Journal : **Journal of Management and Innovation Entrepreneurship (JMIE),**
Publisher : **Yayasan Nuraini Ibrahim Mandiri**
ISSN : **e-ISSN 3026-6505**
Volume / Issue / Year/ Page : **4/ 1/ 2026: October / 660-676**

DETERMINANTS OF MSME TAXPAYER COMPLIANCE: EVIDENCE FROM INDONESIA

Putra Aufaa [1], Khoirina Farina[2*]
[1,2]Universitas Trilogi Jakarta, Indonesia
aufaa02@gmail.com, khoirina@trilogi.ac.id
* Coresponding Author

Article Information

Submission	:	04-09-2026
Review	:	10-09-2026
Revised	:	15-10-2026
Accepted	:	29-10-2026
Published	:	31-10-2026

Keywords
e-Filing System, Tax Knowledge, Tax Socialization, Tax Sanctions, MSME Taxpayer Compliance

Abstract

Tax compliance is essential for supporting state revenue and sustainable national development, particularly among Micro, Small, and Medium Enterprises (MSMEs). This study examines the effects of e-Filing system implementation, tax knowledge, tax socialization, and tax sanctions on MSME taxpayer compliance. A quantitative approach was employed using primary data collected through questionnaires from 100 culinary MSME taxpayers from October to December 2025. Respondents were selected using purposive sampling based on predetermined criteria. Data were analysed using Partial Least Squares–Structural Equation Modeling (PLS-SEM) with SmartPLS 3.0. The results show that e-Filing system implementation, tax knowledge, and tax sanctions have positive and significant effects on MSME taxpayer compliance. In contrast, tax socialization has no significant effect. This finding suggests that providing tax information alone may be insufficient to improve compliance when socialization is not adequately aligned with taxpayers' needs and business characteristics. Therefore, tax authorities should strengthen targeted and practical tax education through sector-specific guidance, digital tutorials, and direct assistance. Improving digital tax services, tax knowledge, and consistent enforcement of tax sanctions may further support sustainable MSME taxpayer compliance. These findings provide practical implications for developing more targeted and effective tax compliance strategies for MSMEs.

How To Cite: Aufaa, P., & Farina, K. (2026). Determinants of MSME taxpayer compliance: Evidence from Indonesia. *Journal of Management and Innovation Entrepreneurship (JMIE),* 4(1), 660–676. https://doi.org/10.70248/jmie.v4i1.4686

DOI https://doi.org/10.70248/jmie.v4i1.4686
This is an open access article under https://creativecommons.org/licenses/by/4.0/
Copyright© 2026 by Author. Published by Yayasan Nuraini Ibrahim Mandiri

INTRODUCTION

Tax revenue constitutes one of the primary sources of government financing for supporting public administration and funding national development(Abdu & Adem, 2023; Perera et al., 2026). The substantial contribution of taxation to the State Budget (APBN) and Regional Budget (APBD) highlights the strategic role of taxes in promoting economic growth and improving public welfare (Hapsari & Ramayanti, 2022). Beyond its function as a source of government revenue, tax payment also represents a form of public participation in financing and supporting national development (Nasiroh & Afiqoh, 2022). Therefore, the optimization of tax revenue is highly dependent on taxpayers' willingness and compliance in fulfilling their tax obligations in accordance with applicable regulations.

To optimise tax revenue, the Indonesian government has continuously undertaken tax reforms and modernised its tax administration system. One major reform was the transition from the official assessment system towards a self-assessment system, which places greater responsibility on taxpayers for determining and fulfilling their tax obligations (Yossinomita et al., 2025). .In addition, withholding

mechanisms are applied to specific types of taxes, with different roles and procedures in determining and collecting tax liabilities. The implementation of tax administration systems aims to establish an effective and efficient framework while encouraging taxpayers to fulfil their tax obligations (Darmayasa & Hardika, 2024). Under the self-assessment system, taxpayers are responsible for determining and fulfilling their tax obligations independently, making taxpayer awareness an important factor in achieving tax compliance(Advani, 2022).

Nevertheless, taxpayer compliance in Indonesia remains an important issue that warrants continued attention (Nurhayati et al., 2025). One indication of this issue is the existence of a tax gap, which refers to the difference between the amount of tax revenue that could potentially be collected based on the existing tax base and the amount of tax revenue actually collected. The persistence of this gap, together with the failure to fully realize tax revenue targets established by the government, indicates that Indonesia still has considerable potential to improve taxpayer compliance and strengthen the effectiveness of tax administration(Sinaga et al., 2023). Therefore, enhancing taxpayer compliance represents an important strategy for optimizing tax revenue and supporting the sustainability of government financing and national development(Ngelo et al., 2022).

In response to these challenges, the Directorate General of Taxes (DGT) has introduced various innovations in tax administration aimed at improving the efficiency, accessibility, and effectiveness of tax services. One of these innovations is the implementation of the Electronic Filing System (e-Filing), which enables taxpayers to submit their Tax Returns (SPT) electronically. The e-Filing system is designed to provide greater convenience, efficiency, and flexibility in fulfilling tax reporting obligations (Meiryani et al., 2021)(Rokhman et al., 2023). By simplifying the tax reporting process and reducing administrative barriers, e-Filing is expected to facilitate taxpayers in submitting their tax returns accurately and on time, thereby contributing to improved taxpayer compliance.

However, the implementation of e-Filing does not necessarily guarantee higher taxpayer compliance, as its effectiveness may depend on taxpayers' digital literacy, tax knowledge, familiarity with electronic tax services, and perceptions of system ease of use (Rokhman et al., 2023). Therefore, further empirical examination is needed to determine whether e-Filing effectively improves taxpayer compliance, particularly among MSME taxpayers..

