TAX AUDIT INTENSIFICATION AND ENFORCED CORPORATE COMPLIANCE: THE MODERATING ROLE OF LEGITIMATE POWER

[1]SABAR PARDAMEAN LUMBANTOBING, [2]ETTY MURWANINGSARI, [3]ZURIADAH BINTI ISMAIL

[1,2]Faculty of Economics and Business, Universitas Trisakti, Jakarta, Indonesia
[3]Faculty of Management and Economics, Universiti Pendidikan Sultan Idris, Malaysia
E-mail: etty.murwaningsari@trisakti.ac.id

Abstract - The worldwide escalation of fiscal enforcement measures has repositioned corporate tax adherence as both a governance priority and a regulatory mandate; however, earlier empirical investigations into the antecedents of coercion-based compliance have yielded divergent conclusions, pointing to unexplored contingency factors. This research evaluates how observed changes in examination rigor, equity judgments regarding audit procedures, and the subjective probability of being selected for review collectively shape enforcement-induced fiscal compliance, concurrently probing whether the revenue body's perceived institutional credibility conditions these linkages. Drawing on single-period questionnaire responses from 803 managerial representatives of IDX-registered corporations collected during the 2024 reporting cycle, the conceptual model—merging the graduated-trust perspective with fairness-in-process theory—is evaluated via variance-based structural path modeling. Each of the three coercion-linked predictors exerts a favorable and statistically meaningful influence on enforcement-induced adherence, with institutional legitimacy surfacing as the most potent determinant. Institutional credibility operates as a quasi-contingency variable: it serves as a functional replacement for procedural equity while reinforcing the sanction-avoidance influence of perceived detection likelihood, although it exerts no conditioning effect on the examination-intensity channel. The single-point-in-time data architecture constrains definitive attribution of causality; subsequent studies would benefit from longitudinal panel designs and multi-jurisdiction comparative analyses. Theoretically, the findings refine the Slippery Slope Framework by demonstrating that for enforced compliance, legitimacy enhances rather than diminishes deterrence credibility. The investigation confirms a broadened four-faceted hierarchical construct for institutional legitimacy that yields greater predictive capacity than traditional unidimensional measures, furnishing scarce firm-level empirical evidence from a developing-market context.

Keywords - Tax Audit Aggressiveness; Procedural Justice; Enforced Tax Compliance; Legitimate Power; Tax Knowledge, Tax Fairness, Tax Penalty
JEL Classifications: H26, H83, K34, M48

I. INTRODUCTION

Securing comprehensive taxpayer adherence continues to rank among the most enduring governance difficulties across nations, above all in developing settings where domestically mobilized fiscal resources represent the principal funding channel for public expenditure and socioeconomic advancement. In recent years, the worldwide tightening of fiscal enforcement—catalyzed by coordinated international initiatives, notably the OECD's profit-shifting countermeasures, and the accelerating proliferation of inter-governmental automatic data-exchange arrangements—has fundamentally altered the regulatory terrain confronting corporate entities. Revenue authorities are progressively resorting to heightened examination campaigns, advanced detection infrastructure, and more punitive sanction frameworks to reduce the compliance deficit and safeguard public funding streams. In Indonesia, these global pressures are reinforced by a series of domestic reforms, including the enactment of the Tax Harmonization Law (Law No. 7/2021) and the implementation of the Coretax Administration System, which collectively elevate corporate tax compliance as a strategic and regulatory imperative (Teguh et al., 2025).

This tightening regulatory environment reframes coercion-based fiscal adherence—obligation fulfillment propelled chiefly by regulatory authority, examination pressure, and penalty severity instead of self-motivated compliance (Kirchler & Wahl, 2010)—as an essential facet of organizational tax conduct(Kirchler& Wahl, 2010), particularly for publicly listed firms where noncompliance costs are amplified by market visibility. This study identifies three strategic levers shaping enforced compliance: corporate perceptions of escalating audit enforcement, procedural fairness during tax examinations, and subjective audit selection likelihood.

However, these enforcement signals do not operate in an institutional vacuum. The institutional legitimacy attributed to the revenue body—encompassing perceptions of professional capability, domain knowledge, statutory foundation, and cooperative service disposition (Gobena, 2023; Hartl et al., 2015)—represents a pivotal contingency factor.(Gobena, 2023; Hartl et al., 2015) In the absence of perceived institutional credibility, even

intensified coercive measures risk provoking defiance instead of authentic adherence (Hofmann et al., 2014), implying that legitimacy serves as a foundational catalyst shaping how enterprises react to enforcement stimuli.(Hofmann et al., 2014)

Earlier empirical evidence concerning enforcement-driven adherence continues to yield heterogeneous conclusions. This mixed evidence is consistent with Indonesian findings showing that tax compliance intention functions as a key behavioral mechanism linking tax-related antecedents to actual compliance outcomes, indicating that intention-based pathways remain essential when explaining corporate responses to enforcement signals (Fitria et al., 2024). For audit aggressiveness, Mittone et al. (2021) and Bergolo et al. (2023) report positive effects, whereas Bergolo et al. (2023) find paradoxical reductions post-audit. For procedural justice, positive effects (Khan & Tjaraka, 2024; Kim & Lee, 2020) become nonsignificant when power variables dominate (Shim et al., 2024). Audit probability effects are similarly contingent (Müller et al., 2023; Nguyen et al., 2020). These discrepancies indicate that institutional conditions—particularly the revenue body's perceived credibility—condition the enforcement–adherence nexus, although such conditioning evidence remains limited within firm-level contexts of emerging markets.

To bridge these lacunae, the present investigation advances three interrelated aims: initially, to identify the determinants of coercion-induced compliance behavior within publicly traded Indonesian enterprises; subsequently, to evaluate whether the revenue administration's institutional credibility conditions these associations; and finally, to gauge the additional explanatory value offered by a broadened, multi-faceted conceptualization of institutional legitimacy compared with the traditional unidimensional operationalization.

By achieving these objectives, this research delivers contributions across theoretical, methodological, and practical domains. From a conceptual standpoint, it synthesizes the graduated-trust model with the fairness-in-process paradigm, providing empirical evidence that institutional credibility functions as a transversal contingency mechanism to refine the theoretical boundary between coercive and legitimate power. On the measurement front, it broadens the operationalization of institutional legitimacy into a four-faceted hierarchical latent variable. Finally, for corporate tax practitioners and regulators, the findings offer actionable insights into how internal perceptions of institutional legitimacy—through expertise development, procedural transparency, and service orientation—shape compliance responses, potentially substituting for costly increases in audit frequency and aggressiveness

II. LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

2.1 Theoretical Foundations

This study draws on two complementary The present analysis mobilizes two mutually reinforcing conceptual perspectives—the graduated-trust model advanced by Kirchler and colleagues (2008) and the procedural fairness paradigm articulated by Tyler (1990)—to elucidate the combined influence of enforcement-related perceptions and institutional credibility on coercion-driven corporate fiscal adherence.(Kirchler et al., 2008)(Tyler, 1990) Under the graduated-trust perspective, compliance behavior is jointly determined by the revenue body's coercive capacity and the degree of confidence that taxpayers place in the fiscal system. Coercive capacity functions through sanction-avoidance channels—including examination stringency and likelihood of being detected—to generate enforcement-based adherence. Conversely, trust fosters voluntary compliance through perceived institutional competence and reciprocal obligation. Crucially, the framework predicts an interaction: the marginal effect of deterrence diminishes when high institutional legitimacy already embeds compliance structurally rather than through fear alone.

