



THE INFLUENCE OF SOCIAL NORMS AND PERCEIVED FAIRNESS ON VOLUNTARY TAX COMPLIANCE: THE MEDIATING ROLE OF PERSONAL NORMS AND TRUST IN GOVERNMENT

Andri Marfiana ¹⁾; Tri Widyastuti ²⁾; Darmansyah ³⁾

¹⁾ 5120231020@univpancasila.ac.id, University of Pancasila
andri.marfiana@pknstan.ac.id, Polytechnic of State Finance STAN

²⁾ triewidhiastuti@yahoo.com, University of Bhayangkara

³⁾ darmansyah@univpancasila.ac.id, University of Pancasila

Abstract

This study aims to analyze the factors influencing voluntary tax compliance in Indonesia, with a focus on social norms, personal norms, perceived of fairness, and trust in the government. The method employed is a quantitative approach using surveys, involving the distribution of questionnaires to individual taxpayers who are not employees in the Jabodetabek area. The data were analyzed using PLS-SEM (Partial Least Squares Structural Equation Modeling) to test the relationships among the variables in the research model. The results of the study show that social norms positively influence voluntary tax compliance, both directly and through the formation of personal norms as a mediator. Furthermore, the Perceived of fairness in the tax system was found to enhance trust in the government, which in turn positively affects voluntary tax compliance. These findings provide important insights that psychological and social factors, such as social norms, fairness, and trust in the government, play a key role in enhancing voluntary tax compliance. Therefore, it is recommended that tax policies focus on improving fairness and transparency, as well as strengthening social norms that support tax compliance.

Keywords: Personal Norms, Perceived Fairness, Social Norms, Trust in Government, Voluntary Tax Compliance

INTRODUCTION

Tax revenue is an integral part of Indonesia's financial system. Taxes serve as the primary source of income that supports the financing of various national needs, such as infrastructure development, education, and healthcare, which are essential for improving public welfare (Rahmi et al., 2020). Without adequate tax revenue, the government faces numerous challenges in implementing sustainable development programs. Tax revenue also plays a strategic role in maintaining fiscal stability and reducing dependency on external funding. Therefore, effective and efficient tax policies are key to ensuring the sustainability of inclusive and sustainable economic development.

Since the fiscal policy transition in the 1980s, Indonesia has undergone significant changes in public financial management. This shift moved the focus from dependence on oil and gas sector revenue to increasing tax revenue. This move aims to mitigate the risks of volatility in oil and gas prices that could negatively impact the national budget (Marfiana, 2017). This change reflects the Indonesian government's commitment to diversifying its revenue sources and strengthening the domestic tax base. As a result, stable tax revenue allows the government to plan and implement more effective long-term development programs. One of the key steps in strengthening Indonesia's tax system was the 1983 tax law reform, which replaced the official assessment system with the self-assessment system. The self-assessment system empowers taxpayers to calculate, pay, and report their taxes independently. However, this system also presents challenges in terms of increased compliance costs for taxpayers, which may lead to non-compliance, either intentionally or unintentionally (Diamastuti, 2016).

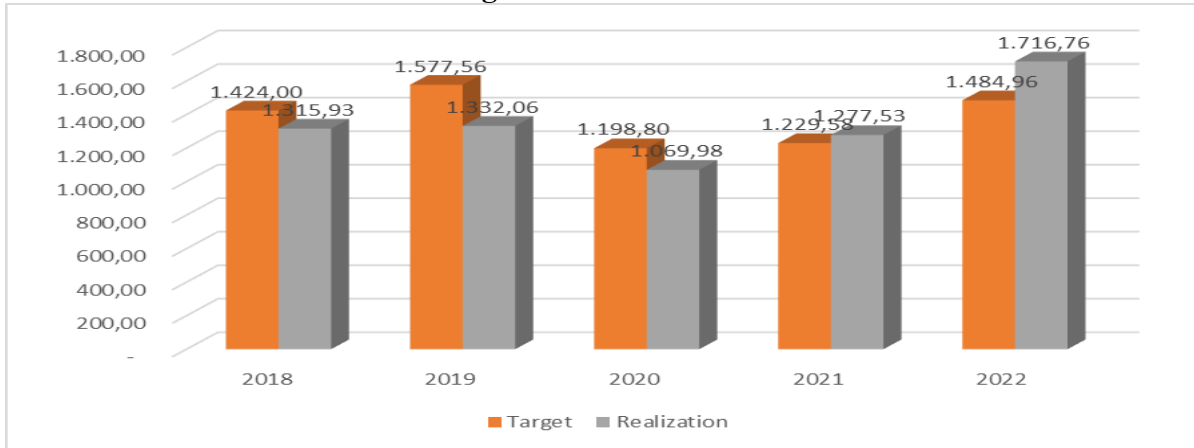
This reform is part of the government's efforts to improve tax administration and create a more efficient and transparent system. Under the official assessment system, tax authorities had the authority to determine the amount of tax owed by taxpayers, but it had weaknesses in terms of complex bureaucracy and the potential for corruption. In contrast, the self-assessment system



grants trust to taxpayers, but it also increases their personal responsibility in fulfilling their tax obligations (Misman, 2016).

The contribution of taxes to Indonesia's State Budget (APBN) is significant, with taxes playing a crucial role in funding development programs and supporting national economic stability (Soliha et al., 2019). Despite the increase in tax contributions during the 2018-2022 period, as shown in Figure 1, the main challenge lies in how to achieve the optimal tax revenue potential, particularly in the aspect of voluntary tax compliance. Data indicates that although tax revenues have increased, there remains a significant gap between the target and actual tax revenues achieved.

