TAX MORALE: TAX KNOWLEDGE, TRUST AND AWARENESS OF INDONESIAN MSMES TAXPAYERS DURING POST-PANDEMIC

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ABSTRACT

MSMEs' efforts to create a robust national economy must be based on tax morality. From an ethical perspective, tax morality can motivate someone to pay taxes as a contribution to the state. Taxes are no longer considered a mandatory contribution determined by law. But switching to taxes is an awareness of moral behavior for tax compliance used to benefit the wider community. This was confirmed under conditions of uncertainty after Covid-19 occurred. By using PLS as an analytical tool, this study aims to determine the influence of government trusts and taxpayer awareness on the tax morale of Indonesian MSME actors with tax knowledge as an intervening variable. Purposive sampling was used as a sampling technique, and data was obtained by distributing questionnaires. The results of this study trust the government's positive influence on the tax morale behavior of MSMEs. Awareness must tax No influential to tax morale behavior MSMEs knowledge taxation No influential to tax morale behavior MSMEs. Influence trust to the government to knowledge taxation trust to government influential positive to knowledge taxation and awareness must tax No influential to knowledge taxation.

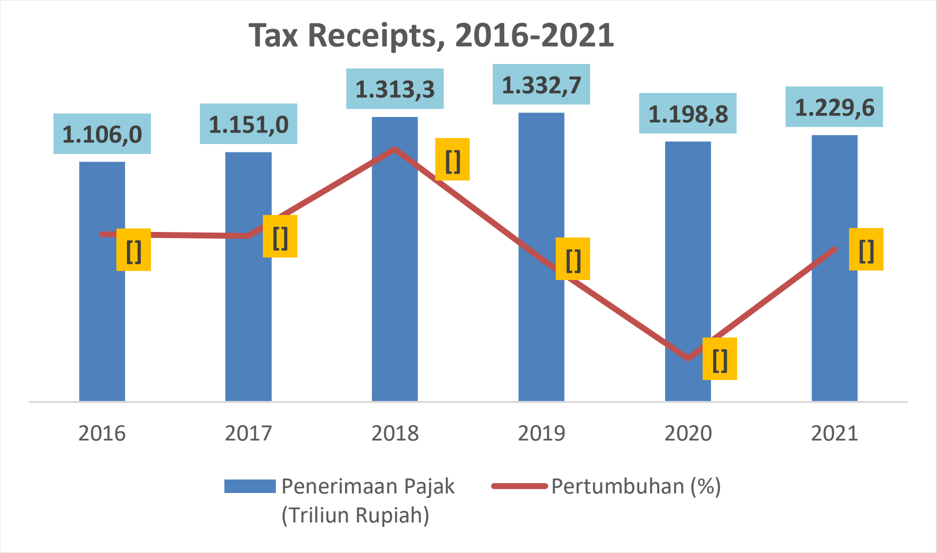
Keywords: **Tax Morale, Tax Knowledge, Trust, Awareness of Indonesian MSMEs Taxpayers and Post Covid.**

Introduction

Tax is source main from used state revenue for finance development like empowerment society and development. In practice, the role taxes are very important in optimizing state revenue for finance development national in a manner independent going to a just, prosperous and prosperous society as arranged _ in Constitution Number 7 of 2021 concerning harmonization Regulation Taxation (HPP). According to Sriwahyuni (2014) there are two functions taxes, that is function source state finance which is one source reception government For finance expenditure Good routine nor development and function regulator as tool For carry out policy in field social and economic as well as For reach objective certain outside field finance. So from that, second matter that will walk fluent if public obey will obligation the tax.

Contribution reception tax to Budget The 2021 State Budget (APBN) is targeted Rp. 1,444.5 trillion. High target acceptance tax Not yet Can accompany achieving the expected target. Reception tax targeted grew 2.6% with optimizing expansion of the tax base as well as support recovery economy national ever decrease Because exists the covid-19 pandemic. as a result 2020 acceptance tax contracted impact from slowdown economy so that government give incentive to taxpayers.

Figure 1 Chart Tax Receipts, 2016-2021



Source : (Ministry of Finance)

See achievements reception rising taxes (Figure 1.1), Directorate General of Taxes (DGT) has method For achieve the expected target. DGT in achieve target making Indicator Main Work (IKU) which is mandatory measured and followed a number of target strategic which is step must for reach it. Government arrange in a manner special rates taxation for MSME entrepreneurs with publish Regulation Government Number 23 of 2018 (PP 23/2018) concerning income tax on income from accepted effort _ or obtained by taxpayers who have circulation gross certain. Although SMEs are not called in a manner specifically, PP 23/2018 article 3 paragraph 1 states that limitation circulation gross No exceeding 4.8 billion in 1 Tax Year.