The fairness-in-process paradigm supplements this dual-channel logic by delineating the mechanisms through which institutional credibility is established. Tyler (1990) contends that appraising administrative processes as equitable, impartial, and open transforms the compliance impetus from externally imposed coercion to an internalized recognition of governmental standing.(Tyler, 1990) Integrated, these lenses structure the present study. Perceived audit aggressiveness and audit probability represent the Slippery Slope's deterrence dimension, operating through expected cost calculations. Procedural justice during audits captures the trust-building pathway. Finally, the tax administration's legitimate power functions as a central contingency factor that moderates both channels, aligning with the premise that authority capacity and taxpayer confidence jointly determine adherence. Based on this theoretical reasoning, the hypotheses are developed as follows:

2.2 Perceived Change in Tax Audit Aggressiveness and Enforced Tax Compliance

Perceived change in tax audit aggressiveness reflects corporate assessments of increasingly frequent, extensive, and adversarial audit practices, including heightened information requests and a greater willingness to litigate disputes (Blaufus et al., 2023). Grounded in the deterrence perspective of the Slippery Slope Framework, escalating aggressiveness heightens the expected costs of noncompliance—such as financial penalties and reputational damage—

making enforced compliance a rational strategic response.

Empirical evidence largely supports this deterrence logic. Mittone et al. (2021) and Bergolo et al. (2023) demonstrate that aggressive audit strategies and explicit enforcement signals positively impact compliance by making detection consequences more salient. However, Kasper & Rablen (2023) note a caveat: post-audit compliance can paradoxically decrease if taxpayers perceive lower subsequent detection risks after surviving an audit. Despite this contingency, because perceived aggressiveness captures the anticipatory dimension of sustained enforcement pressure rather than just actual audit outcomes, the predominant expectation remains positive, leading to the following hypothesis:

H1: Observed intensification of examination rigor favorably influences enforcement-induced taxpayer adherence.

2.3 Procedural Justice of Tax Audits and Enforced Tax Compliance

Procedural justice of tax audits captures corporate taxpayers' perceptions of audit fairness regarding voice, consistency, bias suppression, accuracy, correctability, and ethicality (Colquitt, 2001). Grounded in Procedural Justice Theory (Tyler, 1990), legitimate decision-making procedures encourage compliance even when outcomes are unfavorable. In tax audits, this operates through two channels: fair audits reduce adversarial perceptions—framing findings as corrective rather than punitive—and enhance the tax authority's credibility, reinforcing beliefs that compliance will be recognized and arbitrary enforcement avoided.

Empirically, Kim & Lee (2020) and Khan & Tjaraka (2024) confirm the positive effects of procedural fairness on compliance. However, Shim et al. (2024) find procedural justice nonsignificant when power variables dominate, and Gobena (2023) reports the effect is conditional upon legitimate power levels. Despite these boundary conditions, the theoretical expectation remains robust, leading to the following hypothesis:

H2: Equity perceptions regarding the execution of fiscal audits exert a beneficial impact on enforcement-motivated compliance conduct.

2.4 Perceived Tax Audit Probability and Enforced Tax Compliance

The perceived probability of a tax audit denotes the degree to which corporate taxpayers anticipate that their fiscal filings will be chosen for scrutiny by the revenue administration (Skandalis, 2025).(Skandalis, 2025) This construct represents the most direct operationalization of deterrence within the Slippery Slope perspective: as the subjective likelihood of being audited rises, the anticipated penalties for underreporting grow correspondingly, rendering full disclosure the economically rational strategy. Beyond simple cost calculations, a high perceived audit probability also signals that the tax authority possesses sufficient resources and information to monitor compliance effectively, thereby reinforcing perceptions of institutional capacity.

Nguyen et al. (2020) and Bergolo et al. (2023) confirm audit probability as a strong compliance predictor. However, Kasper & Rablen (2023) find perceived audit risk is dynamic, and Müller et al. (2023) note compliance exceeding strict deterrence predictions. Despite these qualifications, the weight of evidence supports the deterrence prediction:

H3: The subjective likelihood of examination selection favorably shapes coercion-based fiscal adherence.

2.5 The Direct and Moderating Role of Legitimate Power of Tax Authority

Institutional legitimacy of the revenue body denotes the taxpayer's perception that the fiscal administration holds not merely coercive capacity but also authentic professional competence, an unambiguous statutory mandate, procedural openness, and a cooperative service disposition toward obligors (Gobena, 2023; Hartl et al., 2015).(Gobena, 2023; Hartl et al., 2015) Unlike coercive power, which induces compliance through fear, legitimate power operates through acceptance and internalization—taxpayers comply because they recognize the authority as competent, fair, and institutionally warranted. Hartl et al. (2015) demonstrate that merely describing a tax authority in terms of legitimate power significantly increases tax honesty, while Hofmann et al. (2014) show that coercive power loses its compliance-enhancing effect when combined with legitimate power, indicating that these power bases interact rather than accumulate additively.

As a direct predictor, legitimate power is expected to enhance enforced compliance because firms that perceive the tax authority as competent and legally grounded are more likely to view compliance as both rational and normatively appropriate (Tax Justice Network, 2023). This yields the fourth hypothesis:

H4: The institutional credibility attributed to the revenue administration favorably influences enforcement-driven compliance behavior.

Beyond its direct effect, legitimate power functions as a boundary condition that modifies the strength of the enforcement pathways. For audit aggressiveness, the Slippery Slope Framework predicts a buffering effect: where the revenue administration already commands strong institutional credibility, adherence is institutionally anchored, and the incremental deterrent benefit of heightened audit severity declines. Additional audit pressure yields smaller incremental compliance gains because the compliance baseline is already elevated by institutional trust. Accordingly:

H5: The perceived institutional credibility of the revenue body weakens the beneficial impact of observed increases in examination rigor on enforcement-motivated fiscal compliance.

For procedural justice, the moderation mechanism operates in the opposite direction. When legitimate power is high, the tax authority's institutional infrastructure is capable of translating fair audit processes into tangible compliance improvements—audit findings are systematically followed up, procedural commitments are honored, and corrective actions are institutionally supported. In the absence of legitimate power, procedural fairness may remain a symbolic gesture without operational consequence. Thus:

H6: The institutional credibility ascribed to the revenue administration reduces the favorable effect of perceived audit-process equity on enforcement-induced fiscal adherence.

For audit probability, a buffering logic analogous to H5 applies. When legitimate power is high, compliance behavior is less contingent on fear of detection because firms comply based on institutional acceptance rather than probabilistic deterrence calculations. The marginal compliance contribution of perceived audit probability therefore decreases as legitimate power increases:

H7: The institutional credibility ascribed to the revenue administration diminishes the favorable influence of subjective detection likelihood on coercion-based fiscal adherence.