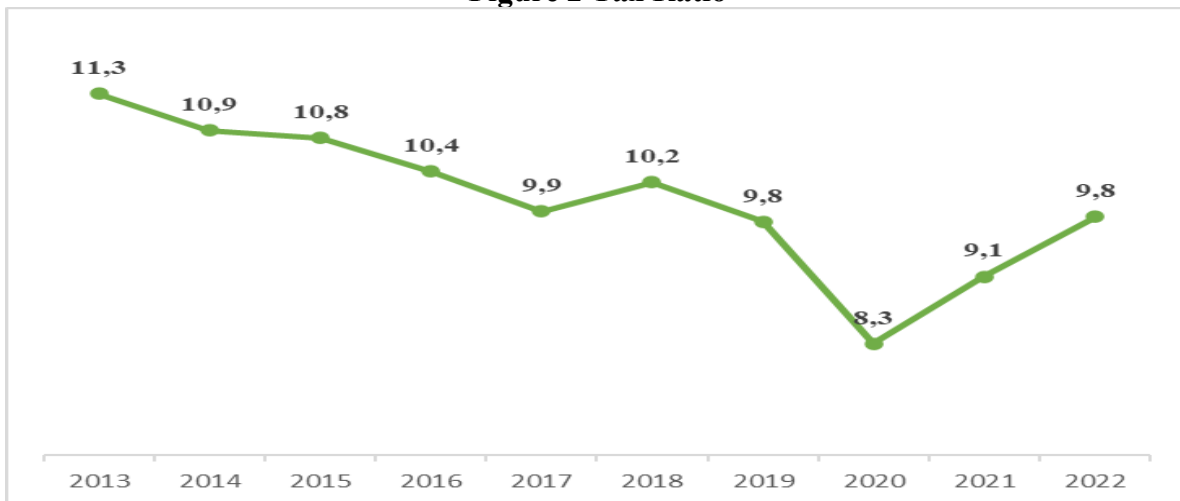
Figure 1 Tax Revenue



Source: data proceed

Tax revenue in Indonesia has experienced considerable fluctuations, especially in 2020 when the Covid-19 pandemic struck, leading to a significant decrease in tax revenue by -19.7%. Although there was a recovery in 2021 and 2022, tax revenue performance still fell short of expectations. This data reflects that the Indonesian tax system has not yet fully optimized the collection of taxes needed to finance various development programs.

Figure 2 Tax Ratio



Source: data proceed

The challenge in achieving optimal tax revenue is also reflected in Indonesia's low tax ratio (Figure 2) and tax buoyancy (Table 1). The tax ratio, which measures the proportion of tax revenue to Gross Domestic Product (GDP), shows significant fluctuations, with a sharp decline in 2020. Similarly, tax buoyancy, which reflects the sensitivity of tax revenue to



economic growth, remains low, even below 1 in 2022, indicating that Indonesia's tax system has not been able to optimally adapt to changes in the economy (Rahayu et al., 2023).

Table 1 Tax Buoyancy

Year	Tax Revenue Realitation (Triliun Rp)	GDP (Triliun Rp)	Tax Ratio	Tax Growth	Growth PDB	Tax Buoyancy
2018	1.518,80	14.838,76	10,2%			
2019	1.546,10	15.832,66	9,8%	1,80%	6,70%	0,27
2020	1.285,10	15.443,35	8,3%	-16,88%	-2,46%	6,87
2021	1.547,80	16.976,69	9,1%	20,44%	9,93%	2,06
2022	1.716,76	19.588,45	8,8%	10,92%	15,38%	0,71
Average			9,2%			

Source: data proceed

Meanwhile, tax revenue from enforced compliance, which involves supervision and tax collection, remains very low, at around 4.43% of total tax revenue. This figure indicates that revenue from voluntary tax compliance is much larger and more sustainable. This suggests that while enforced compliance is important, enhancing voluntary tax compliance is a more efficient and sustainable step in increasing national tax revenue.

Table 2 Enforced Compliance Revenue (In Trillion Rp)

Enforced Compliance	Revenue
Supervision SP2DK	33,22
Audit and Collection	41,17
Audit First Evidence	1,62
Total Revenue	76,01

Source: data proceed

Voluntary tax compliance reflects the awareness and responsibility of taxpayers in fulfilling their tax obligations without pressure or coercion from tax authorities. This compliance is crucial in the self-assessment system implemented in Indonesia. However, to achieve a high level of compliance, various factors need to be considered, such as social norms, personal norms, Perceived of fairness, and trust in the government. According to the Theory of Planned Behavior (TPB), social norms and personal norms play an important role in shaping tax compliance behavior (Ajzen, 1991).

In addition to TPB, the Slippery Slope Framework (SSF) is also relevant to explain the influence of the Perceived of fairness and trust in the government on voluntary tax compliance (Kirchler et al., 2008). This theory argues that tax compliance is influenced not only by external factors such as supervision but also by internal factors such as trust and perceived of fairness in the tax system. Trust in the government and perceived of fairness in tax administration can encourage taxpayers to comply more with their obligations.

This study aims to explore the role of social norms, personal norms, perceived of fairness, and trust in the government in enhancing voluntary tax compliance. Although many previous studies have identified factors influencing tax compliance, the conclusions drawn have been inconsistent. Therefore, this research will fill the existing knowledge gap and provide a more comprehensive understanding of the factors influencing voluntary tax compliance in Indonesia.