Beyond the convenience offered by digital tax administration, tax knowledge represents another important factor that may influence taxpayer compliance. Tax knowledge refers to taxpayers' understanding of applicable tax regulations, rights, and obligations. Taxpayers with adequate tax knowledge are more likely to understand their tax responsibilities and the procedures required to fulfill them, including the accurate calculation, payment, and reporting of tax liabilities. A sufficient understanding of taxation can therefore facilitate taxpayers in complying with applicable regulations and reduce the likelihood of errors in fulfilling their tax obligations. Accordingly, a higher level of tax knowledge is expected to be associated with greater taxpayer compliance (Appiah et al., 2024).

Tax socialization is another factor that may contribute to taxpayer compliance. Tax socialization refers to government efforts to disseminate information, provide education, and enhance public understanding of tax regulations and obligations (Mascagni et al., 2025). Effective tax socialization enables taxpayers to obtain relevant

information concerning changes in tax regulations, tax payment and reporting procedures, as well as their rights and obligations. By improving taxpayers' access to accurate and relevant tax information, tax socialization is expected to strengthen their understanding and awareness of taxation and subsequently encourage them to fulfill their tax obligations (Mascagni et al., 2025). The effectiveness of tax socialization, however, may depend on the frequency, accessibility, clarity, and relevance of the information provided to taxpayers.

In addition to tax knowledge and tax socialization, tax sanctions constitute an important regulatory instrument for encouraging taxpayer compliance. Tax sanctions refer to consequences imposed on taxpayers for non-compliance with applicable tax regulations. The consistent and appropriate application of tax sanctions is intended to reinforce compliance by increasing taxpayers' awareness of the potential consequences of failing to fulfill their tax obligations. The existence of tax sanctions may encourage taxpayers to consider the risks associated with non-compliance and motivate them to fulfill their tax responsibilities in accordance with applicable regulations. Thus, the effective implementation of tax sanctions is expected to strengthen taxpayer discipline and contribute to higher levels of tax compliance.

The issue of tax compliance is particularly relevant in the Micro, Small, and Medium Enterprises (MSMEs) sector. MSMEs play an important role in supporting economic activity, employment, and community welfare. At the same time, MSME taxpayers may face specific challenges in fulfilling tax obligations because tax compliance requires not only willingness to pay taxes but also an adequate understanding of regulations, reporting procedures, digital tax services, and potential tax consequences. These challenges make MSMEs an important context for examining the determinants of taxpayer compliance.

Culinary MSMEs have distinctive characteristics, including frequent daily transactions, diverse payment methods, fluctuating sales, and limited accounting and tax resources. These conditions may complicate transaction recording, tax calculation, and compliance with payment and reporting obligations. Consequently, tax compliance may depend on digital tax service use, tax knowledge, access to relevant information, and perceptions of tax sanctions.

Pondok Ungu Permai, Bekasi City, was selected as the research setting because the area has a dense concentration of culinary MSMEs that operate daily and serve a diverse local customer base. These businesses typically conduct frequent sales transactions through both cash and digital payment methods, with turnover that may vary according to customer demand and business conditions. Such characteristics make the area particularly relevant for examining taxpayer compliance, as MSME owners are required to manage routine business transactions while meeting their tax reporting and payment obligations. Furthermore, the setting provides an appropriate context for examining whether the use of e-Filing, tax knowledge, tax socialization, and tax sanctions influences the tax compliance of culinary MSME taxpayers.

Furthermore, previous empirical studies examining the determinants of taxpayer compliance have reported inconsistent findings. Regarding the e-Filing variable (Mulyati & Ismanto, 2021)(Hufrona & Rahmawati, 2024)(Mahfud & Farina, 2025)(Maulina et al., 2025) found that the implementation of e-Filing has a positive effect on taxpayer compliance, suggesting that the convenience and efficiency provided by electronic tax reporting can facilitate the fulfillment of tax obligations. In contrast, (Nasiroh & Afiqoh, 2022)(Sandria & Farina, 2023) found that e-Filing implementation

does not have a significant effect on taxpayer compliance. These divergent findings indicate that the effectiveness of e-Filing in promoting taxpayer compliance may vary across different research contexts and taxpayer characteristics.

Inconsistencies are also evident in the findings concerning tax knowledge. Studies conducted b (Maxuel & Primastiwi, 2021) demonstrate that tax knowledge has a positive effect on taxpayer compliance. These findings suggest that a better understanding of tax regulations, procedures, rights, and obligations can facilitate taxpayers in fulfilling their tax responsibilities. Conversely, (Nasiroh & Afiqoh, 2022) reported different findings, indicating that tax knowledge does not have the same effect on taxpayer compliance. The differences in these empirical findings suggest the need for further investigation to clarify the role of tax knowledge in influencing taxpayer compliance, particularly among MSME taxpayers.

Inconsistencies in previous empirical findings are also evident with respect to tax socialization and tax sanctions. Several studies have reported that tax socialization has a positive effect on taxpayer compliance, indicating that the dissemination of relevant tax information and education can enhance taxpayers' understanding and awareness of their tax obligations (Maxuel & Primastiwi, 2021). Similarly, other studies have found that tax sanctions positively influence taxpayer compliance, suggesting that the consistent enforcement of sanctions can encourage taxpayers to comply with applicable tax regulations. However, contrasting findings have also been reported, with some studies indicating that tax socialization and tax sanctions do not have a significant effect on taxpayer compliance. These divergent findings highlight an empirical gap and suggest that the relationships between these variables and taxpayer compliance may vary depending on the characteristics and context of the taxpayers under investigation. Therefore, further empirical examination is necessary to obtain more robust evidence regarding the factors influencing taxpayer compliance.