MSME efforts in realize economy strong national must base with tax morale (*tax morale*). In perspective ethics, *tax morale* can motivate somebody for pay tax as contribution in statehood is done in a manner voluntary, so *tax morale* Can influence Taxpayer compliance. Viewed from corner broad view, tax moral behavior like level honesty, knowledge, and ability tax matters a lot taxpayer compliance (Oladipupo & Obazee, 2016) . *Tax morale* refers to the inherent motivation when pay and obey taxes, as evidenced with exists contribution in a manner voluntary. If the taxpayer holds good morals, level Taxpayer compliance will increase in matter reception tax (Aska & Umaimah, 2022). Research conducted by Asih & Yudana (2020) implement *tax morale* with emphasize trust to the Taxpayer that taxes paid used in a manner appropriate For development infrastructure.

Study This aim for analyze related factors with obedience must Indonesian MSME tax. We see study previously suggested that researcher must enter motivation intrinsic as pusher obedience tax voluntary. Motivation intrinsic looked at as factor important in explain behavior obedience failed tax explained by the prevention model economics (Alm & McClellan, 2012; Pope & McKerchar, 2011). Alm and Martinez Vazquez (2007) argued that for increase obedience taxes, developing country governments need consider strengthening norm social For complete repair administration taxation.

In the research Kemme, Parikh, and Steigner (2020) found impact from low morale makes must tax do avoidance tax with various way. It means tax morale influential direct to awareness tax. Rachmawan et al (2020) stated for increase obedience tax, authority must ensure fair procedure according to must tax. Fair procedure will build belief in authority and create must tax more easy for obeyed. Knowledge tax No make influence more strong Because must tax only evaluate For obey according to procedure system easy and simple taxation

Influence trust in government, awareness taxes, and knowledge taxation This support *theory of planned behavior* Taxpayer compliance is influenced by the taxpayer's intention Alone in take action for obey to obligation taxation. this study give contribution to the field Indonesian taxation.

Overview literature

Theory of Planned Behavior

A number of theory can used for see obedience must taxes, among others is Theory of Planned Behavior, someone can do something depends from have intentions. Intention For do something or no, got influenced by two things that is attitude to behavior (attitude towards behavior) and relationships with influence social norm subjective, meanwhile in TPB added One factor Again that is control perceived behavior (perceived behavioral control). In other words, when do something behavior No only determined by attitudes and norms subjective, but also perceptual individual to control that can done based on belief to control. The Study Ekaputra et al (2022) explains that attitude of the taxpayer on embezzlement tax influenced by attitude service apparatus tax (fiskus) which is not max, so tax authorities must increase quality service for give influence to the Taxpayer not to do action embezzlement tax and looked embezzlement tax is illegal and infringing acts law.

Theory of Reasoned Action (TRA)

In Theory of Reasoned Action (TRA), the theory is used for learn behavior people and theory learning social. TRA was first created by Ajzen. this theory used for learn behavior human. TRA explained that attitudes and norms social can influenced by beliefs, which can be change form desire for behave, well directed nor in behavior individual. this theory emphasize the role of one's " intentions ". in determine is something behavior will happened (Ajzen, 1991). The person in question in matter This is must tax. Taxpayers can obey regulation taxation

Trust to government and Tax Morale

Trust is a must _ owned between society and country. If trust public high, rise awareness high taxes anyway and will impact on increasing Taxpayer compliance. Trust to authority means must tax believe that authority will Work The same or interest must tax and no will take profit from them (Bornman, 2015). Ntiamoah et al (2023) Confidence in government and parliament has a positive but insignificant relationship with tax morale. Trust must tax originate from their fair procedures get. When mandatory tax feel that authority has do fair procedure, they are will think that authority the can trusted (Gobena & Dijke, 2016). Matthaei et al (2022) Trust in the EU and the UN are very similar, while trust in the national government appears to be the main factor in driving tax morale. However, depending on the national context, trust in the national government interacts differently with trust in different international institutions with respect to the shaping of tax morale Sari & Mashuri, (2022) to government capable become factor intrinsic can _ affect the tax morale on each individual. So from that, more and more tall trust society to government can give influence positive to tax moral level society, so can capable push level obedience to regulation taxation

