taxpayers. This research supports the research conducted. (Andreas et al., 2015; Fulyanto, 2022; Anonymous et al., 2022)
2. The complexity of the Tax System has no effect on Taxpayer Compliance with MSME taxpayers in the city of Surabaya. This shows that the complexity of the existing tax system will not affect tax compliance. The increasing complexity of the tax system will not have a major impact on reducing tax compliance. The complexity of the tax system is reflected in the tax administration form, tax laws and regulations, the completeness of the instructions for the tax administration form and the frequency of changes in tax regulations. This study is in line with the research of Taing & Chang (2020), and rejects the study. (Jayawardane & Low, 2016; Nguyen, 2022)
3. Accounting mentality has no effect on Taxpayer Compliance with MSME taxpayers in the city of Surabaya. This shows that the existing accounting mentality will not affect tax compliance. Higher accounting mentality will not have a major impact on decreasing tax compliance. The accounting mentality is reflected in the ability of taxpayers to separate and classify turnover, group and label business income for tax fund purposes, label asset accounts, group tax funds to minimize tax sanctions and separate turnover to pay taxes in the future. The results of this study agree with the research, and not in the direction of the research. (Hikmah et al., 2021) (Anonymous et al., 2022; Mutanga et al., 2021; Sadrin & Anik Malikhah, 2021)
4. Tax Audit affects Taxpayer Compliance with MSME corporate taxpayers in the city of Surabaya. This shows that tax audits will affect tax compliance. Higher tax audits will have a major impact on tax compliance. Tax audits are reflected in the taxpayer's ability to interpret the law correctly, audits are carried out because miscalculations are found, audits are carried out because tax evasion is found, audit results to find out the amount of tax owed is under- or overpaid, tax audits can cause administrative sanctions and criminal sanctions, auditors carry out work in accordance with the standards set by law, Be corporative when there is a tax audit and the results of the tax audit are communicated to taxpayers. The results of this study support the research conducted. ( Carsamer & Abbam, 2020; Chepkomei & Resident , 2022; Darmayasa et al., 2022; Jayawardane & Low, 2016; Nguyen, 2022; Olaoye & Ekundayo, 2019; Yap & Mulyani , 2022)
5. Compliance Costs affect Taxpayer Compliance in MSME taxpayers in the city of Surabaya. This shows that compliance costs will affect tax compliance. Higher compliance costs will have a major impact on tax compliance. Compliance costs are reflected in the amount that must be incurred by taxpayers to fulfill their tax obligations, pay tax