Based on the foregoing discussion, two primary considerations provide the rationale for this study. First, taxpayer compliance among MSMEs remains an important issue, particularly in relation to the implementation of digital tax administration, taxpayers' tax knowledge, tax socialization, and the enforcement of tax sanctions. MSME taxpayers may face distinct challenges in understanding tax regulations, utilizing electronic tax reporting systems, accessing tax-related information, and responding to the implementation of tax sanctions. Second, previous empirical studies examining the effects of e-Filing system implementation, tax knowledge, tax socialization, and tax sanctions on taxpayer compliance have produced inconsistent findings. These inconsistencies indicate the need for further investigation within a specific MSME context to determine whether the relationships identified in previous studies are also applicable to MSME taxpayers in Pondok Ungu Permai, Bekasi City.

Accordingly, this study seeks to address the identified research gap by examining the effects of e-Filing system implementation, tax knowledge, tax socialization, and tax sanctions on MSME taxpayer compliance in Pondok Ungu Permai, Bekasi City. By focusing on MSME taxpayers in this specific context, the study is expected to provide additional empirical evidence regarding the determinants of tax compliance. The findings may also provide practical implications for tax authorities and other relevant stakeholders in designing more effective strategies to strengthen tax compliance among MSMEs.

Journal : Journal of Management and Innovation Entrepreneurship (JMIE),
Publisher : Yayasan Nuraini Ibrahim Mandiri
ISSN : e-ISSN 3026-6505
Volume / Issue / Year/ Page : 4/ 1/ 2026: October / 660-676

LITERATURE REVIEW

Compliance Theory

Tax compliance refers to the extent to which individuals fulfill their tax obligations, including accurately reporting their taxes and making timely payments(Mac, 2025). Darmayasa & Hardika, (2024) explain tax compliance through two dimensions: power, which promotes enforced compliance, and trust, which encourages voluntary compliance. According to Compliance Theory proposed by (Kelman, 1958), compliance behavior involves three processes: compliance, identification, and internalization. Compliance is driven by the desire to obtain benefits or avoid sanctions, while identification arises from the desire to maintain a positive relationship with authorities. Internalization occurs when individuals accept and adopt regulatory values as principles guiding their behavior.

E-Filing System

The Electronic Filing (e-Filing) system is an electronic service that enables taxpayers to submit their tax returns (SPT) online through the internet, provided by the Directorate General of Taxes (DGT)(Hermanto et al., 2022). The system is designed to facilitate taxpayers in fulfilling their tax reporting obligations in a faster, more convenient, and more efficient manner without requiring them to visit a tax office in person.

Tax Knowledge

Tax knowledge refers to taxpayers' understanding of applicable tax regulations, procedures, rights, and obligations(Amin et al., 2022). Adequate tax knowledge enables taxpayers to calculate, pay, and report their taxes correctly(Tamale et al., 2025). Therefore, higher levels of tax knowledge are expected to encourage greater tax compliance (Mulyati & Ismanto, 2021).

Tax Socialization

Tax socialization refers to government efforts, particularly by the Directorate General of Taxes, to provide taxpayers with information, education, and understanding of applicable tax regulations (Maxuel & Primastiwi, 2021)(Mahfud & Farina, 2025). Effective tax socialization is expected to improve taxpayers' understanding of their rights and obligations and, consequently, encourage tax compliance(Mascagni et al., 2025).

Tax Sanctions

Tax sanctions are instruments used to deter taxpayers from violating applicable tax regulations (Yogama et al., 2024) The implementation of tax sanctions aims to enforce tax regulations, encourage compliance, and deter taxpayers from repeating violations (Yogama et al., 2024)(Taryana & Supriatiningsih, 2025).

Taxpayer Compliance

Taxpayer compliance refers to taxpayers' behavior in fulfilling their tax obligations and exercising their tax rights in accordance with applicable regulations (Adhikara, *et al* 2022)(Hermanto et al., 2022). It is reflected in taxpayers' willingness to calculate, pay, and report their taxes accurately, honestly, and on time(Trifan et al., 2023).

Hypothesis Development

The Effect of E-Filing System Implementation on MSME Taxpayer Compliance

The implementation of the e-Filing system represents an important form of tax administration modernization aimed at facilitating taxpayers in fulfilling their tax

obligations(Hidayat et al., 2023). Through this system, taxpayers can submit their tax returns electronically in a faster, easier, and more efficient manner without having to visit a tax office in person(Utama et al., 2022). Based on Compliance Theory, the convenience provided by an electronic tax system can encourage taxpayers to comply with their tax obligations. A well-implemented e-Filing system reduces barriers and simplifies the tax reporting process, thereby increasing taxpayer compliance. Previous studies (Mahfud & Farina, 2025), Hidayat et al., (2023) indicate that e-Filing implementation can improve taxpayer compliance by providing greater convenience, efficiency, and flexibility in tax reporting. Therefore, the following hypothesis is proposed:

H_1: The implementation of the e-Filing system has a positive effect on MSME taxpayer compliance.

The Effect of Tax Knowledge on MSME Taxpayer Compliance

Tax knowledge refers to taxpayers' understanding of applicable tax regulations, procedures, rights, and obligations(Fitria et al., 2024). Taxpayers with adequate tax knowledge are more likely to understand the importance of taxation and the procedures for fulfilling their tax obligations, enabling them to calculate, pay, and report their taxes accurately. Based on Compliance Theory, adequate understanding of tax regulations can encourage individuals to comply with established rules because they recognize the importance of fulfilling their obligations. Empirical evidence from Indonesian SMEs shows that tax knowledge is positively associated with tax compliance, indicating that taxpayers with greater knowledge are more likely to fulfil their tax obligations (Agusti & Rahman, 2023)(Maulana & Farina, 2025). Similarly, research in India found that tax knowledge contributes to taxpayer compliance(Hauptman et al., 2024). Therefore, the higher the level of tax knowledge possessed by taxpayers, the higher their level of tax compliance is expected to be. Accordingly, the following hypothesis is proposed:

H_2: Tax knowledge has a positive effect on MSME taxpayer compliance.

