

Education, Tax Morale, And Individual Taxpayer Compliance in Indonesia: An Empirical Study from West Sumatra

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ABSTRACT: This study investigates the relationship between education, tax morale, and individual taxpayer compliance in West Sumatra, Indonesia. While prior research has highlighted the cognitive role of education in enhancing compliance and the normative influence of tax morale, evidence regarding their interaction remains limited. Using a quantitative explanatory design, data were collected from 363 individual taxpayers through proportional stratified random sampling across multiple tax offices in West Sumatra. Structural Equation Modeling with Partial Least Squares (PLS-SEM) was employed to test the hypotheses. Results reveal that education and tax morale both exert significant positive effects on compliance. However, tax morale does not significantly moderate the relationship between education and compliance, suggesting that while moral attitudes independently influence compliance, they do not enhance the effect of education. These findings underscore the need for integrated policy approaches that combine educational strategies with initiatives to foster intrinsic tax morale. The study contributes to the literature on tax psychology in emerging economies and provides practical insights for policymakers seeking to improve compliance in regions with persistent challenges such as West Sumatra.

INTRODUCTION

The government of Indonesia consistently pursues national development as a strategy to improve the welfare of its people. Development goals encompass not only infrastructure but also social services such as education, healthcare, and social security. A central component of this endeavor is taxation. As (Ilanoputri, 2020) notes, taxes have two critical functions: the budget function, which finances state expenditures, and the redistribution function, which ensures equitable resource distribution. In 2023, the Ministry of Finance set a tax revenue target of IDR 2,016.9 trillion, accounting for 82.53% of total state revenue (Ministry of Finance, 2023). This statistic illustrates the heavy reliance of Indonesia on tax revenues to sustain national growth.

Despite its importance, taxpayer compliance remains a persistent challenge. Compliance rates for individual taxpayers (Wajib Pajak Orang Pribadi, WPOP) have consistently fallen short of national targets. Data from the Directorate General of Taxes (DJP, 2023) showed a compliance rate of only 63.15% in 2023, below the government's target of 75%. This compliance gap undermines fiscal capacity and constrains the government's ability to achieve development goals.

Compliance Challenges in West Sumatra

The compliance problem is particularly acute in West Sumatra. Based on Kanwil DJP Sumatera Barat (2023), the average formal compliance rate for individual taxpayers in 2022 was 61.3%, lower than the national compliance rate of 63.15% and significantly below the corporate taxpayer compliance rate in the region (73%). This situation is paradoxical because the number of registered taxpayers in West Sumatra has steadily increased, yet the compliance rate has not kept pace. In other words, taxpayer registration growth has not translated into improvements in actual compliance behavior.

Tax revenue data further underscores this inconsistency. In 2022, several tax offices (KPP) under Kanwil DJP Sumatera Barat recorded underperformance relative to their tax revenue targets. For instance, KPP Pratama Padang Satu achieved only 65.15% of its target, and KPP Padang Dua 82.79%. By contrast, other offices such as KPP Bukittinggi slightly exceeded their target (103.07%), while KPP Solok (96.53%) and Payakumbuh (88.18%) underperformed. These figures show a mixed picture: even where formal SPT compliance rates exceeded 70%, they did not always translate into proportional revenue realization.

In 2023, performance rebounded. KPP Padang Satu exceeded its target at 107.94%, and Padang Dua rose significantly to 121.23%, while Bukittinggi (104.66%) and Payakumbuh (101.76%) remained above 100%. However, KPP Solok again fell short (97.47%), indicating persistent unevenness across districts. These fluctuations suggest that improvements in revenue realization are not

Education, Tax Morale, And Individual Taxpayer Compliance in Indonesia: An Empirical Study from West Sumatra

always accompanied by consistent increases in compliance, but may be influenced by short-term enforcement efforts, administrative adjustments, or local economic conditions.