2.6 Conceptual Framework

Figure 1 illustrates the conceptual framework. PTA, PJT, and TAP exert direct effects on ETC, while LPT operates as both a direct predictor and moderator of the three focal relationships. TK, TF, and TP serve as control variables.The inclusion of tax-related control variables is also empirically justified, as prior Indonesian evidence finds that tax knowledge and tax sanctions materially shape compliance intention, which in turn transmits their influence to compliance behavior(Fitria et al., 2024).

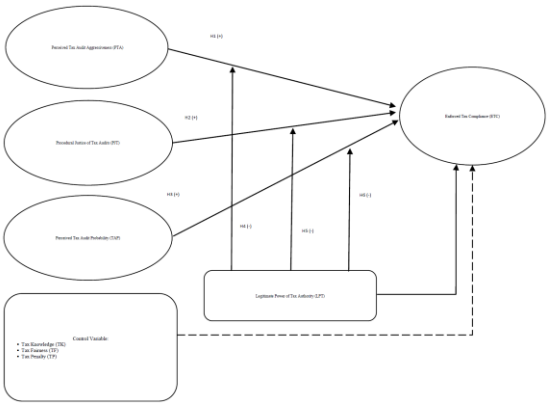


Figure 1 Conceptual Framework

III. RESEARCH METHODOLOGY

3.1 Research Design

This research adopts a deductive-quantitative approach grounded in the positivist tradition, utilizing a one-shot questionnaire-based data gathering procedure to test the articulated propositions. The analytical unit is the enterprise, namely corporations maintaining active trading registrations on the IDX spanning every recognized industry grouping throughout the 2024 reporting period. The unit of observation comprises authorized corporate officers occupying middle-to-upper managerial positions who possess substantive understanding of tax governance, audit processes, and compliance management. The estimation framework is designed to measure the direct impact of observed shifts in examination intensity (PTA), audit procedural equity (PJT), and subjective detection likelihood (TAP) on enforcement-induced compliance behavior (ETC), the direct and moderating effects of legitimate power of tax authority (LPT), while controlling for tax knowledge (TK), tax fairness (TF), and tax penalty severity (TP). Considering the specification's inclusion of a hierarchical latent variable and product-indicator moderating effects, partial least squares path analysis executed through the SmartPLS 4.0 platform is selected as the estimation technique.

3.2 Population and Sampling

The target population covers all enterprises maintaining registered trading status on the IDX throughout the 2024 fiscal period, chosen due to their uniform governance arrangements, compulsory disclosure obligations, and direct subjection to the strengthened enforcement environment resulting from Indonesia's recent fiscal administration overhaul. Respondents are corporate officers directly responsible for or knowledgeable about tax compliance management, including finance managers, tax managers, accounting managers, and directors. Purposive sampling with a key informant method is applied based on five inclusion criteria: the respondent must work at a company listed on the IDX; hold a middle-to-upper managerial position with direct involvement in tax-related decision-making; possess a minimum bachelor's degree to ensure capacity for comprehending abstract constructs such as procedural justice, legitimate power, and institutional compliance; be at least 21 years of age; and have worked at the firm for a minimum of one year to ensure adequate familiarity with the company's tax governance practices and audit experiences. Respondents are excluded if they do not meet the minimum education requirement, fall below the minimum age threshold, or submit incomplete questionnaires or patterned responses. The requisite minimum number of observations is established in accordance with the tenfold guideline for variance-based SEM, computed with reference to the construct

that receives the greatest number of incoming path relationships.

3.3 Data Collection Procedures

Original quantitative data were obtained via a methodically constructed online questionnaire delivered to executive-level staff members at enterprises listed on the IDX. The questionnaire was administered through a secure online platform, providing respondents flexibility and anonymity. Participants rated each indicator along a six-point ordinal spectrum anchored at 1 (Fully Disagree) and 6 (Fully Agree). The deliberate exclusion of a neutral center category minimizes the tendency toward indecisive answering and requires participants to indicate a definitive evaluative position.

The questionnaire comprised demographics (Section A) and measurement items for all research variables (Section B). Subject-matter experts appraised content adequacy. Internal coherence was gauged through Cronbach's coefficient alpha and the composite reliability index (minimum 0.70), convergent adequacy through the average variance extracted (floor of 0.50), and construct distinctiveness via the heterotrait-monotrait ratio (ceiling of 0.90). Single-source response distortion was curbed by guaranteeing participant confidentiality, shuffling question presentation order, and incorporating negatively worded indicators.

3.4 Variable Definition and Measurement

Every primary variable is operationalized through multiple measurement items drawn from previously authenticated scales within the tax adherence scholarship. LPT is specified as a mixed hierarchical latent variable (HOC) integrating four subordinate facets exhibiting reflective indicator loadings at the measurement stratum, reflecting its composite nature as a multifaceted legitimacy construct assembled from conceptually distinct power bases. PTA, PJT, TAP, ETC, TK, TF, and TP are specified as first-order reflective constructs. Table 1 summarizes the operationalization of all variables.

Variable	Definition	Dimensions / Indicators	Items	Source
Enforced Tax Compliance (ETC)	Taxpayer adherence to tax obligations driven primarily by enforcement pressure, audit coercion, and sanction avoidance rather than intrinsic motivation.	Enforced Tax Compliance	ETC1–ETC8 (8)	Kirchler & Wahl (2010)
Perceived Change in Tax Audit Aggressiveness (PTA)	The degree to which corporate tax managers perceive that tax authorities have increased the frequency, depth, and severity of audit activities over a recent period.	Perceived Change in Tax Audit Aggressiveness	PTA1–PTA11 (11)	Blaufus et al. (2023)
Procedural Justice of Tax Audits (PJT)	The degree to which examination procedures are regarded as equitable with respect to participant input, uniformity, impartiality, precision, appealability, and moral propriety.	Procedural Justice	PJT1–PJT7 (7)	Colquitt (2001)
Perceived Tax Audit Probability (TAP)	The subjective likelihood that a firm's tax declarations will be selected for examination by the tax authority.	Perceived Audit Probability	TAP1–TAP3 (3)	Skandalis (2025)
Legitimate Power of Tax Authority (LPT) — HOC	The perception that the tax administration possesses enforcement capability, genuine expertise, reciprocal service orientation, and a clear legal mandate.	LOC1: Detection & Enforcement Capability (5); LOC2: Expertise & Taxpayer Service (10); LOC3: Identification / Reciprocity Obligation (4); LOC4: Legal Position & Procedures (8)	LPT1–LPT5; EXP1–EXP10; ID1–ID4; LEG1–LEG8 (27)	Gobena (2023); Hartl et al. (2015)
Tax Knowledge (TK) — Control	The general, legal, and technical understanding of tax obligations and the tax	General Knowledge (1); Legal Knowledge (3); Technical Knowledge (3)	GK1; LK1–LK3; TK1–TK3 (7)	Hauptman et al. (2024)

	system.			
Tax Fairness (TF) — Control	Perceptions of distributional equity and policy fairness in the tax system.	Tax Fairness	TAF1–TAF6 (6)	Oladipo et al. (2022)
Tax Penalty (TP) — Control	The perceived magnitude, appropriateness, and deterrent effect of sanctions for noncompliance.	Late Payment (4); Late Reporting (4); Compensation for State Losses (3)	TP1–TP11 (11)	Teguh et al. (2025)