The Effect of Tax Socialization on MSME Taxpayer Compliance

Tax socialization refers to efforts undertaken by the government, particularly the Directorate General of Taxes (DGT), to provide taxpayers with information, education, and understanding of applicable tax regulations. Effective tax socialization enables taxpayers to obtain better information regarding their tax rights, obligations, and procedures. Based on Compliance Theory, greater understanding of tax regulations can encourage individuals to comply with established requirements. Thus, the more intensive and effective the tax socialization received by taxpayers, the greater their understanding and awareness of their tax obligations are expected to be. Previous studies (Maulana & Farina, 2025)(Maxuel & Primastiwi, 2021) suggest that tax socialization can improve taxpayer compliance by enhancing tax knowledge and awareness. Therefore, the following hypothesis is proposed:

H_3: Tax socialization has a positive effect on MSME taxpayer compliance.

The Effect of Tax Sanctions on MSME Taxpayer Compliance

Tax sanctions are consequences imposed on taxpayers who violate tax regulations(Lancee et al., 2023). They aim to enforce tax laws and create a deterrent effect that encourages compliance. From the perspective of Compliance Theory, taxpayers may comply to avoid adverse consequences associated with non-compliance.

Evidence suggests that tax enforcement and deterrence can encourage compliance, although their effectiveness may depend on taxpayers' perceptions of fairness(Lancee et al., 2023)(Adem et al., 2024). Therefore, effective enforcement of tax sanctions can strengthen taxpayers' incentives to fulfil their tax obligations(Manyanga et al., 2025). Previous studies Sandria & Farina, (2023), Mahfud & Farina, (2025) have also shown that tax sanctions can enhance taxpayer compliance by deterring tax violations. Accordingly, the following hypothesis is proposed:
H_4: Tax sanctions have a positive effect on MSME taxpayer compliance.

RESEARCH METHODS

This study employs a quantitative survey to examine the effects of e-Filing system implementation, tax knowledge, tax socialization, and tax sanctions on MSME taxpayer compliance. The population consists of culinary MSMEs operating in Pondok Ungu Permai, Bekasi City. As the exact population size could not be determined, the Lemeshow formula was applied to estimate the minimum sample size, resulting in a minimum requirement of 96 respondents. A total of 100 valid responses were obtained through purposive sampling. The respondents met the following criteria: (1) owning or operating a culinary MSME in Pondok Ungu Permai, (2) possessing a Taxpayer Identification Number (NPWP), (3) being involved in fulfilling business tax obligations, and (4) being willing to complete the questionnaire.

Data were collected using a structured online questionnaire distributed through Google Forms. Each construct was measured using several indicators adapted from previous studies and assessed using a Likert scale(Ariyanto et al., 2024). The detailed operationalization of the variables, including the indicators, measurement scale, and sources, is presented in Table 1.

Table 1 Variable Operationalisation and Measurement

Variable	Indicators	Scale	Source
E-Filing System Implementation	Ease of use, convenience, efficiency, accessibility	Likert 1–5	(Meiryani et al., 2021)(Ariyanto et al., 2024)
Tax Knowledge	Knowledge of tax regulations, tax rates, tax obligations, tax procedures	Likert 1–5	(Hapsari & Ramayanti, 2022)(Sarpong et al., 2024)
Tax Socialization	Frequency, clarity, accessibility, usefulness of tax information	Likert 1–5	(Sarpong et al., 2024)
Tax Sanctions	Severity, fairness, deterrent effect, consistency of sanctions	Likert 1–5	(Yogama et al., 2024), (Manyanga et al., 2025)
Taxpayer Compliance	Timely payment, accurate calculation, reporting compliance, fulfillment of tax obligations	Likert 1–5	(Sarpong et al., 2024)

The collected data were analysed using Partial Least Squares Structural Equation Modelling (PLS-SEM) with SmartPLS 3.0. PLS-SEM was selected because it is suitable for examining relationships between multiple latent constructs and identifying factors influencing tax compliance among MSME taxpayers (Hair & Alamer, 2022). SmartPLS 3.0 facilitates the simultaneous evaluation of the measurement and structural models and the use of bootstrapping to test hypothesised relationships. Outer loading values of 0.70 or higher were used as the preferred criterion because

Journal : Journal of Management and Innovation Entrepreneurship (JMIE),
Publisher : Yayasan Nuraini Ibrahim Mandiri
ISSN : e-ISSN 3026-6505
Volume / Issue / Year/ Page : 4/ 1/ 2026: October / 660-676

they indicate adequate indicator reliability. The measurement model was assessed for reliability and validity, while the structural model was evaluated using R^2, f^2, Q^2, and bootstrapping (Ringle et al., 2023)(Sarstedt et al., 2022).

RESULTS AND DISCUSSION

The omitted indicators (Tax Knowledge 2 and 3, Tax Sanctions 2, and Tax Socialization 2) were excluded during the preliminary validity assessment due to insufficient outer loadings. The retained indicators have outer loadings ranging from 0.758 to 0.906, exceeding the recommended threshold of 0.70 and meeting the criteria for convergent validity (Peng, 2022; Ringle et al., 2023; Tawfik & Elmaasrawy, 2024). Thus, the retained indicators demonstrate satisfactory validity.