LITERATURE REVIEW

Theory of Planned Behavior (TPB)

The Theory of Planned Behavior (TPB), introduced by Icek Ajzen in 1991, is a theory used to understand human behavior, including tax compliance. TPB posits that an individual's behavior is influenced by three main factors: attitude toward behavior, subjective



norm, and perceived behavioral control. In the context of tax compliance, subjective norms or social norms play a very important role, as individuals tend to follow behaviors that are accepted within their social group (Ajzen, 1991). Social norms create social pressure that encourages individuals to comply with tax obligations, even without direct supervision, making them highly relevant to the concept of voluntary tax compliance.

Slippery Slope Framework (SSF)

The Slippery Slope Framework (SSF), introduced by Kirchler et al. (2008), focuses on the relationship between tax authorities and taxpayers in improving tax compliance. SSF identifies two main channels to enhance tax compliance: enforced compliance, which relies on supervision and legal enforcement, and voluntary compliance, which depends on trust and cooperation between taxpayers and tax authorities. Further research indicates that trust in the government and tax authorities can encourage an increase in voluntary tax compliance (Adekoya et al., 2022). Trust in the government plays a key role in creating an environment that supports voluntary compliance, as taxpayers who feel valued and treated fairly are more likely to comply with their tax obligations.

Voluntary Tax Compliance Theory

Voluntary tax compliance is the behavior in which taxpayers consciously and willingly meet their tax obligations without coercion from tax authorities. This compliance is essential in the self-assessment system implemented in Indonesia, where taxpayers are given the freedom to calculate, report, and pay their taxes themselves. In this context, taxpayers are expected to have the awareness and responsibility to fulfill their obligations without direct supervision. Kirchler et al. (2008) distinguish tax compliance into two types: voluntary compliance and enforced compliance. Voluntary compliance reflects the level of awareness and personal responsibility of taxpayers, while enforced compliance occurs due to supervision and sanctions from tax authorities.

Various factors can influence the level of voluntary tax compliance. Key factors include social norms, personal norms, Perceived of fairness, and trust in the government. According to Kirchler et al. (2008), psychological factors such as trust in the government, as well as social factors like social norms, play a major role in influencing voluntary compliance. Other studies by Alm and Torgler (2011) show that taxpayers who have a positive Perceived of the use of taxes and feel they are treated fairly by the government are more likely to comply with their tax obligations. These findings suggest that these factors play an important role in motivating taxpayers to pay taxes voluntarily.

Social Norms

Social norms refer to behaviors that are considered acceptable or desirable within a group or society. Social norms influence individuals to act in accordance with what is considered right or accepted within their social environment. In the context of taxes, social norms that support tax compliance can increase individuals' intention and behavior to fulfill their tax obligations. Cialdini et al. (1990) found that strong social norms can increase tax compliance rates, as individuals feel compelled to follow behaviors accepted within their group. Research by Jimenez and Iyer (2016) also shows that social norms supporting tax compliance can strengthen personal norms, which leads to an increase in tax compliance.

Personal Norms

Personal norms refer to an individual's moral and ethical standards that guide their actions. In the context of tax compliance, personal norms relate to an individual's moral belief about their obligation to pay taxes. Individuals with strong personal norms tend to be more compliant with their tax obligations, as they perceive paying taxes as part of their social and moral responsibility (Schwartz, 1977). Alm and Torgler (2011) found that strong personal



norms are associated with increased voluntary tax compliance, as individuals feel motivated to comply with obligations without the need for coercion or supervision.

Perceived of Fairness

Perceived of fairness in the tax system refers to how taxpayers assess the fairness of tax distribution and the fairness of tax collection procedures. This Perceived can be divided into distributive, procedural, and interactional fairness. Distributive fairness refers to how the tax burden is shared among the public, while procedural fairness relates to the fairness of the tax collection process by the government. Interactional fairness refers to how the government interacts with taxpayers, including fair treatment and transparency in tax management. Torgler and Schneider (2007) showed that positive Perceived of fairness increase taxpayers' trust in the government, which in turn encourages voluntary tax compliance.

Trust in Government

Trust in government refers to the public's belief that the government acts transparently, fairly, and responsibly in managing taxes and the use of public funds. Research by Fjeldstad et al. (2012) showed that taxpayers with high trust in the government are more likely to comply with their tax obligations. Trust in the government also enhances the effectiveness of tax policies, as taxpayers feel that their contributions are used for the public good. Therefore, building and maintaining trust in the government is an important strategy for increasing voluntary tax compliance.

Previous Research on e-Filing

Research on the impact of social norms on voluntary tax compliance has shown that social norms play a significant role in influencing taxpayers' behavior. Cialdini et al. (1990) found that strong social norms within a group can motivate individuals to comply with their tax obligations due to social pressure encouraging them to follow socially accepted behaviors. This is supported by research by Jimenez and Iyer (2016), which confirmed that social norms supporting tax compliance can increase taxpayers' intention to voluntarily fulfill their tax obligations. Alm and Torgler (2011) also demonstrated that social norms can strengthen individuals' behavior in fulfilling tax obligations, especially in self-assessment-based tax systems, where taxpayers are given the freedom to report and pay taxes themselves. Based on these findings, the **first hypothesis** in this study is: "**Social norms positively influence voluntary tax compliance.**"

Beyond the direct influence of social norms on tax compliance, research also indicates that social norms have an indirect impact through personal norms. Cialdini et al. (1990) explained that social norms accepted within a community are often internalized into personal norms, where individuals consider them as personal moral standards. Research by Feld and Frey (2007) revealed that strong social interactions among individuals with similar social norms can reinforce personal morals that lead to tax compliance. Wenzel (2005a) further explained that accepted social norms can encourage individuals to internalize moral values, thus forming personal norms that support tax compliance behavior. Based on this, **the second hypothesis** proposed in this study is: "**Social norms positively influence personal norms.**"