Table 1. Variable Operationalization
Source: compiled from various references

3.5 Model Specification

3.5.1 Main Structural Equation Model (Model 1 — Full Higher-Order Specification)

The primary structural model evaluates both the direct and moderating effects specified in H1 through H7. In this specification, LPT is operationalized as a reflective-formative higher-order construct integrating all four dimensions—Detection and Enforcement Capability from Gobena (2023) together with the novelty dimensions of Expertise and Taxpayer Service, Identification and Reciprocity Obligation, and Legal Position and Procedures from Hartl et al. (2015). the comprehensive specification takes the following form:

$$ETC = \beta_0 + \beta_1 PTA + \beta_2 PJT + \beta_3 TAP + \beta_4 LPT + \beta_5 (PTA \times LPT) + \beta_6 (PJT \times LPT) + \beta_7 (TAP \times LPT) + \beta_8 TK + \beta_9 TF + \beta_{10} TP + \varepsilon$$

Moderating product terms are derived through the sequential two-phase procedure employing z-standardized construct scores to curtail predictor redundancy.

3.5.2 Sensitivity Analysis (Model 2 — Existing Dimension Specification)

A sensitivity analysis is conducted to verify the stability and robustness of the empirical outcomes. This is achieved by utilizing an alternative measurement for the higher-order construct that excludes the novelty dimensions. Specifically, LPT is re-measured using only the existing Detection and Enforcement Capability dimension from Gobena (2023)—comprising five items (LPT1–LPT5)—excluding the Expertise and Taxpayer Service, Identification and Reciprocity Obligation, and Legal Position and Procedures dimensions from Hartl et al. (2015). This robustness check validates whether the observed effects persist when LPT is operationalized as a conventional single-facet enforcement construct rather than a broader multidimensional legitimacy capability. The robustness model is specified as:

$$ETC = \beta_0 + \beta_1 PTA + \beta_2 PJT + \beta_3 TAP + \beta_4 LPT_alt + \beta_5 (PTA \times LPT_alt) + \beta_6 (PJT \times LPT_alt) + \beta_7 (TAP \times LPT_alt) + \beta_8 TK + \beta_9 TF + \beta_{10} TP + \varepsilon$$

In this specification, LPT_alt represents LPT measured using the existing Detection and Enforcement Capability dimension only (5 items from Gobena, 2023), while all other parameters remain consistent with the main model.

IV. RESULTS

4.1 Sample Characteristics

Altogether, 950 structured questionnaires were circulated to executive-level participants drawn from enterprises registered in all industry groupings recognized by the IDX classification system. Of those dispatched, 871 were received back (initial return proportion: 91.7%). After methodical screening for incomplete entries and uniform response strings, 68 observations were excluded from further analysis. The resulting analytical dataset contains 803 usable responses, yielding an effective participation rate of 84.5%. This observation count comfortably surpasses the lower bound determined under the tenfold guideline applicable to variance-based structural modeling (Hair et al., 2019), which stipulates ten cases for every incoming path targeting any single endogenous variable within the specified framework.(Hair et al., 2019)

Description	Total	Percentage
Questionnaires Distributed	950	100.0%
Questionnaires Returned	871	91.7%
Less:		
(1) Incomplete responses	(40)	(4.2%)
(2) Patterned responses	(28)	(2.9%)
Total Analyzed Questionnaires	803	84.5%

Table 2. Distribution of Questionnaire Return
Source: Primary data processed (2025).

The respondent profile is largely male (58.9%), concentrated in the 31–50 age bracket (78.3%), credentialed at the undergraduate (54.2%) or postgraduate level (38.5%), occupying finance/taxation management (44.8%) or accounting oversight roles (36.7%), with organizational tenure spanning three to ten years (64.3%). The Financials sector contributes the largest respondent share (17.1%).

4.2 Descriptive Statistics

Table 3 displays the descriptive indicators for each research construct, measured on a six-point ordinal rating anchored between 1 (Fully Disagree) and 6 (Fully Agree). The recorded variability across latent

variables confirms the dataset's suitability for structural equation estimation.

Variable	N	Mean	Std. Dev.	Min	Max
ETC	803	3.850	0.975	1.00	6.00
PTA	803	3.855	0.977	1.00	6.00
PJT	803	3.745	0.930	1.00	6.00
TAP	803	3.857	0.960	1.00	6.00
LPT	803	3.609	0.901	1.00	6.00
TK	803	3.451	0.952	1.00	6.00
TF	803	3.758	0.944	1.00	6.00
TP	803	3.687	0.910	1.00	6.00

Table 3. Descriptive Statistics

Note: ETC = Enforced Tax Compliance; PTA = Perceived Change in Tax Audit Aggressiveness; PJT = Procedural Justice of Tax Audits; TAP = Perceived Tax Audit Probability; LPT = Legitimate Power of Tax Authority; TK = Tax Knowledge; TF = Tax Fairness; TP = Tax Penalty. All variables measured on 6-point Likert scale (1 = Strongly Disagree; 6 = Strongly Agree). Source: Primary data processed (SmartPLS 4.0, 2025).

Every construct registers an arithmetic average exceeding the scale center (3.50), accompanied by dispersion measures below their respective mean values, denoting moderately positive and relatively uniform respondent evaluations. TAP records the highest mean among focal predictors (M = 3.857), while LPT reports the lowest (M = 3.609). Among LPT sub-dimensions, Legal Position registers the highest mean (M = 3.751) and Identification/Reciprocity the lowest (M = 3.450). Among controls, TK reports the lowest mean (M = 3.451), suggesting moderate gaps in tax understanding.

4.3 Measurement Model Evaluation

4.3.1 Reliability and Convergent Validity

Table 4 presents the construct reliability and convergent validity assessment results for both Model 1 (full higher-order LPT with four dimensions) and Model 2 (existing Detection and Enforcement dimension only).

Construct	Cronbach's α	rho_a	Composite Reliability (ρc)	AVE
ETC	0.906	0.910	0.924	0.605
LPT (Model 1: 4 dimensions)	0.920	0.922	0.929	0.329
LPT (Model 2: 1 dimension)	0.809	0.810	0.867	0.568
PJT	0.901	0.905	0.922	0.627
PTA	0.921	0.923	0.933	0.560
TAP	0.701	0.704	0.833	0.625
TF	0.874	0.885	0.905	0.615
TK	0.767	0.770	0.833	0.417
TP	0.827	0.828	0.864	0.366

Table 4. Measurement Model Evaluation

Note: Model 1 operationalizes LPT as a higher-order construct with 4 dimensions (27 items). Model 2 operationalizes LPT using Detection & Enforcement Capability only (5 items). Source: Primary data processed (SmartPLS 4.0, 2025).

Internal coherence is verified for every latent variable, as Cronbach's coefficient alpha spans 0.701 (TAP) to 0.921 (PTA) and composite reliability coefficients fall between 0.833 and 0.933—uniformly clearing the 0.700 acceptability benchmark (Hair et al., 2019). Convergent adequacy is substantiated for five of the eight latent variables, whose average variance extracted figures surpass the 0.500 floor: ETC (0.605), PJT (0.627), PTA (0.560), TAP (0.625), and TF (0.615).