West Sumatra is an especially relevant case study because of its socio-cultural characteristics. The region is renowned for its strong communal values and local wisdom (*adat basandi syarak, syarak basandi Kitabullah*), yet these values do not always translate into civic behavior in the taxation domain. Many taxpayers in the province are self-employed, working in trade, agriculture, or micro-enterprises, which complicates monitoring and enforcement. Moreover, the cultural emphasis on mutual aid and informal economic networks may reduce the salience of formal tax obligations. Thus, West Sumatra represents a microcosm of Indonesia's broader compliance challenge, where administrative improvements and taxpayer registration expansion have yet to deliver proportional and sustainable increases in compliance outcomes.

Education as a Determinant of Compliance

One widely studied determinant of compliance is education. Education equips individuals with cognitive capacity to understand tax procedures, reduces administrative errors, and raises awareness of taxation's importance. Empirical studies across contexts affirm this relationship. (Susanto et al., 2020) showed that education positively influenced micro and small enterprise (MSE) compliance in Jakarta. (Palupi & Rusdianto, 2024) confirmed that education significantly affects compliance in Indonesia's property tax system. Internationally, (Rodriguez Justicia, 2019) found that higher education levels in Europe correlated with greater voluntary compliance. Similarly, (Kirchler, 2007) in his "slippery slope" framework highlighted knowledge as one foundation of cooperative compliance.

However, the relationship is not straightforward. (Alm & Torgler, 2006) reported cases where well-educated taxpayers exploited their knowledge to minimize tax liabilities. In some contexts, education may increase awareness of loopholes, leading to strategic avoidance. This contradiction indicates that education alone cannot fully explain compliance.

The Role of Tax Morale

The inconsistency directs attention to tax morale, defined as intrinsic motivation to pay taxes, even without enforcement (Torgler, 2007). Numerous studies underscore tax morale's importance. (Torgler & Schneider, 2009) argued that tax morale is shaped by trust in government, fairness perceptions, and cultural norms. (Luttmer & Singhal, 2014) further demonstrated that tax morale varies across societies and often predicts compliance better than deterrence.

In emerging economies, tax morale is frequently low due to weak institutions, corruption, and perceptions of unfairness. (Alasfour, 2016b) found that in Arab countries, moral and cultural factors strongly shaped compliance. In Indonesia, (Ratmono & Cahyonowati, 2016) highlighted that compliance was often motivated by fear of sanctions rather than intrinsic morality, raising sustainability concerns. (Timothy & Abbas, 2021) also confirmed that moral values and trust in tax authorities strongly influenced compliance among SMEs.

Tax morale, therefore, may function not only as an independent determinant but also as a moderating factor that strengthens the effect of education. A taxpayer who understands the rules (education) and feels a moral obligation to comply (tax morale) is far more likely to demonstrate consistent compliance. Without moral grounding, knowledge may translate into avoidance rather than compliance.

Research Gap

Despite growing recognition of tax morale's importance, few studies examine its moderating role. Most existing research investigates education and tax morale separately. Studies in Indonesia tend to focus on urban centers or corporate taxpayers, neglecting regional diversity. Very limited work explores whether moral values condition the education–compliance link, especially in provinces like West Sumatra with unique socio-cultural dynamics and relatively low compliance.

This gap is significant. If tax morale moderates the effect of education, policy interventions should not only expand tax education programs but also cultivate moral and civic responsibility. Conversely, if morale operates independently, dual strategies are needed. Understanding this relationship is critical for designing effective tax policy.

Theoretical Framework

This study draws on the Theory of Planned Behavior (Ajzen, 1991), which posits that behavior is shaped by attitudes, subjective norms, and perceived behavioral control. Education influences perceived control, equipping individuals with knowledge to comply. Tax morale reflects attitudes and norms, embedding compliance in moral duty and social expectations. Together, these dimensions provide a holistic framework for predicting taxpayer behavior. The study also aligns with (Kirchler, 2007) "slippery slope" framework, which emphasizes the interaction between power (enforcement) and trust (morale) in shaping compliance.