H1: Trust to government influential against tax morale

Taxpayer Awareness and Tax Morale

Taxpayer awareness is circumstances where the Taxpayer knows and understands about rights and obligations the tax. Taxpayer rights and obligations such as register self as a Taxpayer, calculate, pay, and report magnitude tax owed (Putri & Wibowo, 2021). Awareness of tax obligations can be realized when taxpayers use their knowledge in calculating and paying their tax obligations correctly. But in reality, there are still many taxpayers who still lack knowledge or literacy related to taxation. It is very possible that people actually want to comply with their tax obligations, but due to lack of knowledge, they end up not fulfilling their tax obligations (Malamin & Joni, 2021)

H2: Awareness must tax influential against tax morale

Knowledge Taxation and Tax Morale

According to Wardani & Wati (2018) knowledge taxation is understanding basis of the relevant Taxpayer law, statutes, and ordinances applicable taxation. Tax knowledge serves as a guideline for taxpayers in carrying out tax obligations. Taxpayers know and understand all the provisions related to tax obligations that apply, taxpayers will easily carry out their tax obligations (Zuhdi et al, 2015). In accordance with the attribution theory which explains that a person's behavior is formed from internal or external attribution sources. Internal strengths (personal forces) are the result of one's ability, power, and effort. Afifudin et al (2023) Perception of tax knowledge has a positive and significant effect on MSME taxpayer compliance. Mardiasmo (2016:7), tax knowledge can be interpreted as everything that is known and understood in connection with tax law, both material tax law and formal tax law. If somebody have extensive knowledge and one of a kind is knowledge about importance tax for the Indonesian state, then possibility big somebody the own motivation tall for carry out obligation the tax.

H3: Knowledge influential against tax morale

Trust to Government and Knowledge Taxation

Trust to government to knowledge taxation is matter important in create system effective and fair taxation. Trust public to government Can seen from how much big services, facilities, incentives and subsidies obtained public on taxes paid. The more satisfied public so the more great trust to government. According to Stefanny & Prayudi (2021) behavior somebody influenced by several factor external that is trust to someone who can produce something decision. Rahayu (2017) defines knowledge taxation is knowledge for do administration taxation, eg counting tax payable and calculate the Annual SPT, report the SPT, and understand provision billing taxes and other related matters obligation taxation. From two senses that, can concluded that knowledge taxation is understanding basic Taxpayer in fulfil obligation the tax in accordance applicable regulations.

Knowledge taxation refers to the process by which must tax get understanding about Constitution taxation and information related tax others (Hasseldine, Holland & van der Rijt, 2009). Behavior in arrears to regulation taxation can caused by a lack knowledge and abilities must tax for comply (Fjeldstad & Heggstad, 2012; Braithwaite et al., 2010; OECD, 2019) If must tax own trust to government with thereby must tax the own knowledge high taxation.

H4: Trust to government influential to knowledge taxation

Taxpayer Awareness and Knowledge Taxation

Lack of awareness tax is key from Taxpayer problems in operate obligation the tax. If somebody have extensive knowledge and one of a kind is knowledge about importance tax for the Indonesian state, then possibility big somebody the own motivation tall for carry out obligation the tax. Ramadhan (2017) suggests Taxpayer awareness is circumstances know or understand about taxation, which can be measured from understanding of taxpayers such as awareness its important tax as state income, awareness pay tax for country development, and awareness arrears tax can harm the country. Based on the Theory of Reasoned Action put forward by Fishbein and Ajzen (1980) norm subjective is determinant desire for behave. Then awareness obedience tax can said represent behavior positive. Where mandatory tax believe that behavior the can bring positive results. Subjective norm raises awareness tax that can raises behavior obedience must tax. Height level knowledge taxation driven by awareness will importance taxation.

H5: Awareness must tax influence to knowledge taxation

Method

Criteria sample own characteristics (1) Individual Taxpayers of MSME who make use of incentive PPh Final PP 23/2018 registered at KPP Pratama North Malang, (2) Moving sector food and drink, (3) business has stand more from One year. Deep sample study This are individual taxpayers of Micro, Small and Medium Enterprises (MSMEs) who are registered at KPP Pratama Malang Utara. Satisfying sample criteria each item is 95 respondents. Data used in study This obtained through questionnaire obtained in a manner direct from UMKM Taxpayers registered at KPP Pratama North Malang. Data analysis method used is analysis PLS (Partial Least Square) line.