LPT in Model 1 registers an AVE of 0.329, attributable to its higher-order structure integrating 27 indicators across four distinct dimensions. Composite reliability (ρc = 0.929) substantially exceeds the threshold, and dimension-level AVE is more informative for reflective-formative specifications. In Model 2, where LPT uses only five detection items, AVE improves to 0.568, confirming dimensional breadth rather than measurement deficiency.

TK (AVE = 0.417) and TP (AVE = 0.366) fall below 0.500 but serve as controls with acceptable composite reliabilities (0.833 and 0.864) and outer loadings above 0.400. The below-threshold AVEs reflect their multidimensional nature and are acceptable given their control role (Hair et al., 2019).

4.3.2 Discriminant Validity

Table 5 displays the outcomes of the Fornell-Larcker discriminant assessment, where diagonal entries represent the square-rooted average variance extracted for each construct.

	ETC	LPT	PJT	PTA	TAP	TF	TK	TP
ETC	**0.778**							
LPT	0.605	**0.574**						
PJT	0.475	0.328	**0.792**					

PTA	0.492	0.355	0.303	**0.748**				
TAP	0.421	0.286	0.240	0.253	**0.791**			
TF	0.333	0.142	0.162	0.155	0.113	**0.784**		
TK	0.313	0.268	0.151	0.148	0.050	0.245	**0.646**	
TP	0.425	0.177	0.232	0.161	0.293	0.264	0.211	**0.605**

Table 5. Discriminant Validity — Fornell-Larcker Criterion (Model 1)

Note: Diagonal elements (bold) represent the square root of AVE; off-diagonal elements represent inter-construct correlations. Source: Primary data processed (SmartPLS 4.0, 2025).

All inter-construct correlations fall below 0.80, with the strongest being LPT–ETC (r = 0.605). The LPT square root of AVE (0.574) slightly falls below this correlation, a known limitation for higher-order constructs addressed through the HTMT criterion.

	ETC	LPT	PJT	PTA	TAP	TF	TK	TP
LPT	0.661							
PJT	0.521	0.357						
PTA	0.537	0.383	0.330					
TAP	0.526	0.354	0.299	0.316				
TF	0.369	0.157	0.185	0.173	0.139			
TK	0.369	0.314	0.178	0.179	0.073	0.293		
TP	0.483	0.208	0.266	0.179	0.383	0.310	0.255	

Table 6. Discriminant Validity — HTMT Ratio

Note: Source: Primary data processed (SmartPLS 4.0, 2025).

Every HTMT value stays beneath the 0.850 ceiling endorsed by Henseler and coauthors (2016), peaking at 0.661 for the LPT–ETC pair, thereby substantiating construct distinctiveness throughout the measurement model.(Henseler et al., 2016)

4.4 Structural Model and Hypothesis Testing

The structural path framework demonstrates substantial predictive capability. Under Model 1 (complete hierarchical LPT specification), the determination coefficient (R^2) for ETC attains 0.620 (adjusted figure = 0.616), indicating that the hypothesized associations jointly explain 62.0% of the variance in enforcement-induced fiscal compliance. The cross-validated predictive relevance indicator (Q^2predict = 0.606) considerably exceeds the null threshold, confirming the framework's out-of-sample prognostic sufficiency. Table 7 presents the structural model results, comparing Model 1 with Model 2 (sensitivity analysis using Detection and Enforcement dimension only) for robustness verification.

Path	**Pred.**	**Model 1: (LPT — 4 Dimensions)**					**Model 2: Sensitivity (LPT — 1 Dimension)**				
		Coef.	t-stat	p-value	Tolerance	VIF	Coef.	t-stat	p-value	Tolerance	VIF
PTA → ETC	(+)	0.215	8.615	0.000***	0.808	1.238	0.249	9.565	0.000***	0.832	1.202
PJT → ETC	(+)	0.180	7.459	0.000***	0.808	1.238	0.205	8.316	0.000***	0.825	1.212
TAP → ETC	(+)	0.152	6.120	0.000***	0.819	1.221	0.172	6.789	0.000***	0.833	1.200
LPT → ETC	(+)	0.355	14.330	0.000***	0.748	1.337	0.264	11.056	0.000***	0.860	1.163
LPT × PTA → ETC	(−)	0.005	0.223	0.412	0.838	1.193	0.032	1.476	0.070	0.850	1.177
LPT × PJT → ETC	(+)	−0.048	2.142	0.016**	0.844	1.185	−0.070	3.014	0.001***	0.854	1.171
LPT × TAP → ETC	(−)	0.047	2.249	0.012**	0.888	1.126	0.012	0.494	0.310	0.910	1.099
TK → ETC		0.080	3.332	0.000***	0.855	1.169	0.109	4.404	0.000***	0.881	1.135

TF → ETC	0.134	5.794	0.000***	0.879	1.137	0.143	5.796	0.000***	0.876	1.142
TP → ETC	0.188	8.059	0.000***	0.819	1.221	0.202	8.267	0.000***	0.822	1.217
R^2	0.620					0.587				
R^2 Adjusted	0.616					0.581				
Q^2predict	0.606					0.572				
SRMR	0.051					0.044				
BIC	−705.339					−636.611				

Table 7. Structural Model Results and Robustness Check

Model 1: ETC = $\beta_0 + \beta_1$PTA + β_2PJT + β_3TAP + β_4LPT + β_5(PTA × LPT) + β_6(PJT × LPT) + β_7(TAP × LPT) + β_8TK + β_9TF + β_{10}TP + εModel 2: ETC = $\beta_0 + \beta_1$PTA + β_2PJT + β_3TAP + β_4LPT_alt + β_5(PTA × LPT_alt) + β_6(PJT × LPT_alt) + β_7(TAP × LPT_alt) + β_8TK + β_9TF + β_{10}TP + ε

*Note: ***p ≤ 0.01; **p ≤ 0.05; Bootstrap samples = 5,000. Tolerance = 1/VIF. Model 1 operationalizes LPT as a reflective-formative higher-order construct with 4 dimensions (27 items: Detection & Enforcement from Gobena (2023); Expertise & Taxpayer Service, Identification/Reciprocity, and Legal Position from Hartl et al. (2015)). Model 2 operationalizes LPT using Detection & Enforcement Capability only (5 items from Gobena (2023)). N = 803. Source: Authors' calculations (SmartPLS 4.0).*

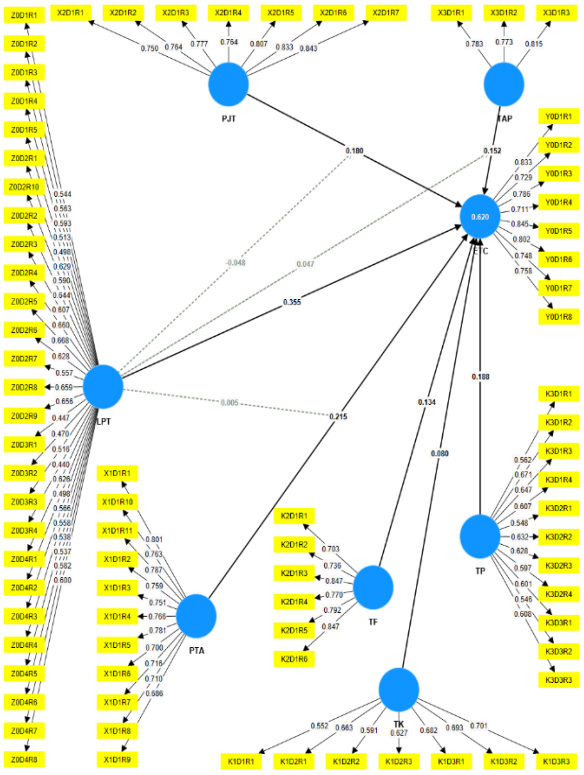


Figure 1. Path Coefficients Model 1 (Novelty)