- consultants to handle tax problems, incur large costs for the purpose of reporting tax returns, feel the psychological impact if they make mistakes in filling out tax returns and feel stressed if there is a sense of stress if Submit objections and appeals against the amount of tax owed. The results of this study are in line with the research conducted. (Carsamer & Abbam, 2020; Chepkomei & Resident, 2022; Hamid et al., 2019; Shakkour et al., 2021)
6. Risk Preferences affect Taxpayer Compliance in MSME taxpayers in the city of Surabaya. This shows that risk preferences will affect tax compliance. Higher risk preferences will have a major impact on tax compliance. Risk preferences are reflected in financial and social risks, taxpayers who experience bankruptcy and influence tax decisions and taxpayers' relationships with fiscal officers will affect tax compliance. This research is in line with the research. (Sholikhah & Syaiful , 2022; Syahdan et al., 2022)
  7. Tax awareness affects Taxpayer Compliance with MSME taxpayers in the city of Surabaya. This shows that the higher the tax awareness, the higher the taxpayer's compliance will also be, thus, the seventh hypothesis which states that tax awareness has a significant effect on the compliance of corporate MSME taxpayers in the city of Surabaya can also be accepted. Tax awareness is reflected in knowing the laws and tax provisions that are currently in force, knowing the tax functions used for state financing, understanding that tax obligations must be carried out in accordance with the provisions that are currently in force and calculating, paying and reporting taxes voluntarily and correctly. This research is in line with the research. (Al-Maghrebi et al., 2016; Anggadini et al., 2022; Asrinanda, 2018; Mustafa, 2021; Neil WardhaniHermianti Princess & Nur Diana Afifudin , 2022; Pravasanti & Pratiwi, 2021; Sholikhah & Syaiful , 2022; Sutrisno & Dularif , 2020; Tambun & Haryati, 2022)
  8. The quality of Tax Services affects Tax Awareness in taxpayers of MSME entities in the city of Surabaya. This shows that the quality of tax servants in the tax service office who meet the criteria for taxpayers will affect tax awareness. The quality of tax services is reflected in the tax officers and the supporting facilities needed by taxpayers. The results of this study support the research. But this study rejected the research. (Enny, 2016; Lestari & Prince, 2022; Matulism , 2017; Oktadini et al., 2018; Satitihening, 2016; Subiatoro, 2016) (Abdu & Breath, 2023; Annisa Nur Bytes , 2016; Khozen et al., 2023; P. Gani, 2022)
  9. The complexity of the Tax System affects Tax Awareness in taxpayers of MSME entities in the city of Surabaya. This shows that the complexity of the existing tax system will not affect tax awareness. The increasing complexity of the tax system will have a major impact on decreasing tax awareness. The complexity of the tax system is reflected in the tax administration form, tax laws and regulations, the completeness of the instructions for the tax administration form and the frequency of changes to tax regulations. This research is in line with the research conducted by . (Enny, 2016)
  10. Accounting mentality affects Tax Awareness in taxpayers of MSME entities in the city of Surabaya. This shows that the accounting mentality will affect tax awareness. An

increasingly high accounting mentality will have a big impact on increasing tax awareness. The accounting mentality is reflected in the ability of taxpayers to separate and classify turnover, group and label business income for tax fund purposes, label asset accounts, group tax funds to minimize tax sanctions and separate turnover to pay taxes in the future. This study agrees with the research.(Tarigan & Tina Evania, 2020)

11. Tax audit has no effect on Tax Awareness for MSME taxpayers in the city of Surabaya. This shows that tax audits do not affect tax awareness. Higher tax audits will not have a major impact on tax awareness. Tax audits are reflected in the ability of taxpayers to interpret the law correctly. The results of this study agree with the research. (Carsamer & Abbam, 2020; Chepkomei & Resident, 2022; Darmayasa et al., 2022; Jayawardane & Low, 2016; Nguyen, 2022; Olaoye & Ekundayo, 2019; Yap & Mulyani, 2022)
12. Compliance Fees affect Tax Awareness in MSME taxpayers in the city of Surabaya. This shows that the cost of compliance will affect tax awareness. Higher compliance costs will have a major impact on tax awareness. This research is in line with the research. (Csontos et al., 1998; Eichfelder & Hechtner, 2018; Khozen et al., 2023; Urumsah D. & Rasyid, 2023)
13. Risk preference has no positive and insignificant effect on Tax Awareness in taxpayers of MSME entities in the city of Surabaya. This shows that risk preferences do not affect tax awareness. Higher risk appetite has not been able to have a real impact on increasing tax awareness. This research supports the research. However, the results of this study are not in line with the results of the study. (Syah et al., 2022; Utama et al., 2022a) (Akmal et al., 2023; Elsani Aries Tanno, 2023; Karina, 2023)
14. Tax awareness has a negative and significant effect on Taxpayer Compliance with the moderation of the Online Tax System for corporate taxpayers in the city of Surabaya. This shows that the online tax system weakens the influence of tax awareness on tax compliance, meaning that for corporate MSME taxpayers with high use of the online tax system, the influence of awareness on taxpayer compliance will be reduced. The results of this study are in line with the results of the study. However, the results of this study are not in line with the results of the study. (Bellon et al., 2022; Ha Poetry Hai Do et al., 2021; Kami, 2022; Le et al., 2021; Lymo, 2022; Mascagni et al., 2021; Muturi, 2015; Night & Bananuka, 2020; Night Sadress et al., 2017; Pratiwi & Anggraeni, 2020; Rahmadhani, 2022) (Raihan et al., 2022; Utama et al., 2022b; Yap & Mulyani, 2022)