Table 2 Outer Loading

Indicator	Taxpayer Compliance of MSMEs	E-Filing System Implementation	Tax Knowledge	Tax Sanctions	Tax Socialization
E-Filing System Implementation 1		0.862			
E-Filing System Implementation 2		0.759			
E-Filing System Implementation 3		0.830			
E-Filing System Implementation 4		0.863			
E-Filing System Implementation 5		0.855			
Tax Knowledge 1			0.834		
Tax Knowledge 4			0.777		
Tax Knowledge 5			0.809		
Tax Sanctions 1				0.805	
Tax Sanctions 3				0.837	
Tax Sanctions 4				0.865	
Tax Socialization 1					0.835
Tax Socialization 3					0.758
Tax Socialization 4					0.841
Tax Socialization 5					0.831
Taxpayer Compliance of MSMEs 1	0.906				
Taxpayer Compliance of MSMEs 2	0.775				
Taxpayer Compliance of MSMEs 3	0.799				
Taxpayer Compliance of MSMEs 4	0.890				
Taxpayer Compliance of MSMEs 5	0.845				
Taxpayer Compliance of MSMEs 6	0.838				

Journal : Journal of Management and Innovation Entrepreneurship (JMIE),
Publisher : Yayasan Nuraini Ibrahim Mandiri
ISSN : e-ISSN 3026-6505
Volume / Issue / Year/ Page : 4/ 1/ 2026: October / 660-676

The convergent validity test showed that all constructs had an Average Variance Extracted (AVE) value above 0.50, thus meeting the validity criteria (Tilahun et al., 2023). In addition, the reliability test results showed that all constructs had Composite Reliability and Cronbach's Alpha values above 0.70(Pramudita et al., 2023)(Tilahun et al., 2023). Thus, all constructs were deemed valid and reliable and therefore suitable for use in this study.

Table 3 Construct Reliability & Validity

Construct	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
MSME Taxpayer Compliance	0.918	0.923	0.936	0.711
E-Filing System Implementation	0.891	0.897	0.920	0.697
Tax Knowledge	0.733	0.737	0.849	0.651
Tax Sanctions	0.785	0.792	0.874	0.699
Tax Socialization	0.836	0.858	0.889	0.667

An inner model analysis was conducted to evaluate the structural relationships among the latent variables and endogenous constructs based on the underlying substantive theory. The structural model was assessed using several criteria, including the coefficient of determination (R^2), path coefficients, t-statistics, p-values, and effect size (f^2), to determine the explanatory power of the model and the significance and strength of the hypothesised relationships among the constructs.

Based on Table 4, the R-squared value for MSME taxpayer compliance is 0.882, while the adjusted R-squared value is 0.877. These results indicate that 88.2% of the variance in MSME taxpayer compliance can be explained by the implementation of the e-Filing system, tax knowledge, tax socialization, and tax sanctions. The remaining 11.8% of the variance is attributable to other factors that are not included in the research model.

Table 4 R Square Values

Dependent Variable	R Square	Adjusted R Square
MSME Taxpayer Compliance	0.882	0.877

The results indicate that e-Filing system implementation (table 5) has a positive and significant effect on MSME taxpayer compliance ($\beta = 0.313$, $t = 2.305$, $p = 0.011$). As the t-statistic exceeds the critical value and the p-value is below 0.05, H1 is supported. This finding indicates that more effective e-Filing implementation is associated with higher tax compliance among MSME taxpayers. This finding can be explained from the perspective of Compliance Theory proposed by (Kelman, 1958), particularly through the aspect of compliance, which emphasizes adherence resulting from the convenience and benefits perceived by individuals when complying with applicable rules. The implementation of e-Filing facilitates the tax reporting process by providing greater convenience, efficiency, and flexibility for taxpayers. These advantages can reduce the administrative burden associated with tax reporting and encourage MSME taxpayers to fulfill their tax obligations more consistently. Therefore, the availability of an effective and user-friendly e-Filing system can serve as an important mechanism for strengthening taxpayer compliance.

Table 5 Path Coefficient

Relationship	Original Sample (O)	T Statistics (|O/STDEV|)	P-Value	Decision
E-Filing System Implementation → MSME Taxpayer Compliance	0.313	2.305	0.011	Accepted
Tax Knowledge → MSME Taxpayer Compliance	0.388	3.901	0.000	Accepted
Tax Sanctions → MSME Taxpayer Compliance	0.467	4.487	0.000	Accepted
Tax Socialization → MSME Taxpayer Compliance	-0.150	1.108	0.134	Rejected

The findings of this study are consistent with previous research conducted by Kushwah et al.,)2021), Hidayat et al., (2023), (Mahfud & Farina, 2025), and Maulana & Farina, (2025), which found that e-Filing can positively contribute to taxpayer compliance. This relationship may be explained by the convenience and efficiency of electronic filing, which can reduce the time and administrative effort required to submit tax returns. For MSME taxpayers, these benefits may be particularly relevant because simplified reporting procedures can help reduce the practical burden of fulfilling tax obligations. From this perspective, e-Filing may support compliance by making tax reporting more accessible and manageable. However, its effectiveness may depend on taxpayers' digital literacy, access to technology, and ability to use the system correctly. Thus, digitalisation alone may not guarantee compliance unless taxpayers can effectively access and use the available facilities.

Furthermore, tax knowledge has a positive and significant effect on MSME taxpayer compliance. This is evidenced by an original sample value of 0.388, a t-statistic of 3.901, and a p-value of 0.000. Since the t-statistic exceeds the critical value and the p-value is below the 0.05 significance level, the second hypothesis is accepted. These findings indicate that a higher level of tax knowledge is associated with greater compliance among MSME taxpayers in fulfilling their tax obligations. In particular, taxpayers who possess a better understanding of tax regulations, procedures, rights, and obligations are more likely to carry out their tax responsibilities accurately and appropriately.

From the perspective of Compliance Theory proposed by Kelman, (1958), this finding can be explained through internalization, whereby individuals comply because they understand and accept the values underlying regulations. In taxation, adequate tax knowledge helps MSME taxpayers understand their obligations and the consequences of non-compliance, enabling them to calculate, pay, and report taxes correctly. Thus, greater tax knowledge can strengthen internal awareness and promote consistent tax compliance.