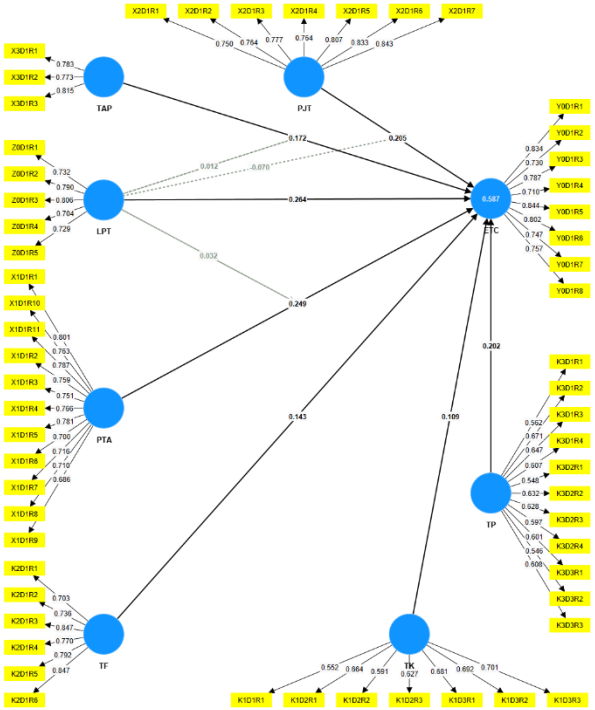


Figure 2. Path Coefficients Model 2 (Sensitivity)

Each of the four main-effect propositions receives empirical corroboration. PTA favorably influences ETC (β = 0.215, p < 0.01; f^2 = 0.098), confirming H1. PJT yields a beneficial impact (β = 0.180, p < 0.01; f^2 = 0.069), validating H2. TAP exerts a positive bearing on ETC (β = 0.152, p < 0.01; f^2 = 0.050), corroborating H3. LPT surfaces as the most potent determinant (β = 0.355, p < 0.01; f^2 = 0.249), affirming H4.

The conditional-effect findings depart from the theoretically anticipated patterns. The LPT × PTA interaction is statistically negligible (β = 0.005, p = 0.412), leading to rejection of H5. The LPT × PJT term attains significance yet carries a negative sign (β = −0.048, p = 0.016), opposite to the hypothesized positive direction, indicating a replacement rather than a reinforcement dynamic; H6 is therefore unsupported. The LPT × TAP interaction achieves significance with a positive coefficient (β = 0.047, p = 0.012), counter to the predicted attenuation,

signaling credibility reinforcement instead of dampening; H7 is consequently unsupported.
All controls are significant: TP ($\beta = 0.188$, $p < 0.01$), TF ($\beta = 0.134$, $p < 0.01$), and TK ($\beta = 0.080$, $p < 0.01$).

4.5 Robustness Analysis

The sensitivity analysis comparing Model 1 (full four-dimensional higher-order LPT) with Model 2 (conventional single-dimension LPT) confirms the stability of all direct effects (H1–H4) and control variables. Notably, Model 1 exhibits stronger explanatory capacity ($R^2 = 0.620$ versus 0.587), greater predictive relevance (Q^2predict = 0.606 versus 0.572), and improved parsimony-corrected fit (BIC = −705.339 versus −636.611). The LPT direct path coefficient also decreases from 0.355 in Model 1 to 0.264 in Model 2, confirming that the multidimensional measurement captures significant additional variance in enforced compliance.

Regarding moderation effects, the LPT × PJT interaction remains significant and negative across both specifications, confirming a robust substitution effect between legitimate power and procedural justice. Conversely, the LPT × TAP interaction is significant only in Model 1, indicating that legitimacy's amplifying effect on audit probability heavily depends on its broader multidimensional conceptualization (expertise, reciprocity, and legal standing). Finally, the LPT × PTA interaction remains insignificant in both models, reinforcing that institutional legitimacy does not condition the audit intensity channel.

V. DISCUSSION

5.1 Perceived Change in Tax Audit Aggressiveness Has a Positive Effect on Enforced Tax Compliance

The favorable influence of observed examination intensity on coercion-based adherence (H1 confirmed) aligns with the sanction-avoidance channel embedded in the graduated-trust model (Kirchler et al., 2008) and corroborates the findings of Mittone and colleagues (2021) and Bergolo and associates (2023).(Kirchler et al., 2008)(Mittone et al., 2021)(Bergolo et al., 2023) As organizational tax managers observe rising audit recurrence and stringency, the projected penalties for non-adherence attain enough prominence to spur compliant reporting behavior. Importantly, this study measures perceived *change* in aggressiveness rather than post-audit adjustment, which may explain the robust positive effect compared with the paradoxical reduction reported by Kasper & Rablen (2023). The anticipatory dimension of enforcement pressure operates prospectively, suggesting that sustained and visible escalation---rather than sporadic campaigns---is necessary to maintain the deterrence signal driving corporate compliance.

5.2 Procedural Justice of Tax Audits Has a Positive Effect on Enforced Tax Compliance

The beneficial influence of audit fairness perceptions on enforcement-induced adherence (H2 confirmed) is anchored in the fairness-in-process paradigm (Tyler, 1990) and corroborates the results of Kim and Lee (2020) and Khan and Tjaraka (2024).(Tyler, 1990)(Kim & Lee, 2020)(Khan & Tjaraka, 2024) Equitable examination practices diminish antagonistic interpretations, allowing enterprises to regard regulatory action as remedial instead of retaliatory. However, the effect is smaller than deterrence-based variables, echoing Shim et al. (2024), who find procedural justice subordinate to power variables in enforcement-dominated contexts. The practical implication is that procedural fairness functions as a complementary rather than primary driver of enforced compliance. Tax authorities that combine rigorous enforcement with transparent, consistent audit procedures generate more sustainable compliance responses.

5.3 The subjective likelihood of being selected for tax examination positively influences enforcement-induced taxpayer adherence

The favorable influence of perceived detection likelihood on enforcement-induced adherence (H3 confirmed) validates traditional sanction-avoidance reasoning within the graduated-trust model, corroborating Nguyen and colleagues (2020) and Bergolo and associates (2023).(Nguyen et al., 2020)(Bergolo et al., 2023) The relatively modest magnitude compared with other focal variables may reflect that large listed firms already operate under heightened regulatory visibility, yielding smaller incremental compliance gains from marginal increases in perceived audit probability. This suggests audit probability functions as a necessary baseline condition for deterrence but is less potent as a marginal compliance lever under substantial existing regulatory oversight.