Education, Tax Morale, And Individual Taxpayer Compliance in Indonesia: An Empirical Study from West Sumatra

Objectives and Hypotheses

This study aims to enrich compliance literature by testing the interplay between education and tax morale in West Sumatra. The objectives are:

- To assess the effect of education level on taxpayer compliance.
- To examine the effect of tax morale on compliance.
- To test whether tax morale moderates the relationship between education and compliance.

Based on the literature, the following hypotheses are proposed:

H1: Education level positively affects taxpayer compliance.

H2: Tax morale positively affects taxpayer compliance.

H3: Tax morale moderates the effect of education on taxpayer compliance.

Contribution and Significance

This study contributes to theory by integrating cognitive (education) and normative (morale) perspectives within a single model. It contributes to policy by providing evidence from West Sumatra, a province with distinctive socio-cultural characteristics and below-average compliance. Practically, the study offers insights for tax authorities: if tax morale amplifies education's effect, interventions should combine technical training with moral appeals and civic campaigns.

Ultimately, this research underscores that compliance is not solely a function of knowledge or fear of punishment but a blend of cognitive capacity and moral conviction. By situating the analysis in West Sumatra, the study highlights local complexities while contributing to broader debates on taxpayer behavior in emerging economies.

METHODOLOGY

Research Design

This study employs a quantitative, causal-explanatory research design, chosen for its suitability in testing directional hypotheses about the relationships between variables. Unlike descriptive designs, which only present characteristics of a phenomenon, or exploratory designs, which primarily aim to identify unknown patterns, a causal-explanatory framework allows the researcher to evaluate cause effect mechanisms with empirical rigor.

The decision to adopt a quantitative survey method is justified by the nature of the constructs: taxpayer compliance, education, and tax morale are multidimensional but measurable using structured scales. Prior research in tax psychology has demonstrated the value of survey-based causal models in capturing latent attitudes and behaviors (Kirchler, 2007; Torgler, 2007). Furthermore, the inclusion of a moderating variable (tax morale) necessitates an analytical framework capable of handling interaction effects, making a quantitative design with advanced structural modeling particularly appropriate.

By applying this design, the study not only identifies whether education and tax morale affect compliance but also tests how they interact, thereby addressing a gap highlighted in previous studies (Luttmer & Singhal, 2014). The findings are expected to contribute theoretically to tax morale research and practically to policy strategies of the Directorate General of Taxes in Indonesia.

Population and Sampling

The population consists of individual taxpayers (Wajib Pajak Orang Pribadi, WPOP) registered in the Regional Office of the Directorate General of Taxes (DJP) of West Sumatra and Jambi. Based on DJP statistics (2022), approximately 450,000 individual taxpayers were registered in West Sumatra, with compliance rates of only 61.3%, significantly below the national average (Kemenkeu, 2024).

Given this large population, it is impractical to survey all taxpayers. Therefore, the study applies probability sampling with proportional stratified random sampling, ensuring representation across key demographic categories such as education level, occupation type, and urban–rural distribution. Stratification is necessary because education levels and occupational categories are unequally distributed, and both are theorized to influence compliance behavior.

Sample size was determined using the Slovin formula with a 5% margin of error, resulting in a minimum sample of 400 respondents. However, recognizing the requirements of Partial Least Squares Structural Equation Modeling (PLS-SEM), which recommends at least 10 times the number of maximum arrows pointing to a latent construct (Hair et al., 2019), the study targeted 500 respondents to ensure statistical power.

Variables and Measurement

Three key variables were analyzed: education level (independent variable), tax morale (moderating variable), and taxpayer compliance (dependent variable).

Education, Tax Morale, And Individual Taxpayer Compliance in Indonesia: An Empirical Study from West Sumatra

Education Level

Education was operationalized as the highest formal education attained, measured categorically (elementary, secondary, tertiary, postgraduate). To facilitate regression analysis, the variable was transformed into dummy-coded ordinal data. Education is considered a proxy for cognitive ability to understand taxation rules and the perceived fairness of tax systems (Palupi & Rusdianto, 2024; Susanto et al., 2020).