Furthermore, personal norms have been shown to have a significant impact on the decision to comply with tax obligations. Schwartz (1977) in his norm-activation theory stated that personal norms are the primary driver for individuals to act according to their moral standards, including with respect to tax obligations. Research by Alm and Torgler (2011) showed that individuals with strong personal norms are more likely to comply with voluntary tax obligations, as they view it as part of their social and moral responsibility. Bobek and Hatfield (2003) also found that strong moral awareness plays a major role in taxpayers' decisions to comply with their tax obligations, even without direct supervision from tax



authorities. Therefore, **the third hypothesis** proposed in this study is: "**Personal norms positively influence voluntary tax compliance.**"

Perceived of fairness in the tax system is a key factor in driving voluntary tax compliance. Torgler and Schneider (2007) showed that taxpayers who feel the tax system is fair—both in tax distribution and the tax collection procedures—are more likely to comply with their obligations. Alm et al. (1992) found that when taxpayers feel the tax system is unfair or opaque, they are more likely to evade their tax obligations. Lisi (2015) further stated that Perceived of fairness in tax collection, particularly related to how the tax burden is distributed, significantly influence tax compliance behavior. Based on these findings, **the fourth hypothesis** proposed in this study is: "**Perceived of fairness positively influences voluntary tax compliance.**"

The fifth hypothesis in this study focuses on "**the Perceived of fairness positively influencing trust in the government.**" Research by Siahaan (2012) showed that when taxpayers feel the tax system is fair and their taxes are used transparently, they are more likely to trust the government. This trust in government arises because taxpayers perceive that the government is acting with integrity and accountability, which builds a mutually trusting relationship between the government and the public. Research by Feld and Frey (2002) supports this, showing that procedural fairness in the tax system can enhance trust in the government, which in turn strengthens voluntary tax compliance. This demonstrates that Perceived of fairness in the tax system play a vital role in building and enhancing taxpayer trust in the government.

Trust in government also plays a very important role in the self-assessment system, where taxpayers are trusted to calculate and report their taxes independently. Alm and Torgler (2011) stated that trust in the government can strengthen voluntary tax compliance because taxpayers feel their contributions are used for the public good. Research by Fjeldstad et al. (2012) found that taxpayers with high trust in the government are more likely to comply with their tax obligations. Braithwaite (2009) further explained that trust in government strengthens the sense of belonging to the state, which then enhances tax compliance. Based on these findings, **the sixth hypothesis** proposes: "**Trust in the government positively influences voluntary tax compliance.**"

Research also shows that social norms influence tax compliance indirectly through the mediation of personal norms. Jimenez and Iyer (2016) showed that social norms supporting tax compliance can strengthen personal norms that support similar behavior. Gavrillets and Richerson (2017) added that individuals often internalize the social norms present in their group, which then influences their decisions, including in paying taxes. Research by Wenzel (2005b) also supports that social norms have an impact not only externally but also shape an internal structure of moral beliefs that support voluntary tax compliance. Therefore, **the seventh hypothesis** in this study is: "**Social norms positively influence voluntary tax compliance through personal norms as a mediator.**"

The eighth hypothesis in this study focuses on "**the relationship between Perceived of fairness and trust in government as a mediator for voluntary tax compliance.**" Research by Feld and Frey (2002) showed that Perceived of fairness, both in procedures and tax distribution, can enhance taxpayers' trust in the government, which in turn strengthens voluntary tax compliance. Luttmer and Singhal (2014) also suggested that trust in government plays a key role in strengthening the relationship between Perceived of fairness and tax compliance. Research by Kirchler et al. (2008) further confirms that trust in government, built through fairness in tax processes, significantly enhances voluntary tax compliance.



METHODS

This study aims to analyze the factors influencing voluntary tax compliance in Indonesia, with a focus on the impact of social norms, personal norms, Perceived of fairness, and trust in government. A quantitative approach with a survey design was employed to collect primary data from individual non-employee taxpayers registered in the Jabodetabek area. The study used random sampling to ensure that respondents were representative of the taxpayer population (Sekaran & Bougie, 2016). The questionnaire distributed to respondents contained questions designed to measure the key variables of this study using a Likert scale.

Data collection was carried out through digital questionnaires distributed via Google Forms and social media, as well as physical questionnaires distributed at strategic locations such as tax offices and shopping centers in Jabodetabek. A total sample of 211 respondents was selected to ensure that sufficient data could be processed using PLS-SEM (Partial Least Squares Structural Equation Modeling). PLS-SEM was chosen due to its ability to analyze relationships between variables in an exploratory model without requiring strict data distribution assumptions (Aburumman et al., 2022).

The collected data was analyzed using descriptive statistical methods to describe the basic characteristics of respondents and the data distribution. To examine the relationships between variables and assess the validity and reliability of the instruments, PLS-SEM was used as the main analytical technique. The bootstrapping process was employed to test the significance of the path coefficients in the model. Furthermore, mediation analysis was conducted to understand the role of personal norms and trust in government in influencing voluntary tax compliance. This process revealed both direct and indirect relationships between the variables examined in the study.

This study utilized primary data obtained from questionnaires and secondary data from the annual reports of the Directorate General of Taxes (DJP) to provide additional context for the findings. By combining both types of data, the study aims to provide a more comprehensive picture of the factors influencing voluntary tax compliance in Indonesia. All analyses were conducted to test the eight hypotheses formulated in this study, which seek to explore the relationships between social norms, personal norms, Perceived of fairness, and trust in government in relation to voluntary tax compliance.

RESULTS AND DISCUSSION

Descriptive Statistics

Descriptive statistical analysis was performed to depict the basic characteristics of the respondents involved in this study (Table 3). Of the total 211 respondents, the majority were female (60.2%) with a dominant age range of 49-60 years (49.8%). The majority of respondents held a High School/Diploma 1 (39.8%) and had experience in worked more than 15 years (44.5%). Most respondents had an income, with 80%, less than 10 million Rupiah.