5.4 The institutional legitimacy attributed to the revenue administration positively influences coercion-based taxpayer adherence

Institutional legitimacy surfaces as the most potent determinant of coercion-driven adherence (H4 confirmed), corroborating the observations of Hartl and colleagues (2015) and Gobena (2023).(Hartl et al., 2015)(Gobena, 2023) This indicates that once corporations view the revenue body as professionally capable, statutorily anchored, and service-minded, adherence increases not solely via apprehension but via organizational recognition of the authority's institutional warrant. The robustness analysis confirms that the expanded four-dimension operationalization captures substantially more variance than the conventional detection-focused measure. Following Sharma et al. (1981), LPT functions as a quasi-moderator---simultaneously

operating as an independent predictor and a contingency factor that conditions how enforcement signals translate into compliance outcomes..

5.5 Legitimate Power Does Not Weaken the Effect of Perceived Change in Tax Audit Aggressiveness on Enforced Tax Compliance

The absence of a conditioning effect of LPT on the PTA–ETC association (H5 unsupported) suggests that observed examination intensification functions via forward-looking penalty avoidance regardless of perceptions of institutional credibility. Whether the authority is perceived as legitimate or not, firms respond to tangible enforcement escalation because the deterrence signal is immediate and costly to ignore. This is consistent with Hofmann et al. (2014), who find that baseline compliance responses to enforcement pressure persist regardless of legitimacy perceptions. From a regulatory standpoint, intensifying examinations and cultivating institutional credibility operate as complementary rather than interchangeable adherence-promoting strategies.

5.6 Legitimate Power Does Not Strengthen the Effect of Procedural Justice on Enforced Tax Compliance

The inverse conditioning influence of LPT on the PJT–ETC linkage (H6 unsupported in its hypothesized direction) uncovers a replacement dynamic. Where the authority already commands robust institutional credibility, the incremental compliance value of procedurally fair audits diminishes because the normative basis for compliance has been established through the legitimacy channel. This resonates with Gobena (2023), though the direction differs, likely reflecting the distinction between voluntary and enforced compliance. The robustness analysis shows this substitution effect strengthens under detection-focused LPT measurement (Model 2), suggesting enforcement-oriented legitimacy particularly substitutes for procedural fairness. The policy corollary is that expenditures on audit procedural equity generate their highest compliance dividends among enterprises that have not yet formed favorable legitimacy perceptions of the revenue body.

5.7 Legitimate Power Does Not Weaken the Effect of Perceived Tax Audit Probability on Enforced Tax Compliance

The favorable conditioning effect of LPT on the TAP–ETC association (H7 unsupported in its hypothesized direction) exposes a credibility-reinforcing dynamic. Once the revenue body is regarded as institutionally credible, signals of detection likelihood are construed as dependable administrative pledges rather than hypothetical warnings, thereby intensifying their sanction-avoidance potency. This nuances the Slippery Slope Framework: for enforced compliance, legitimacy does not substitute for deterrence but validates it. The amplifying effect is significant only under multidimensional LPT (Model 1), suggesting that expertise, reciprocity, and legal standing---not mere enforcement capability---drive the credibility enhancement. From a policy perspective, allocating resources toward building institutional credibility produces a compounding adherence benefit by amplifying the incremental efficacy of currently deployed sanction-based instruments.

VI. CONCLUSION AND IMPLICATIONS

6.1 Conclusion

This investigation assessed the immediate influence of observed shifts in examination intensity, audit procedural equity, and subjective detection probability on enforcement-induced compliance conduct among publicly traded Indonesian corporations, while simultaneously evaluating whether the revenue administration’s institutional credibility conditions these associations. Using cross-sectional survey data from 803 corporate officers and PLS-SEM analysis, the findings reveal that all three enforcement-related variables positively and significantly drive enforced compliance, with legitimate power emerging as the strongest individual predictor. The moderation results, however, diverge from theoretical predictions. Legitimate power does not buffer the audit aggressiveness–compliance relationship (H5 not supported), diminishes rather than amplifies the procedural justice–compliance relationship (H6 not supported in the predicted direction), and amplifies rather than weakens the audit probability–compliance relationship (H7 not supported in the predicted direction). In accordance with the typology of Sharma and colleagues (1981), institutional credibility operates as a quasi-contingency variable within the integrated framework—serving concurrently as an independent adherence determinant and a conditional modifier(Sharma et al., 1981)—while behaving as a predictor moderator (homologiser) specifically in the audit aggressiveness pathway.

6.2 Theoretical and Methodological Implications

The current study enriches the academic conversation surrounding fiscal compliance via two principal scholarly contributions. Initially, this research extends the graduated-trust model by establishing that in the domain of coercion-based adherence, institutional legitimacy strengthens the credibility of detection-based sanctions (audit probability) while functionally replacing procedural equity—a pattern distinct from the framework's original predictions for voluntary compliance.

Second, the study offers a methodological contribution by extending the measurement of legitimate power from a conventional single-facet

construct to a multidimensional higher-order construct. The robustness analysis demonstrates that this expanded four-dimension specification achieves superior explanatory power, predictive relevance, and parsimony-adjusted fit, providing future researchers with a more comprehensive operationalization of legitimate power in corporate tax compliance research.

6.3 Practical Implications

For organizational tax professionals, the outcomes demonstrate that adherence reactions reflect not exclusively the vigor of regulatory coercion but equally the perceived credibility of the governing fiscal institution. Firms that perceive the tax authority as competent, legally grounded, and service-oriented demonstrate substantially higher compliance levels, suggesting that corporate tax governance should incorporate systematic assessment of the regulatory environment's legitimacy characteristics—not merely its enforcement posture—when designing compliance strategies and risk management frameworks.

For the Indonesian Directorate General of Taxes, the results offer evidence-based guidance for resource allocation. Allocations toward institutional credibility—encompassing examiner capability development, transparent operational protocols, taxpayer assistance and educational outreach, and unambiguous statutory communication—produce compliance returns that surpass those obtainable through raising examination frequency in isolation. Moreover, because legitimacy amplifies the deterrence effect of audit probability, these investments yield a multiplicative compliance dividend: each additional unit of perceived audit probability produces greater compliance when the authority is simultaneously perceived as legitimate. Tax authorities operating under fiscal constraints should therefore prioritize legitimacy-building alongside enforcement intensification rather than treating them as competing policy objectives.

This finding is also compatible with prior Indonesian evidence that governance-based monitoring mechanisms matter for tax behavior, as institutional ownership has been shown to weaken the effect of certain related-party transactions on tax avoidance, suggesting that credible oversight and institutional controls can substitute for formal tax enforcement (Murwaningsari & Rachmawati, 2022)

6.4 Limitations and Future Research Directions

Multiple constraints deserve acknowledgment. Initially, the single-period survey architecture precludes definitive causal inference; forthcoming investigations should incorporate temporal panel methodologies. Additionally, the dependence on participant-supplied subjective assessments introduces vulnerability to mono-source response distortion; complementary validation against administrative compliance records is advisable. Furthermore, external applicability is circumscribed to publicly traded Indonesian entities; multi-jurisdiction investigations would reinforce the conditional-effect conclusions. Fourth, future research should explore mediation mechanisms such as organizational tax governance quality. Finally, non-linear specifications could reveal threshold effects at extreme enforcement levels.