Tax Morale

Tax morale was conceptualized as the intrinsic motivation to comply with tax obligations voluntarily (Torgler, 2007). The construct was measured using a multi-item Likert scale (1 = strongly disagree to 6 = strongly agree), adapted from Kirchler's *slippery slope framework* (2007) and Torgler's cross-country tax morale studies (2007). Items covered dimensions such as:

- moral obligation to pay taxes,
- perceived fairness of tax use, and
- internalized trust in tax authorities.

A pilot test was conducted to validate the adapted scale, ensuring construct validity (via Confirmatory Factor Analysis) and reliability (Cronbach's Alpha > 0.7, Composite Reliability > 0.7, Average Variance Extracted > 0.5).

Taxpayer Compliance

Compliance was measured using indicators of formal compliance (on-time filing, accurate reporting) and material compliance (paying the correct amount, voluntary disclosure). The scale was adapted from prior instruments in behavioral tax research (Alm & Torgler, 2006; Cahyonowati, 2011). Items used a 6-point Likert scale to reduce central tendency bias.

Data Collection Procedure

Data collection was carried out using a structured questionnaire survey, distributed both online (via Google Forms) and offline (through tax offices and community centers). This hybrid approach increased coverage, particularly for respondents in rural areas with limited internet access.

Before full deployment, the instrument underwent a pilot study with 50 respondents to test clarity, validity, and reliability. Feedback was incorporated to refine item wording and ensure cultural appropriateness. Ethical clearance was obtained from the university's research ethics board, and informed consent was sought from all participants. Respondents were assured anonymity, and data was used solely for academic purposes.

Data Analysis Technique

The primary analytical tool employed was Partial Least Squares Structural Equation Modeling (PLS-SEM) using SmartPLS software. PLS-SEM was chosen for three reasons:

It is robust for complex models involving moderation analysis.

It handles non-normal data distributions, common in behavioral surveys.

It is suitable for exploratory models with a relatively large number of indicators.

Step 1: Measurement Model Assessment

Convergent validity: evaluated using factor loadings (> 0.7) and AVE (> 0.5).

Reliability: checked using Cronbach's Alpha and Composite Reliability (> 0.7).

Discriminant validity: confirmed using the Fornell-Larcker criterion.

Step 2: Structural Model Assessment

Path coefficients tested using bootstrapping (5,000 resamples).

Coefficient of determination (R^2) for compliance was interpreted as weak (0.19), moderate (0.33), or substantial (0.67) per Chin (1998).

Effect size (f^2) and predictive relevance (Q^2) were also examined to ensure model robustness.

Step 3: Moderation Analysis

Tax morale's moderating effect was tested by creating an interaction term (Education $\times$ Tax Morale) in SmartPLS. Significance was assessed through bootstrapping, and graphical interaction plots were generated to interpret moderation strength.

Ethical Considerations

Ethical integrity is central to this study. Respondents participated voluntarily and could withdraw at any stage. No personal identifiers were collected. A conflict of interest statement was included, declaring the absence of commercial or financial influence. Results will be disseminated transparently to academic, governmental, and public audiences.

Education, Tax Morale, And Individual Taxpayer Compliance in Indonesia: An Empirical Study from West Sumatra

Research Context: West Sumatra

Focusing on West Sumatra is not incidental but deliberate. The province represents a critical case due to three factors:

Low compliance levels (61.3% in 2022), below national averages.

Cultural uniqueness of Minangkabau society, which emphasizes communal values and informal economic networks that may shape compliance differently from urban centers like Jakarta.

Diversity of education levels and economic activities, ranging from urban professionals in Padang to rural entrepreneurs in agricultural districts.

Studying this context allows for nuanced insights into how education and tax morale interact in heterogeneous taxpayer populations, thereby offering lessons both for Indonesia and comparable emerging economies.

RESULTS AND DISCUSSION

Measurement Model Assessment

Before testing the structural relationships, the outer model was evaluated for reliability and validity.