### Suggestions

Based on what has been researched, the following things can be used as suggestions to increase the understanding and knowledge of corporate MSME taxpayers in the city of Surabaya, including:

1. Improving the quality of tax services is needed by the government to encourage taxpayer compliance through improving the quality of human resources (HR), transparency and accountability, ease of service, and taxpayer satisfaction.

2. The complexity of the tax system can be increased through the improvement of the tax system by simplifying existing tax regulations. This can be done by combining several interrelated tax regulations, removing unnecessary tax regulations, and clarifying the provisions in tax regulations. The government needs to increase the consistency of tax regulations and the openness of existing tax regulations. This can be done by avoiding sudden changes in tax regulations, as well as providing a clear explanation of the changes in tax regulations that are made.
3. A high accounting mentality can make taxpayers better understand and realize the importance of taxes, so they are more likely to comply with their tax obligations. Tax education and socialization are important to increase taxpayers' understanding of taxes. To improve the accounting mentality of taxpayers with an understanding of tax benefits. Taxpayers need to understand that taxes are used to finance the development and welfare of the community. By understanding the benefits of taxation, taxpayers will be more likely to comply with their tax obligations.
4. Tax audit is one of the important functions of the Directorate General of Taxes (DGT). Tax audits aim to ensure that taxpayers have fulfilled their tax obligations correctly and reasonably. So it is necessary to improve the quality of human resources of tax auditors, both in terms of knowledge, skills, and attitudes. Tax audits must be effective in achieving their objectives, namely ensuring that taxpayers have fulfilled their tax obligations correctly and reasonably and tax audits must be transparent and accountable so that they can be accepted by taxpayers.
5. Simplification of tax regulations can reduce taxpayer compliance costs, both in terms of direct costs, indirect costs, and opportunity costs. This is because taxpayers do not need to spend a lot of time and effort to understand and comply with complicated tax regulations. Increased tax transparency and accountability can reduce taxpayer compliance costs, especially in terms of psychological costs. Tax law enforcement is needed to encourage taxpayers to fulfill their tax obligations voluntarily.
6. Increasing risk preferences can be by taking small risks. The more experience you have with taking risks, the less likely you are to feel anxious or scared when taking greater risks. Focus on the potential benefits of taking risks and join a group of people who have a high risk appetite. Backed by a good understanding of risk-taking theory can help you make better decisions about whether to take risks or not.
7. Tax awareness can be increased by tax understanding that can be given in schools, universities, and the general public. Tax socialization can be carried out through various media, such as print media, electronic media, and social media. Understanding tax benefits is also important to increase taxpayers' tax awareness. Taxpayers need to understand that taxes are used to finance the development and welfare of the community. Strict law enforcement can also encourage taxpayers to comply with their tax obligations. Taxpayers need to be aware that if they do not meet their tax obligations, they will be subject to sanctions, as well as the establishment of a positive tax image.

8. Improve tax compliance through taxpayers' understanding of their tax obligations, and encourage taxpayers to comply with their tax obligations. The high quality of tax services can make taxpayers feel more comfortable and confident in fulfilling their tax obligations. Simplification of tax regulations can make it easier for taxpayers to understand and fulfill their tax obligations. High tax transparency and accountability can increase public trust in the tax system, as well as understand the benefits of taxation.
9. This system can improve the efficiency and effectiveness of tax administration, as well as increase tax compliance. Improving *the online tax system* is important to ensure that taxpayer data is safe and not misused, making it easier to use by adding various features. The system must provide complete and up-to-date information and services. The information provided must be easily accessible and understood by taxpayers.

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