Table 1 Descriptive Respondent

Characteristics	F	Percentage
<i>Gender</i>		
Male	84	39.8%
Female	127	60.2%
<i>Generation</i>		
1946-1964	17	8.1%
1965-1976	105	49.8%
1977-1994	79	37.4%
1995-2010	10	4.7%
<i>Education</i>		
High School/Diploma I	84	39.8%



Diploma III	17	8.1%
Bachelor (DIV/S1)	76	36.0%
Master and Doctor (S2/S3)	34	16.1%
<i>Experience</i>		
< 5 years	41	19.4%
5-10 years	58	27.5%
11-15 years	18	8.5%
More than 15 years	94	44.5%
<i>Income</i>		
< Rp10.000.000	153	72.5%
Rp10.000.000 – Rp19.999.999	31	14.7%
Rp20.000.000 – Rp30.000.000	12	5.7%
More than Rp30.000.000	15	7.1%

Source: data proceed

This data indicates that the sample represents a profile of individual non-employee taxpayers from the Jabodetabek area. Based on these results, it can be concluded that the respondent characteristics provide a representative overview of the factors influencing voluntary tax compliance.

Outer Loading Test Results

The outer loading test (Table 4) was conducted to measure how well the indicators used in this study represent each construct. The results showed that all indicators had outer loadings greater than 0.7, indicating high convergent validity. For example, the social norms indicators showed outer loading values ranging from 0.822 to 0.865, which means these indicators are highly relevant for measuring the social norms construct.

Table 2 Outer Loading

Variabel	Item	Outer Loading	Information	AVE	Result
X1 (Social Norms)				0.700	Valid
	SN1	0.836	Valid		
	SN2	0.827	Valid		
	SN3	0.822	Valid		
	SN4	0.865	Valid		
	SN5	0.829	Valid		
	SN6	0.843	Valid		
Z1 (Personal Norms)				0.678	Valid
	PN1	0.767	Valid		
	PN2	0.841	Valid		
	PN3	0.846	Valid		
	PN4	0.814	Valid		
	PN5	0.832	Valid		
	PN6	0.837	Valid		
X2 (Perceived of Fairness)				0.631	Valid
	PF1	0.782	Valid		
	PF2	0.804	Valid		
	PF3	0.741	Valid		
	PF4	0.765	Valid		
	PF5	0.820	Valid		
	PF6	0.780	Valid		
	PF7	0.836	Valid		
	PF8	0.821	Valid		
Z2 (Trust in Government)				0.718	Valid
	TG1	0.866	Valid		



TG2	0.846	Valid
TG3	0.836	Valid
TG4	0.818	Valid
TG5	0.854	Valid
TG6	0.862	Valid
<hr/>		
Y (Voluntary Tax Compliance)		0.593 Valid
VTC1	0.765	Valid
VTC2	0.808	Valid
VTC3	0.752	Valid
VTC4	0.816	Valid
VTC5	0.757	Valid
VTC6	0.757	Valid
VTC7	0.768	Valid
VTC8	0.736	Valid

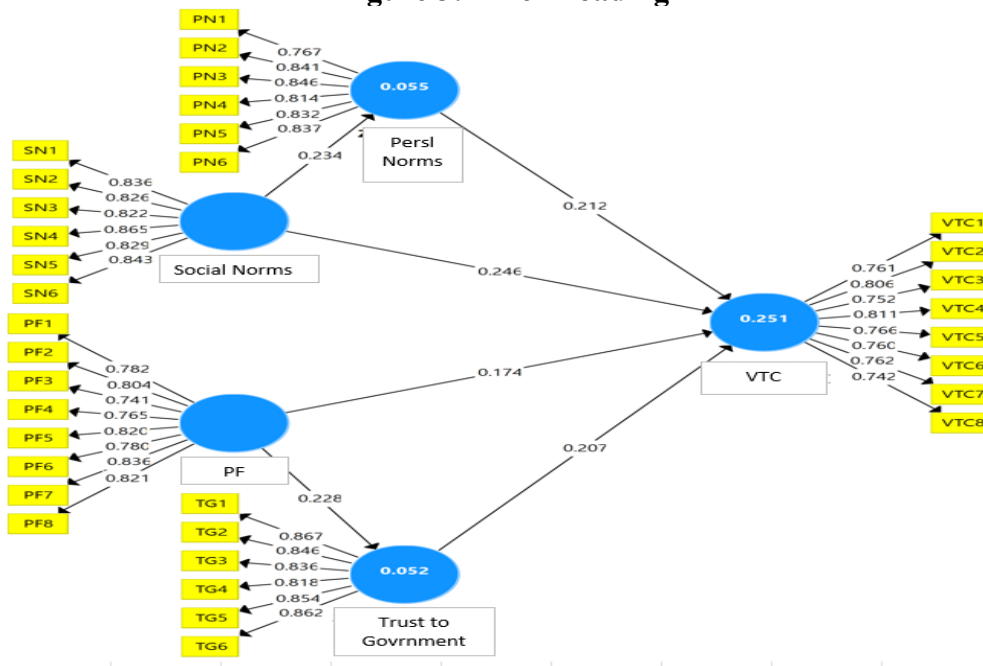
Source: data proceed

The indicators for the Perceived of fairness also demonstrated high outer loading values, ranging from 0.741 to 0.836, indicating that this variable has excellent measurement validity. Additionally, the trust in government indicators showed outer loading values ranging from 0.818 to 0.866, indicating that the measurement of trust in government in this study is highly accurate.