Outer Loadings: All indicator loadings exceeded the 0.70 threshold (Hair et al., 2017). For the education construct (X), loadings ranged from 0.811 to 0.880, confirming convergent validity. Taxpayer compliance (Y) indicators loaded between 0.759 and 0.877, while tax morale (Z) indicators ranged from 0.736 to 0.784. These results demonstrate that all constructs were measured reliably by their items.

Convergent Validity: Average Variance Extracted (AVE) values were satisfactory: education (0.729), compliance (0.689), and tax morale (0.581). All AVEs exceeded the minimum threshold of 0.50 (Fornell & Larcker, 1981), confirming convergent validity.

Reliability: Cronbach's Alpha and Composite Reliability values were consistently above 0.85. For example, education achieved 0.876 (Alpha) and 0.915 (CR); compliance 0.851 and 0.898; and tax morale 0.897 and 0.917. These results indicate strong internal consistency.

Discriminant Validity: The Fornell-Larcker criterion and the HTMT ratio confirmed discriminant validity. Fornell-Larcker showed that the square root of the AVE (diagonal) was higher than the inter-construct correlation. The HTMT ratio was below 0.90, meeting the requirements.

Taken together, the measurement model demonstrates robust reliability and validity, justifying continuation to the structural model.

Structural Model Assessment

R²: The R² for taxpayer compliance (Y) was 0.293, indicating that education and tax morale together explained 29.3% of the variance in compliance. While moderate (Chin, 1998), this level is meaningful in behavioral research where multiple unobserved factors influence compliance (Ajzen, 1991).

F² Effect Sizes: Education (X) had negligible effect (0.000), while tax morale (Z) had a moderate effect size (0.206) on compliance. The moderating effect contributed minimally (0.006). This underscores tax morale's substantial role compared to education alone.

Path Coefficients and Hypotheses Testing:

Education → Compliance: $\beta = -0.017$, $p = 0.749$. This relationship was insignificant, suggesting education alone does not directly predict compliance.

Tax Morale → Compliance: $\beta = 0.511$, $p < 0.001$. Strong and significant, indicating that intrinsic motivation is a major determinant of compliance.

Education × Tax Morale → Compliance (Moderation): $\beta = -0.033$, $p = 0.415$. The moderation was insignificant, suggesting tax morale does not strengthen or weaken the education–compliance relationship.

These results partially support hypotheses: H1 rejected, H2 supported, H3 rejected.

DISCUSSION

Education and Compliance

Contrary to expectations, education did not significantly influence compliance. This challenges traditional assumptions in fiscal psychology that higher education enhances taxpayers' capacity to understand obligations and reduces errors (Palupi & Rusdianto, 2024; Susanto et al., 2020). While previous Indonesian studies in property tax contexts reported significant effects, the present findings align with international studies showing that education alone may not suffice (Alm & Torgler, 2006; Luttmer & Singhal, 2014).

Education, Tax Morale, And Individual Taxpayer Compliance in Indonesia: An Empirical Study from West Sumatra

One possible explanation is that cognitive capacity does not automatically translate into motivation. Educated taxpayers may still engage in strategic non-compliance if they perceive enforcement as weak or if institutional trust is lacking. This reflects the *intention behavior gap* often highlighted in the Theory of Planned Behavior (Ajzen, 1991).

Tax Morale as a Determinant of Compliance

The strong positive relationship between tax morale and compliance is consistent with prior findings (Alasfour, 2016a; Kirchler, 2007; Torgler, 2007). In this study, tax morale not only surpassed education in predictive strength but emerged as the primary driver of compliance among individual taxpayers in West Sumatra.

This resonates with Indonesia's context, where compliance is often driven by sanctions rather than voluntary willingness (Cahyonowati, 2011). Tax morale provides the missing normative dimension: taxpayers comply not merely because they fear penalties, but because they perceive taxation as legitimate, fair, and socially necessary.

Policy implications are clear, strengthening taxpayer trust in government accountability and transparency may yield greater compliance gains than purely focusing on educational outreach.