The findings of this study are consistent with Agusti & Rahman, (2023), Maulana & Farina, (2025), and Hauptman et al., (2024), who found a positive relationship between tax knowledge and taxpayer compliance. This suggests that understanding tax regulations and procedures helps MSME taxpayers fulfil their tax obligations accurately. However, the findings differ from those of Kushwah et al., (2021), Sandria & Farina, (2023), and Fitria et al., (2024) who found no significant effect. These differences may reflect variations in research settings, respondent characteristics, and the measurement of tax knowledge and compliance. More importantly, tax knowledge may not always translate into compliant behaviour, particularly when taxpayers face practical

difficulties in applying tax regulations or fulfilling administrative requirements. In the MSME context, the ability to apply tax knowledge in daily business activities may therefore be as important as understanding the regulations themselves. From the perspective of Kelman's (1958) Compliance Theory, this finding can be interpreted through internalisation, whereby taxpayers who understand and accept their tax obligations may be more likely to comply voluntarily. Thus, tax knowledge may contribute to compliance not merely by providing information but also by helping taxpayers understand and accept the importance of fulfilling their tax obligations.

Tax sanctions were found to have a positive and significant effect on MSME taxpayer compliance, as indicated by an original sample value of 0.467, a t-statistic of 4.487, and a p-value of 0.000. Since the t-statistic exceeds the critical value and the p-value is below the 0.05 significance level, the third hypothesis is accepted. Among the variables examined in this study, tax sanctions have the largest path coefficient, indicating that they exert the strongest relative influence on MSME taxpayer compliance within the proposed research model. This finding suggests that the implementation of clear and firm tax sanctions can encourage MSME taxpayers to comply with their tax obligations and adhere to applicable tax regulations.

From the perspective of Compliance Theory proposed by (Kelman, 1958), this finding can be explained through the compliance process, in which individuals comply with rules based on their consideration of the consequences associated with non-compliance. In the context of taxation, the existence of tax sanctions creates an incentive for taxpayers to avoid the adverse consequences of failing to fulfill their tax obligations. The application of tax sanctions can therefore encourage taxpayers to be more disciplined in calculating, paying, and reporting their tax liabilities in accordance with applicable regulations. These findings indicate that MSME taxpayers tend to consider the potential risks and consequences associated with non-compliance, making tax sanctions an important external factor in encouraging tax compliance.

These findings are consistent with Kushwah et al., (2021), Sandria & Farina, (2023), Mahfud & Farina, (2025), who reported a positive relationship between tax sanctions and taxpayer compliance. However, they differ who reported a positive relationship between tax sanctions and taxpayer compliance from (Fitria et al., 2024), These differences may reflect variations in research settings, respondent characteristics, and the measurement of tax knowledge and compliance. More importantly, tax knowledge may not always translate into compliant behaviour, particularly when taxpayers face practical difficulties in applying tax regulations or fulfilling administrative requirements. In the MSME context, the ability to apply tax knowledge in daily business activities may therefore be as important as understanding the regulations themselves. From the perspective of Kelman's (1958) Compliance Theory, this finding can be interpreted through internalisation, whereby taxpayers who understand and accept their tax obligations may be more likely to comply voluntarily. Thus, tax knowledge may contribute to compliance not merely by providing information but also by helping taxpayers understand and accept the importance of fulfilling their tax obligations.

The results presented in the table indicate that tax socialisation does not have a significant effect on MSME taxpayer compliance. This is evidenced by the original sample coefficient of −0.150, a t-statistic of 1.108, which is below the critical value of 1.96, and a p-value of 0.134. Since the p-value exceeds the 0.05 significance level, the hypothesised relationship is not supported. Although the coefficient is negative, the result is

statistically insignificant and therefore does not provide sufficient evidence of a negative relationship between tax socialisation and taxpayer compliance.

From the perspective of Compliance Theory proposed by Kelman (1958), tax socialisation may encourage compliance by helping taxpayers understand and accept their tax obligations. However, the findings suggest that tax socialisation, as measured in this study, does not have a statistically significant relationship with MSME taxpayer compliance. One possible explanation is that the effectiveness of tax socialisation depends not only on the availability of information but also on its relevance, accessibility, and practical applicability. General information may be insufficient if taxpayers still experience difficulties in applying tax regulations to their daily business activities, including tax calculation, payment, and reporting. Nevertheless, these explanations represent possible interpretations and cannot be confirmed without further evidence on the implementation and perceived effectiveness of tax socialisation.

These findings are consistent with Anil Hidayati et al. (2021) and Santoso and Kurniawan (2023), who reported no significant effect of tax socialisation on MSME taxpayer compliance. In contrast, (Sandria & Farina, 2023)(Sarpong et al., 2024)(Mahfud & Farina, 2025), found a significant positive relationship. These differences may reflect variations in research settings, respondent characteristics, measurement instruments, and the implementation of tax socialisation programmes. For example, socialisation that provides practical guidance tailored to taxpayers' needs may be more likely to support compliance than general information dissemination. This possibility highlights the distinction between delivering tax information and ensuring that taxpayers can apply it in practice. Overall, the findings suggest that tax socialisation alone may not be sufficient to explain MSME taxpayer compliance in the present research context, highlighting the importance of examining how tax information is delivered, understood, and applied.

CONCLUSION

This study examined the effects of e-Filing system implementation, tax knowledge, tax socialization, and tax sanctions on MSME taxpayer compliance in Pondok Ungu Permai, Bekasi City. The results show that e-Filing, tax knowledge, and tax sanctions have positive and significant effects on compliance, while tax socialization has no significant effect, despite its negative coefficient. Thus, the finding does not indicate that tax socialization reduces compliance, but rather that it was insufficient to significantly influence compliance in the study setting.

Theoretically, this study contributes empirical evidence on the roles of digital tax administration, tax knowledge, tax socialization, and tax sanctions in MSME taxpayer compliance. The findings highlight the importance of digital services, taxpayer capability, and regulatory enforcement, while suggesting that tax information alone may not be sufficient to promote compliance.

The practical implications for the Directorate General of Taxes (DJP) include improving the accessibility, reliability, and user-friendliness of e-Filing services; strengthening tax education; making tax socialization more targeted and practice-oriented for MSMEs, particularly in the culinary sector; and ensuring consistent, fair, and transparent enforcement of tax sanctions.