Inner Loading and R-Square Test Results

The inner loading test (Figure 3) was conducted to measure the strength of relationships between variables in the research model. The analysis revealed that social norms positively influenced personal norms with a path coefficient of 0.234 and a t-statistic value of 3.251, indicating a fair and significant relationship. Furthermore, personal norms positively influenced voluntary tax compliance, with a path coefficient of 0.212 and a t-statistic of 2.988, also indicating a significant relationship.

Figure 3: Inner Loading



Source: data proceed

The R-square analysis (Table 5) shows that the voluntary tax compliance model can be explained by 0.251 or 25.1% by the variables in this model. This indicates that the model provides a reasonable fit for explaining the factors influencing voluntary tax compliance.



Table 3 R-Square

Effect	R square
X1 (Social Norms) → Z1 (Personal Norms)	0.055
X2 (Perceived of Fairness) → Z2 (Trust in Government)	0.052
X1 (Social Norms), Z1 (Personal Norms), X2 (Perceived of Fairness), Z2 (Trust in Government) → Y (Voluntary Tax Compliance)	0.251

Source: data proceed

Hypothesis Testing

Hypothesis testing was performed using the bootstrapping method to test the significance of paths in the model (Table 6). The results of this test showed that all major hypotheses tested in this study were accepted with supporting evidence. The first hypothesis indicates that social norms positively influence voluntary tax compliance, with a t-statistic value of 3.443 and a p-value smaller than 0.01. This finding suggests that strong social norms within a community play an important role in encouraging individuals to comply with their tax obligations.

Table 4 Hypotheses Test

	Effect	Path Coefficient	T statistics (p-value)	Results
Direct	X1 (Social Norms) → Z1 (Personal Norms)	0.234	3.251 (0.000)	Significant
	X2 (Perceived of Fairness) → Z2 (Trust in Government)	0.228	3.329 (0.001)	Significant
	X1 (Social Norms) → Y (Voluntary Tax Compliance)	0.246	3.443 (0.001)	Significant
	Z1 (Personal Norms) → Y (Voluntary Tax Compliance)	0.212	2.998 (0.003)	Significant
	X2 (Perceived of Fairness) → Y (Voluntary Tax Compliance)	0.174	2.213 (0.027)	Significant
	Z2 (Trust in Government) → Y (Voluntary Tax Compliance)	0.207	2.857 (0.000)	Significant
Indirect	X1 (Social Norms) → Z1 (Personal Norms) → Y (Voluntary Tax Compliance)	0.050	2.401 (0.017)	Significant
	X2 (Perceived of Fairness) → Z2 (Trust in Government) → Y (Voluntary Tax Compliance)	0.047	2.209 (0.027)	Significant

Source: data proceed

Subsequently, the second hypothesis reveals that social norms positively influence personal norms, with a t-statistic of 3.251 and a p-value smaller than 0.01. This finding confirms that social norms can shape personal norms, which then influence individuals' attitudes towards tax compliance. In the third hypothesis, the test results show that personal norms positively influence voluntary tax compliance, with a t-statistic of 2.998 and a p-value below 0.01, indicating that higher personal norms correlate directly with higher tax compliance levels.

The fourth hypothesis found that the Perceived of fairness positively influences voluntary tax compliance, showing significant results with a t-statistic of 2.213 and a p-value below 0.01. This means that taxpayers' Perceived of the fairness of the tax system can increase their intention to comply with tax obligations. As for the fifth hypothesis, it states that the Perceived of fairness positively influences trust in government with a t-statistic of 3.329 and a p-value smaller than 0.01. This finding suggests that fairness in the tax system can strengthen taxpayers' trust in the government.

In the sixth hypothesis, the seventh hypothesis was also accepted, where trust in government positively influences voluntary tax compliance, with a t-statistic of 2.857 and a p-value smaller than 0.01. This result reinforces the argument that trust in the government plays a significant role in enhancing voluntary tax compliance, as taxpayers who trust the government are more likely to fulfill their obligations. Furthermore, hypothesis seven states that social norms positively influence voluntary tax compliance with personal norms as a mediator, as



indicated by a t-statistic of 2.401 and a p-value below 0.05. This finding shows that social norms not only directly affect tax compliance but also through the formation of personal norms, which act as a mediator in this relationship.

Finally, the test result for hypothesis eight shows that the Perceived of fairness positively influences voluntary tax compliance with trust in government as a mediator, with a t-statistic of 2.209 and a p-value below 0.01. This finding indicates that taxpayers' trust in the government mediates the relationship between Perceived of fairness and voluntary tax compliance, suggesting that taxpayers' trust in government strengthens the effect of Perceived of fairness on voluntary tax compliance.

Discussion

The analysis results show that social norms have a significant and positive influence on voluntary tax compliance. This finding suggests that existing norms in society strongly influence individual behavior in fulfilling their tax obligations. Theoretically, this result supports the Theory of Planned Behavior (Ajzen, 1991), which posits that subjective norms, in the form of pressures and expectations from the social environment, have a significant impact on individual attitudes and behaviors. Nguyen (2022) also confirmed that individuals tend to follow social norms to maintain their relationships and reputation within a social group. Therefore, it can be concluded that social norms play a vital role in enhancing voluntary tax compliance through the social pressure felt by individuals.

Moreover, the results show that social norms significantly influence the formation of personal norms. This means that socially accepted norms within a group can be internalized into individuals' value systems, which in turn encourages them to act in accordance with their held moral values. Jimenez and Iyer (2016) explain that individuals often internalize group norms, making them part of their personal norms. Research by Budiningrum (2024) also supports this finding by showing that prevailing social norms in society can strengthen personal norms, which ultimately enhances compliance with tax obligations.