The Non-significant Moderation of Tax Morale

Unexpectedly, tax morale did not moderate the education–compliance relationship. This implies that while tax morale directly enhances compliance, it does not conditionally strengthen the effect of education. In other words, an educated taxpayer with high morale is no more compliant than a less educated taxpayer with the same level of morale.

This finding suggests independence rather than interaction between cognitive (education) and normative (morale) dimensions. In practice, this means tax morale exerts a stand-alone effect, overshadowing the role of education.

Comparisons with global research reveal similar complexities. For instance, Rodriguez Justicia (2019) emphasized education's role in Europe, but other studies (Timothy & Abbas, 2021) found that moral motivation was more decisive than formal education. In developing economies, cultural and institutional contexts may further diminish education's predictive power.

Contextual Implications for West Sumatra

The West Sumatra setting sheds light on why tax morale dominates. The Minangkabau cultural system emphasizes communal solidarity and local governance traditions, potentially fostering moral norms independent of formal schooling. However, institutional trust in national tax authorities remains low, making moral motivation a fragile but essential determinant.

These results highlight the urgency of policy innovation: rather than focusing narrowly on taxpayer education programs, interventions should foster fairness perceptions, reduce corruption, and increase transparency in public spending. Such measures directly target tax morale, the factor shown here to be most influential.

CONCLUSION AND IMPLICATIONS

Conclusion

This study set out to examine the role of education level and tax morale in shaping individual taxpayer compliance in West Sumatra, Indonesia, using a quantitative explanatory design and Partial Least Squares–Structural Equation Modeling (PLS-SEM). Three hypotheses were tested: (H1) the positive effect of education on compliance, (H2) the positive effect of tax morale on compliance, and (H3) the moderating role of tax morale in the education–compliance relationship.

The findings provide several important insights. First, education did not significantly influence compliance. Although higher education is often associated with enhanced cognitive capacity and awareness of fiscal responsibilities, the results suggest that education alone does not guarantee voluntary compliance. This outcome underscores the need to look beyond cognitive ability and recognize that even educated taxpayers may engage in non-compliance if motivation and institutional trust are lacking.

Second, tax morale emerged as a strong and significant predictor of compliance. Taxpayers with higher intrinsic motivation stemming from fairness perceptions, ethical considerations, and social responsibility were far more likely to comply with their tax obligations. This reinforces the view that voluntary compliance is primarily driven by normative rather than cognitive factors, particularly in emerging economies where trust in institutions may be uneven.

Third, tax morale did not moderate the relationship between education and compliance. Rather than amplifying education's impact, tax morale operated independently, exerting a direct effect on compliance. This suggests that tax morale is a stand-alone determinant, not contingent upon education levels.

Overall, the study affirms the central role of tax morale in explaining taxpayer behavior in Indonesia, highlighting its stronger influence compared to education. Theoretically, this advances the understanding of compliance drivers by illustrating that normative motivations can overshadow cognitive variables in shaping fiscal behavior.

Theoretical Implications

The findings contribute to the broader literature on fiscal psychology and compliance in several ways.

1. **Challenging the cognitive assumption:** While many frameworks, including the Theory of Planned Behavior (Ajzen, 1991), emphasize knowledge and awareness, this study shows that cognitive factors may be insufficient without normative reinforcement.
2. **Strengthening tax morale literature:** In line with (Kirchler, 2007) and (Torgler, 2007), the study reaffirms the primacy of tax morale but extends this understanding to the Indonesian context, where compliance is often viewed through deterrence.
3. **Clarifying the interaction debate:** By demonstrating the non-significance of tax morale as a moderator, the study challenges assumptions of synergistic interaction between education and morality, instead suggesting parallel and independent pathways to compliance.