Results and Discussion

Path Analysis

Stages testing done with validity test and reliability test use all indicators at numbers > 0.708, and *R- Square* values of 0.75, 0.50, and 0.25 respectively indicate that the model is strong, moderate , and weak . While the significance value criterion used is the t- *value* 1.65 (*significance level* = 10%), 1.96 (*significance level* = 5%), and 2.58 (*significance level* = 1%) (see more details in Ghozali & Latan , 2015:74 -85) .

Table 1. Evaluation of the Measurement Model

Latent variables	*Indicators*	*loading*	*Discriminant Validity*	*Cronbach's Alpha*	*Composite Reliability*	*AVE*
X1	X1.1	0.919	Yes (0.845)	0.865	0.908	0.714
	X1.2	0.903				
	X1.3	0.789				
	X1.6	0.756				
X2	X2.1	0.845	Yes (0.851)	0.904	0.929	0.724
	X2.2	0.892				
	X2.3	0.827				
	X2.9	0.834				
	X2.10	0.854				
Z1	Z1.5	1,000	Yes (1,000)	1,000	1,000	1,000
Y1	Y1.1	0.927	Yes (0.886)	0.861	0.916	0.785
	Y1.2	0.922				
	Y1.3	0.803				

Based on Table 1. Evaluation of the Measurement Model above can explained: Latent variables consist of X1, X2, Z and Y where each latent variable has indicator among others: X1 is indicator latent variable X1.1; X1.2, X1.3 and X1.6 are indicator latent variable X2 includes X2.1, X2.2, X2.3, X2.9 and X2.10. Whereas indicator latent variable Z1 only There is One namely Z1.5, and Y1.1, Y1.2 and Y1.1 are indicator latent variable Y. Validity test done with *convergent* and *discriminant validity*. *loading* value from all indicator showing _ numbers > 0.708, so are numbers from *discriminant validity* from all latent variable > 0.708 so can concluded all indicators and all valid latent variable. Reliability test done with see mark *cronbach's alpha* and *composite reliability* Where all latent variable shows numbers > 0.708 so can concluded all reliable latent variable. Validity test *convergent* is also carried out with see number *average variance extracted* (AVE) where all latent variable shows numbers > 0.50 so can concluded all valid latent variable.

one usual size used in evaluate the structural model is coefficient determination (R^2) is the value of *R- Square* 0.75 (strong), 0.50 (moderate), and 0.25 (weak). While the significance value criterion used is the t- value 1.65 (*significance level* = 10%), 1.96 (*significance level* = 5%), and 2.58 (*significance level* = 1%) (see Ghozali and Latan , 2015: 85).

Table 2: Value of *R Square Adjusted* (R^2)

	R Square	R Square Adjusted
Y	0.970	0.969
Z	0.060	0.039

Based Table 2 Value of R *Square Adjusted* above showing Z value 0.060 and Y 0.970. this describe variables knowledge taxation can be explained by the variable trust in the government and awareness must tax in the weak category. Whereas *R Square* value for the *tax morale variable* MSME actors can be explained by the variable trust in the government, awareness must taxes and knowledge taxation included in the strong category.