This study also found that personal norms have a positive influence on voluntary tax compliance. This indicates that individuals with strong personal norms—who consider paying taxes a moral obligation—are more likely to fulfill their tax obligations. In Schwartz's (1977) norm-activation theory, high personal norms can drive behavior consistent with moral values, even without external supervision. This finding is also aligned with research by Levenko and Staehr (2023), which revealed that individuals with a moral commitment to their social responsibility will have higher levels of tax compliance. Therefore, strengthening personal norms in society is crucial for enhancing voluntary tax compliance.

On the other hand, the study found that the Perceived of fairness in the tax system has a significant influence on voluntary tax compliance. Taxpayers who perceive the tax system as fair—both in the distribution of the tax burden and in the tax collection process—are more likely to comply with their tax obligations. Nathan et al. (2024) support this finding by showing that taxpayers' Perceived of fairness towards the tax system can increase tax compliance levels, as taxpayers feel their taxes are being used fairly and appropriately. Therefore, fairness in the tax system becomes a key factor in driving voluntary tax compliance.

Other findings indicate that Perceived of fairness also play a role in increasing public trust in the government. When the public perceives the tax system as fair and transparent, trust in the government increases. Povitkina et al. (2021) explain that Perceived of fairness can enhance public trust in the government, which is supported by Feld and Frey (2002), who showed that procedural fairness in the tax system is essential for building trust between the public and the government, contributing to increased tax compliance.

Furthermore, trust in government has a significant influence on voluntary tax compliance. This finding suggests that taxpayers who trust the government are more likely to comply with



their tax obligations, as they believe their contributions are used for the public good. Appiah et al. (2024) confirm that public trust in government plays a crucial role in enhancing tax compliance, as taxpayers are confident that their taxes are used for the collective welfare.

Next, the analysis shows that personal norms mediate the relationship between social norms and voluntary tax compliance. This indicates that social norms not only have a direct effect but also influence the formation of personal norms, which become the internal motivation for individuals to comply with their tax obligations. Research by Jimenez and Iyer (2016) supports this finding, stating that socially accepted norms within society can lead to the internalization of moral values, which in turn leads to voluntary tax compliance. Therefore, the formation of personal norms through the influence of social norms is an important element in improving voluntary tax compliance.

Finally, the analysis results indicate that trust in government mediates the relationship between the Perceived of fairness and voluntary tax compliance. This suggests that Perceived of a fair tax system will strengthen taxpayers' trust in the government, which then contributes to increased voluntary tax compliance. Zainudin et al. (2022) emphasize that the relationship built from fairness in tax collection is essential in encouraging taxpayers to comply with tax obligations voluntarily.

CONCLUSION

Summary

This study reveals that factors such as social norms, personal norms, Perceived of fairness, and trust in government significantly influence voluntary tax compliance in Indonesia. The hypothesis testing results show that social norms play a role in shaping personal norms, which in turn encourage individuals to be more compliant with their tax obligations. Furthermore, the Perceived of fairness in the tax system has been shown to enhance trust in the government, which, in turn, positively influences tax compliance. These findings emphasize that improving voluntary tax compliance requires not only legal enforcement but also attention to the psychological and social factors that motivate taxpayers to fulfill their obligations voluntarily.

Thus, this study provides strong evidence that strengthening social and personal norms, as well as improving the Perceived of fairness in the tax system, can be an effective strategy for increasing voluntary tax compliance in Indonesia. Additionally, trust in the government plays a crucial role in enhancing tax compliance, which can be fostered through transparency and fairness in the tax system.

Recommendations

Based on the findings of this study, it is recommended that tax authorities intensify efforts to build awareness of the importance of social norms that support tax compliance, both at the community and individual levels. The government needs to be more proactive in creating and communicating fair and transparent tax policies, which will improve taxpayers' Perceived of fairness and strengthen trust in the government. Furthermore, education and campaigns focusing on tax morality can help strengthen personal norms in society, encouraging more individuals to fulfill their tax obligations without coercion.

Additionally, further research is recommended to explore other factors that may influence voluntary tax compliance, such as the impact of economic factors and the ease of access to tax reporting. More comprehensive studies are also needed to identify differences in tax compliance levels across different social and demographic groups, to design more inclusive and effective tax policies.