REFERENCES

[1] Bergolo, M., Ceni, R., Cruces, G., Giaccobasso, M., & Perez-Truglia, R. (2023). Tax Audits as Scarecrows: Evidence from a Large-Scale Field Experiment. American Economic Journal: Economic Policy, 15(1), 110–53. https://doi.org/10.1257/pol.20200321

[2] Blaufus, K., Reineke, J., & Trenn, I. (2023). Perceived tax audit aggressiveness , tax control frameworks and tax planning : an empirical analysis. In Journal of Business Economics (Vol. 93, Issue 3). Springer Berlin Heidelberg. https://doi.org/10.1007/s11573-022-01116-6

[3] Colquitt, J. A. (2001). On the dimensionality of organizational justice: A construct validation of a measure. Journal of Applied Psychology, 86(3), 386–400. https://doi.org/10.1037/0021-9010.86.3.386

[4] Fitria, G. N., Murwaningsari, E., & Mulyani, S. D. (2024). Does Tax Compliance Intention Mediate the Determinant of Tax Compliance? Evidence:contentReference[oaicite:2]{index=2} = {Fitria, Giawan Nur and Murwaningsari, Etty and Mulyani, Susi Dwi}, journal = {Revista de Gestão Social e Ambiental}, year = {2024}, v. Revista de Gesto Social e Ambiental, 2(18), 1--24. https://doi.org/10.24857/rgsa.v18n6-056

[5] Gobena, L. B. (2023). Justice , power and voluntary tax compliance : a moderation analysis among taxpayers. Asian Review of Accounting, 32(4), 628–645. https://doi.org/10.1108/ARA-03-2023-0072

[6] Hair, J. F., Black, W. C., Babin, B. J., & Anderson, R. E. (2019). Multivariate Data Analysis 8th Edition. https://www.scirp.org/reference/referencespapers?referenceid=2975006

[7] Hartl, B., Hofmann, E., Gangl, K., & Hartner-tiefenthaler, Martina Kirchler, E. (2015). Does the Sole Description of a Tax Authority Affect Tax Evasion ? - The Impact of Described Coercive and Legitimate Power. PLOS ONE, 10(4), 1–19. https://doi.org/10.1371/journal.pone.0123355

[8] Hauptman, L., Žmuk, N., & Pavić, Z. (2024). Tax Knowledge and Fairness Perception: Evidence from Slovenia. Journal of Risk and Financial Management, 17(3), 89. https://doi.org/10.3390/jrfm17030089

[9] Henseler, J., Hubona, G., & Ray, P. A. (2016). Using PLS path modeling in new technology research: Updated guidelines. Industrial Management and Data Systems, 116(1). https://doi.org/10.1108/IMDS-09-2015-0382

[10] Hofmann, E., Gangl, K., Kirchler, E., & Stark, J. (2014). Enhancing tax compliance through coercive and legitimate power of tax authorities by concurrently diminishing or facilitating trust in tax authorities. Law and Policy, 36(3), 290–313. https://doi.org/10.1111/lapo.12021

[11] Kasper, M., & Rablen, M. D. (2023). Journal of Economic Behavior and Organization Tax compliance after an audit : Higher or lower ? R. Journal of Economic Behavior and Organization, 207, 157–171. https://doi.org/10.1016/j.jebo.2023.01.013

[12] Khan, M. A., & Tjaraka, H. (2024). Tax justice and understanding : MSME compliance with Tax Regulation No . 55 / 2022 in Surabaya , Indonesia. Cogent Business & Management, 11(1), 01–19. https://doi.org/10.1080/23311975.2024.2396042

[13] Kim, H. S., & Lee, H. A. (2020). Associations among procedural fairness, tax compliance, and tax re-audits. Journal of Asian Finance, Economics and Business, 7(7), 187–198. https://doi.org/10.13106/jafeb.2020.vol7.no7.187

[14] Kirchler, E., Hoelzl, E., & Wahl, I. (2008). Enforced versus Voluntary Tax Compliance: The ``Slippery Slope'' Framework. Journal of Economic Psychology, 29(2), 210–225. https://doi.org/10.1016/j.joep.2007.05.004

[15] Kirchler, E., & Wahl, I. (2010). Tax compliance inventory TAX-I : Designing an inventory for surveys of tax compliance. Journal of Economic Psychology, 31(3), 331–346. https://doi.org/10.1016/j.joep.2010.01.002

[16] Mittone, L., Ploner, M., & Verrina, E. (2021). strategies foster tax compliance. Social Choice and Welfare, 57(3), 591–615. https://doi.org/10.1007/s00355-021-01325-y

[17] Müller, M., Olsen, J., Kirchler, E., & Kogler, C. (2023). How explicit expected value information affects tax compliance decisions and information acquisition. Journal of Economic Psychology, 99(July 2022), 102679. https://doi.org/10.1016/j.joep.2023.102679

[18] Murwaningsari, E., & Rachmawati, S. (2022). Kepemilikan Institusional Memoderasi Pengaruh Transaksi Hubungan Istimewa Terhadap Penghindaran Pajak. Akuntabilitas, 15(2), 215–228. https://doi.org/10.15408/akt.v15i2.27226

[19] Nguyen, T. T. D., Pham, T. M. L., Le, T. T., Truong, T. H. L., & Tran, M. D. (2020). Determinants influencing tax compliance: The case of Vietnam. Journal of Asian Finance, Economics and Business, 7(2), 65–73. https://doi.org/10.13106/jafeb.2020.vol7.no2.65

[20] Oladipo, O., Nwanji, T., Eluyela, D., Godo, B., & Adegboyegun, A. (2022). Impact of tax fairness and tax knowledge on tax compliance behavior of listed manufacturing companies in Nigeria. Problems and Perspectives in Management, 20(1), 41–48. https://doi.org/10.21511/ppm.20(1).2022.04

[21] Sharma, S., Durand, R. M., & Gur-Arie, O. (1981). Identification and Analysis of Moderator Variables. Journal of Marketing Research, 18(3). https://doi.org/10.2307/3150970

[22] Shim, S.-A., Shim, H., & Shim, T. S. (2024). Does procedural justice in a tax audit situation affect taxpayers' acceptance of tax audit assessments? Applied Economics, 56(22), 2629–2645. https://doi.org/10.1080/00036846.2023.2193722

[23] Skandalis, K. S. (2025). Can FinTech Close the VAT Gap ? An Entrepreneurial , Behavioral , and Technological Analysis of Tourism SMEs. FinTech, 4(3), 38. https://doi.org/https://doi.org/10.3390/fintech4030038

[24] Tax Justice Network. (2023). State of Tax Justice 2023. In Tax Justice Network.

[25] Teguh, G., Muttiwijaya, P., Padang, R. R., Yasa, I. N. P., & Adiputra, I. M. P. (2025). Digital Transformation in Tax Administration : The Role of Coretax , Service Quality , and Morality in Enhancing MSME Compliance in Indonesia. 28(2), 359–410. https://doi.org/10.33312/ijar.947 Tyler, T. R. (1990). Why People Obey the Law. Yale University Press.

★★★