This study has several limitations. First, the use of a self-administered online questionnaire distributed through Google Forms relies on respondents' self-reported perceptions and may therefore be subject to response bias. The use of a single data collection method may also create the possibility of common method bias. Second, the

study focused specifically on culinary MSMEs in Pondok Ungu Permai, Bekasi City, with a relatively limited sample of 100 respondents, which may restrict the generalizability of the findings to MSMEs in other regions and business sectors.

Future research should expand geographical coverage and sample size to improve generalisability. Combining questionnaires with interviews or objective tax and business records may reduce response and common method bias. Future studies could also examine other factors affecting taxpayer compliance, such as trust in tax authorities, perceived tax fairness, tax morale, and tax service quality.

Statement on the Use of Artificial Intelligence

The authors used ChatGPT to assist with language editing and improving the clarity of the manuscript. The authors reviewed and revised the content and take full responsibility for the accuracy and integrity of the final manuscript.

Conflicts Of Interest

The authors declare that they have no conflicts of interest related to this study.

Author Contributions

All authors contributed to the development of the research and the preparation of the manuscript. All authors approved the final version for publication.

Acknowledgments

The authors would like to thank all respondents who participated in this study for their time and valuable contributions.

REFERENCE

Abdu, E., & Adem, M. (2023). Tax compliance behavior of taxpayers in Ethiopia: A review paper. *Cogent Economics and Finance*, *11*(1). https://doi.org/10.1080/23322039.2023.2189559

Adem, M., Desta, T., & Girma, B. (2024). Determinants of tax compliance behavior: A case study in Ethiopia. *SAGE Open*, *14*(4), 1–15. https://doi.org/10.1177/21582440241292869

Adhikara, M. A., Maslichah, M., Diana, N., & Basyir, M. (2022). Taxpayer compliance determinants: Perspective of theory of planned behavior and theory of attribution. *International Journal of Business and Applied Social Science*, 34–42. https://doi.org/10.33642/ijbass.v8n1p4

Advani, A. (2022). Who does and doesn't pay taxes? *Fiscal Studies*, *43*(1), 5–22. https://doi.org/10.1111/1475-5890.12257

Agusti, R. R., & Rahman, A. F. (2023). Determinants of tax attitude in small and medium enterprises: Evidence from Indonesia. *Cogent Business and Management*, *10*(2160585). https://doi.org/10.1080/23311975.2022.2160585

Amin, S. N., Buhari, P. Z. A., Yaacob, A. S., & Iddy, Z. (2022). Exploring the Influence of tax knowledge in increasing tax compliance by introducing tax education at tertiary level institutions. *Open Journal of Accounting*, *11*(2), 57–70. https://doi.org/10.4236/ojacct.2022.112004

Appiah, T., Domeher, D., & Agana, J. A. (2024). Tax knowledge, trust in government, and voluntary tax compliance: Insights from an emerging economy. *SAGE Open*, *14*(2), 1–13. https://doi.org/10.1177/21582440241234757

Ariyanto, D., Dewi, A. A., Paramadani, R. B., & Paramadina, A. A. (2024). Determinants of tax compliance and their impact on a sustainable information society: an investigation of MSMEs. *Cogent Business and Management*, *11*(1). https://doi.org/10.1080/23311975.2024.2414856

Darmayasa, I. N., & Hardika, N. S. (2024). Core tax administration system: the power and trust dimensions of slippery slope framework tax compliance model. *Cogent Business and Management*, *11*(1). https://doi.org/10.1080/23311975.2024.2337358

Fitria, G. N., Murwaningsari, E., & Mulyani, S. D. (2024). Does tax compliance intention mediate the determinant of tax compliance? Evidence from Indonesia. *Revista de Gestao Social e Ambiental*, *18*(6), 1–24. https://doi.org/10.24857/rgsa.v18n6-056

Hair, J. F., & Alamer, A. (2022). Partial least squares structural equation modeling (PLS-SEM) in second language and education research: Guidelines using an applied example. *Research Methods in Applied Linguistics*, *1*(100027). https://doi.org/10.1016/j.rmal.2022.100027

Hapsari, A. R., & Ramayanti, R. (2022). Pengaruh pengetahuan perpajakan, ketegasan sanksi pajak, dan kesadaran wajib pajak terhadap kepatuhan wajib pajak UMKM. *Ikra-Ith Ekonomika*, *5*(2), 16–24. https://doi.org/10.37817/ikraith-ekonomika.v5i2

Hauptman, L., Žmuk, B., & Pavić, I. (2024). Tax compliance in Slovenia: An empirical assessment of tax knowledge and fairness perception. *Journal of Risk and Financial Management*, *17*(3). https://doi.org/10.3390/jrfm17030089

Hermanto, A. H., Windasari, N. A., & Purwanegara, M. S. (2022). Taxpayers' adoption of online tax return reporting: extended meta-UTAUT model perspective. *Cogent Business and Management*, *9*(1). https://doi.org/10.1080/23311975.2022.2110724

Hidayat, K., Utama, M. S., Nimran, U., & Prasetya, A. (2023). The effect of attitude and religiosity on tax compliant intention moderated by the utilization of e-Filing. *Journal of Financial Services Marketing*, *28*(4), 712–723. https://doi.org/10.1057/s41264-022-00171-y

Hufrona, A. F., & Rahmawati, M. I. (2024). Pengaruh pengetahuan. pemahaman dan kesadaran wajib pajak terhadap kepatuhan wajib pajak UMKM. *Jurnal Ilmu Dan Riset Akuntansi*, *5*(1), 583–596. https://doi.org/10.25105/v5i1.22407

Kelman, H. C. (1958). Compliance, identification, and internalization three processes of attitude change. *Journal of Conflict Resolution*, *2*(1), 51–60.