REFERENCES

- Aburumman, O. J., Omar, K., Al Shbail, M., & Aldoghan, M. (2022). How to deal with the results of PLS-SEM? International conference on business and technology.
- Adekoya, A. A., Agbetunde, L. A., & Lawal, A. B. (2022). Trust relationship and tax compliance in developing countries-Informal sector perspectives. *International Journal of Economics, Commerce and Management*, 10(6), 309-332.
- Ajzen, I. (1991). The theory of planned behavior. *Organizational behavior and human decision processes*, 50(2), 179-211.
- Alm, J., Jackson, B., & McKee, M. (1992). Deterrence and beyond: Toward a kinder, gentler IRS. *Why people pay taxes*, 1, 311-329.
- Alm, J., & Torgler, B. (2011). Do ethics matter? Tax compliance and morality. *Journal of Business Ethics*, 101, 635-651.
- Appiah, T., Domeher, D., & Agana, J. A. (2024). Tax knowledge, trust in government, and voluntary tax compliance: Insights from an emerging economy. *Sage Open*, 14(2), 21582440241234757.
- Bobek, D. D., & Hatfield, R. C. (2003). An investigation of the theory of planned behavior and the role of moral obligation in tax compliance. *Behavioral Research in Accounting*, 15(1), 13-38.
- Braithwaite, V. A. (2009). *Defiance in taxation and governance: Resisting and dismissing authority in a democracy*. Edward Elgar Publishing.
- Budiningrum, E. W. (2024). Norma Sosial dan Kepatuhan Pajak. *Jurnal Bisnis, Manajemen, dan Akuntansi*, 11(2), 14-25.
- Cialdini, R. B., Reno, R. R., & Kallgren, C. A. (1990). A focus theory of normative conduct: Recycling the concept of norms to reduce littering in public places. *Journal of personality and social psychology*, 58(6), 1015.
- Diamastuti, E. (2016). Ke (tidak) patuhan wajib pajak: Potret self assessment system. *Ekuitas (Jurnal Ekonomi Dan Keuangan)*, 20(3), 280-304.
- Feld, L. P., & Frey, B. S. (2002). Trust breeds trust: How taxpayers are treated. *Economics of governance*, 3, 87-99.
- Feld, L. P., & Frey, B. S. (2007). Tax compliance as the result of a psychological tax contract: The role of incentives and responsive regulation. *Law & Policy*, 29(1), 102-120.
- Fjeldstad, O.-H., Schulz-Herzenberg, C., & Hoem Sjursen, I. (2012). People's views of taxation in Africa: a review of research on determinants of tax compliance. Available at SSRN 2411424.
- Gavrilets, S., & Richerson, P. J. (2017). Collective action and the evolution of social norm internalization. *Proceedings of the National Academy of Sciences*, 114(23), 6068-6073.
- Indonesia, R. (2007). Undang-Undang Ketentuan Umum dan Tatacara Perpajakan. *KUP (p. Law Number 28)*.
- Jimenez, P., & Iyer, G. S. (2016). Tax compliance in a social setting: The influence of social norms, trust in government, and perceived fairness on taxpayer compliance. *Advances in accounting*, 34, 17-26.
- Kirchler, E., Hoelzl, E., & Wahl, I. (2008). Enforced versus voluntary tax compliance: The "slippery slope" framework. *Journal of Economic Psychology*, 29(2), 210-225.
- Levenko, N., & Staehr, K. (2023). Self-reported tax compliance in post-transition Estonia. *Economic Systems*, 47(3), 101047.
- Lisi, G. (2015). Tax morale, tax compliance and the optimal tax policy. *Economic analysis and policy*, 45, 27-32.
- Luttmer, E. F., & Singhal, M. (2014). Tax morale. *Journal of economic perspectives*, 28(4), 149-168.



- Marfiana, A. (2017). The Effects of Target Setting on Target Commitment Within The DGT's Employees of Indonesia. *KEBERLANJUTAN*, 2, 340.
- Misman, S. (2016). Pengaruh Penerapan Sistem Self Assessment Terhadap Optimalisasi Penerimaan Pph Pasal 25 Wajib Pajak Badan Pada Kpp Pratama Manado. *Jurnal Berkala Ilmiah Efisiensi*, 16(4).
- Nathan, B. C., Perez-Truglia, R., & Zentner, A. (2024). *Paying your fair share: Perceived fairness and tax compliance*.
- Nguyen, T. H. (2022). The impact of non-economic factors on voluntary tax compliance behavior: A case study of small and medium enterprises in Vietnam. *Economies*, 10(8), 179.
- Povitkina, M., Jagers, S. C., Matti, S., & Martinsson, J. (2021). Why are carbon taxes unfair? Disentangling public Perceived of fairness. *Global Environmental Change*, 70, 102356.
- Rahayu, Y., Evana, E., & Prasetyo, T. J. (2023). The Influence of Governance, Economic Growth, and Foreign Direct Investment on Tax Ratios in Southeast Asian Countries. *International Journal of Business and Applied Economics*, 2(6), 963-980.
- Rahmi, N., Pohan, C. A., Arimbhi, P., Mansur, M., & Zulkifli, Z. (2020). Pelatihan Pembukuan Keuangan Sederhana dalam Rangka Pelaksanaan Kebijakan Pajak yang Baru (PP Nomor: 23/2018) Untuk Pelaku UMKM Naik Kelas di Kota Depok. *Jurnal Komunitas: Jurnal Pengabdian Kepada Masyarakat*, 2(2), 152-158.
- Schwartz, S. H. (1977). Normative influences on altruism. In *Advances in experimental social psychology* (Vol. 10, pp. 221-279). Elsevier.
- Sekaran, U., & Bougie, R. (2016). *Research methods for business: A skill building approach*. John Wiley & sons.
- Siahaan, F. O. (2012). The influence of tax fairness and communication on voluntary compliance: trust as an intervening variable. *International Journal of Business and Social Science*, 3(21).
- Soliha, Y., Wibisono, N., & Hermawan, H. (2019). Pengaruh Tingkat Kepatuhan Wajib Pajak Terhadap Penerimaan Pajak Badan. *Jurnal AKSI (Akuntansi Dan Sistem Informasi)*, 4(1).
- Torgler, B., & Schneider, F. (2007). Shadow economy, tax morale, governance and institutional quality: a panel analysis.
- Wenzel, M. (2005a). MisPerceived of social norms about tax compliance: From theory to intervention. *Journal of Economic Psychology*, 26(6), 862-883.
- Wenzel, M. (2005b). Motivation or rationalisation? Causal relations between ethics, norms and tax compliance. *Journal of Economic Psychology*, 26(4), 491-508.
- Zainudin, F. M. r., Nugroho, R., & Muamarah, H. S. (2022). Pengaruh Kepercayaan Kepada Pemerintah Terhadap Kepatuhan Pajak Dengan Persepsi Keadilan Pajak Sebagai Variabel Intervening. *Jurnal Pajak Indonesia (Indonesian Tax Review)*, 6(1), 107-121.