Table 3: test *predictive relevance*

	SSO	SSE	Q^2 (=1-SSE/SSO)
Z	90,000	93040	0.021
X1	380,000	380,000	
X2	475,000	475,000	
Y	285,000	71,313	0.750

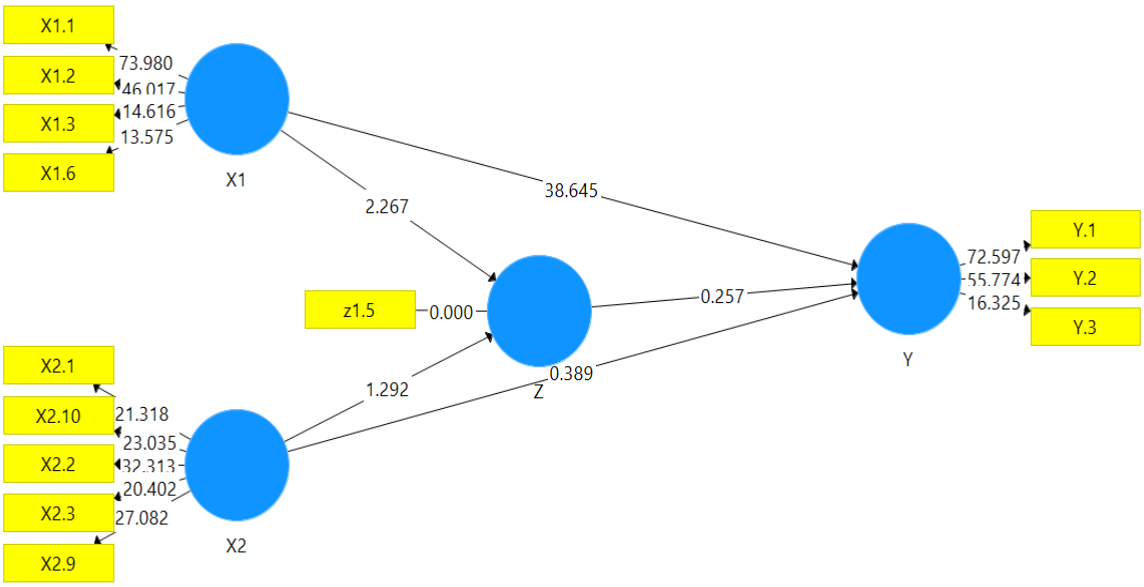
To test *predictive relevance* of the model used Q ^{2} *predictive relevance* Where Q2 value – For constructs Z and Y as table 3 above shows 0.020 and 0.750 > 0 so can concluded construct exogenous own *predictive relevance* to endogenous construct.

Hypothesis testing

Using the *Bootstrapping method* result in the enactment of freely distributed data (*Distribution Free*), so it does not require a normal distribution assumption and does not require a large sample. Hypothesis testing with *the T- test* in this research is a partial hypothesis and simultaneous hypothesis. The level of significance of the influence between variables on *the path coefficient* by looking at the value of *T Statistics* > 1.96 on the *alpha level* 5%.

Table 4: Influence Test Direct

	Original Sample (O)	Sample Means (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values
X1 -> Y	0.993	0.992	0.026	38,645	**0.000**
X1 -> Z	0.359	0.356	0.158	2,267	**0.024**
X2 -> Y	-0.012	-0.010	0.032	0.389	**0.697**
X2 -> Z	-0.192	-0.186	0.149	1,292	**0.197**
Z -> Y	0.004	0.004	0.017	0.257	**0.798**



Conclusion and Suggestion

Based on results analysis that has been done so can concluded that:

1. Influence trust to government to *tax morale* behavior MSMEs
   Coefficient results track show that the original value of the trust sample to government to *tax morale* behavior MSMEs with mark significant of 0.0 00 more small from level *alpha* 5%. this can concluded that trust to government influential positive to *tax morale* behavior MSMEs.
2. Influence awareness must tax to *tax morale* behavior MSMEs
   Coefficient results track show that the original value of the consciousness sample must tax to *tax morale* behavior value SMEs significant of 0.697 more big from level *alpha* 5%. this can concluded awareness must tax No influential to *tax morale* behavior MSMEs.
3. Influence knowledge taxation to *tax morale* behavior MSMEs
   Coefficient results track show that the original value of the knowledge sample taxation to *tax morale* behavior MSMEs with mark significant of 0.798 more big from level *alpha* 5%. this _ can concluded that knowledge taxation No influential to *tax morale* behavior MSMEs.
4. Influence trust to government to knowledge taxation
   Coefficient results track show that the original value of the trust sample to government to knowledge taxation with mark significant of 0.024 more small from level *alpha* 5%. this can concluded that level trust to government influential positive to knowledge taxation.

5. Influence awareness must tax to knowledge taxation
   Coefficient results track show that the original value of the consciousness sample must tax to knowledge taxation with mark significant of 0.197 more big from level *alpha* 5%. this can concluded that level awareness must tax No influential to knowledge taxation.

Study This can made consideration for researched return in a manner comprehensive with using taxpayer data MSME actors before covid, during covid and after covid and or at the time economy stable so that researcher get more results concrete and varied

Contribution Writer

Afifudin has full access to all data in the research and is responsible for the integrity of the data and the accuracy of the data analysis and responsibility for ensuring the design of a quality conceptual framework and the proper measurement of statistical data analysis, Nuril Badria contributed insight, theory, and responsibility to ensure the design of the conceptual framework.

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