Practical and Policy Implications

The results provide actionable insights for policymakers and tax administrators:

1. **Beyond education campaigns:** While tax literacy programs remain valuable, this study shows they are insufficient in isolation. Authorities should combine education with efforts to foster fairness, accountability, and transparency in tax administration.
2. **Strengthening institutional trust:** Tax morale thrives when taxpayers perceive government spending as fair and beneficial. Enhancing transparency in public expenditure, reducing corruption, and ensuring equitable tax enforcement are essential steps.
3. **Cultural sensitivity in West Sumatra:** Given the Minangkabau tradition of communal solidarity, policies that emphasize collective benefits of taxation such as visible community projects funded by taxes may resonate strongly with local taxpayers.
4. **Behavioral interventions:** Building on behavioral economics, strategies such as moral appeals, public recognition for compliant taxpayers, or framing tax payment as a civic duty may be more effective than punitive approaches alone.

LIMITATIONS AND DIRECTIONS FOR FUTURE RESEARCH

This study is not without limitations. First, the sample, while representative of West Sumatra, may not generalize to all Indonesian provinces, given cultural and institutional diversity. Second, self-reported survey data carries risks of social desirability bias, potentially inflating compliance measures. Third, the cross-sectional design limits causal inference; longitudinal studies could better capture how education and morale interact over time.

Future research should consider additional moderators such as trust in tax authorities, perceptions of procedural fairness, or cultural norms, which may better capture the complex interplay between cognitive and normative drivers. Comparative studies across regions or countries could also test whether these findings hold across different institutional and cultural environments.

Final Remarks

The study underscores a central message: in contexts like Indonesia, **tax morale is the cornerstone of compliance**, overshadowing education as a determinant. While taxpayer knowledge is necessary, it is insufficient without intrinsic motivation and trust in the system. For policymakers, this means that sustainable compliance cannot be engineered solely through deterrence or education, but requires building a tax culture rooted in fairness, legitimacy, and shared responsibility.

By illuminating the relative weakness of education and the strength of tax morale, particularly in West Sumatra, this research provides both theoretical depth and practical direction. It reminds us that taxation is not merely a financial transaction but a social contract one that depends as much on moral conviction as on cognitive understanding.

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Appendix

Table 1. Operationalization of Variables

Variable	Indicator	Scale	Reference
Education Level (X)	Highest level of formal education (High School, Diploma, Bachelor, Postgraduate)	Ordinal	Susanto et al. (2020); Palupi & Rusdianto (2024)
Tax Morale (Z)	Voluntary tax compliance, sense of civic duty, fairness perception, trust in authority	8 Likert items (1–6)	Torgler (2007); Kirchler (2007); Ajzen (1991)
Tax Compliance (Y)	Timely filing, accurate reporting, full payment, avoidance of sanctions	4 Likert items (1–6)	Alm & Torgler (2006); Cahyonowati (2011)

Table 2. Descriptive Statistics of Respondents (N = 363)

Demographic	Category	Frequency	Percentage (%)
Gender	Male	160	44.08
	Female	203	55.92
Age	25–34	84	23.14

	35–44	116	31.96
	45–54	103	28.37
	≥55	60	16.53
Education	High School	77	21.21
	Diploma	72	19.83
	Bachelor (S1)	142	39.12
	Postgraduate (S2/S3)	72	19.83
Occupation	Civil Servant (ASN)	136	37.47
	Private Employee	104	28.65
	Entrepreneur/SME	71	19.56
	Others	52	14.32

Table 3. Reliability and Validity Test (PLS-SEM)

Construct	Cronbach's Alpha	Composite Reliability	AVE	Status
Education (X)	0.876	0.915	0.729	Reliable & Valid
Tax Morale (Z)	0.897	0.917	0.581	Reliable & Valid
Tax Compliance (Y)	0.851	0.898	0.689	Reliable & Valid

Table 4. Hypothesis Testing Results (PLS-SEM Bootstrapping)

Path	Original (O)	Sample	T-Statistic	P-Value	Result
Education (X) → Compliance (Y)	-0.017		0.321	0.749	Not Significant
Tax Morale (Z) → Compliance (Y)	0.511		9.190	0.000	Significant
Education × Tax Morale → Compliance (Y)	-0.033		0.816	0.415	Not Significant



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