Kushwah, S. V., Nathani, N., & Vigg, M. (2021). Impact of tax knowledge, tax penalties, and E-filing on tax compliance in India. *Indian Journal of Finance*, *15*(5–7), 61–74. https://doi.org/10.17010/ijf/2021/v15i5-7/164493

Lancee, B., Rossel, L., & Kasper, M. (2023). When the agency wants too much: Experimental evidence on unfair audits and tax compliance. *Journal of Economic Behavior and Organization*, *214*(February), 406–442. https://doi.org/10.1016/j.jebo.2023.08.011

Mac, Y. T. H. (2025). Exploring the links between tax education, tax awareness and tax compliance among students in Vietnam. *Economy of Regions*, *21*(4), 1207–1220. https://doi.org/10.17059/ekon.reg.2025-4-19

Mahfud, M., & Farina, K. (2025). Pengaruh penerapan sistem e-filling, pengetahuan, sosialisasi, kesadaran, dan sanksi pajak terhadap kepatuhan wajib pajak pekerja bebas. *Ekonomika 45*, *12*(2), 756–769. https://doi.org/10.30640/ekonomika45.v12i2.4541

Manyanga, W., Kanyepe, J., Muposhi, A., Manyanga, T., & Mataba, A. T. (2025). Effect of tax policies on tax compliance and the moderating role of gender: evidence from the SMEs in Zimbabwe. *Cogent Business and Management*, *12*(1). https://doi.org/10.1080/23311975.2025.2543975

Mascagni, G., Santoro, F., & Mukama, D. (2025). Teach to comply? Evidence from a taxpayer education program in Rwanda. *International Tax and Public Finance*, *32*(1), 120–162. https://doi.org/10.1007/s10797-023-09809-6

Maulana, I., & Farina, K. (2025). Pengaruh pengetahuan perpajakan, sosialisasi, sanksi dan kualitas pelayanan terhadap kepatuhan wajib pajak UMKM di DEPOK TOWN SQUARE. *Trilogi Accounting And Business Research*, *06*(1), 14–22.

Maulina, N., Sopian, S., & Ningrum, L. (2025). Pengaruh kesadaran wajib pajak, pengetahuan pajak, dan pemanfaatan layanan perpajakan digital terhadap kepatuhan wajib pajak PPh 21 pada karyawan bank BRI kantor cabang Cikarang. *Jurnal Minfo Polgan*, *14*(1), 1258–1268. https://doi.org/10.33395/jmp.v14i1.15025

Maxuel, A., & Primastiwi, A. (2021). Pengaruh Sosialisasi Perpajakan Dan Sanksi Perpajakan Terhadap Kepatuhan Wajib Pajak Umkm E-Commerce. *Jurnal Riset Manajemen Dan Bisnis*, *16*(1), 21. https://doi.org/10.21460/jrmb.2021.161.369

Meiryani, M., Wong, H. S., Inasius, F., The, O., & Savero, A. G. (2021). The influence of modern e-filling tax service systems on taxpayer compliance. *International Conference on E-Business, Management and Economics*, 506–511. https://doi.org/10.1145/3481127.3481196

Mulyati, Y., & Ismanto, J. (2021). Pengaruh Penerapan E-Filing, Pengetahuan Pajak dan Sanksi Pajak terhadap Kepatuhan Wajib Pajak pada Pegawai Kemendikbud. *JABI (Jurnal Akuntansi Berkelanjutan Indonesia)*, *4*(2), 139–155. https://doi.org/10.32493/jabi.v4i2.y2021.p139-155

Nasiroh, D., & Afiqoh, N. W. (2022). Pengaruh pengetahuan perpajakan, kesadaran perpajakan, dan sanksi perpajakan terhadap kepatuhan wajib pajak orang pribadi. *RISTANSI: Riset Akuntansi*, *3*(2), 152–164. https://doi.org/10.32815/ristansi.v3i2.1232

Ngelo, A. A., Permatasari, Y., Harymawan, I., Anridho, N., & Kamarudin, K. A. (2022). Corporate tax avoidance and investment efficiency: Evidence from the enforcement of tax amnesty in Indonesia. *Economies*, *10*(10), 1–22. https://doi.org/10.3390/economies10100251

Nurhayati, Maksum, A., Siregar, N. B., & Nasution, F. N. (2025). Determinant factor of individual taxpayer compliance in Indonesia: Integrates of TPB theory and social identity theory. *Journal of Risk and Financial Management*, *18*(11). https://doi.org/10.3390/jrfm18110595

Peng, D. (2022). A method of improving oral english teaching based on PLS-SEM. *Advances in Multimedia*, *2022*. https://doi.org/10.1155/2022/6474790

Perera, K. H., Kumara, A. S., & Munasinghe, M. A. T. K. (2026). A systematic literature review on the determinants of voluntary tax compliance: gaps in context, methodology, and study variables. *Cogent Business and Management*, *13*(1). https://doi.org/10.1080/23311975.2026.2627659

Pramudita, E., Achmadi, H., & Nurhaida, H. (2023). Determinants of behavioral intention toward telemedicine services among Indonesian Gen-Z and Millenials: a PLS–SEM study on Alodokter application. *Journal of Innovation and Entrepreneurship*, *12*(1). https://doi.org/10.1186/s13731-023-00336-6

Ringle, C. M., Sarstedt, M., Sinkovics, N., & Sinkovics, R. R. (2023). A perspective on using partial least squares structural equation modelling in data articles. *Data in Brief*, *48*. https://doi.org/10.1016/j.dib.2023.109074

Rokhman, A., Handoko, W., Tobirin, T., Antono, A., Kurniasih, D., & Sulaiman, A. I. (2023). The effects of e-government, e-billing and e-filing on taxpayer compliance: A case of taxpayers in Indonesia. *International Journal of Data and Network Science*, *7*(1), 49–56. https://doi.org/10.5267/j.ijdns.2022.12.007

Sandria, A. M., & Farina, K. (2023). Pengaruh pengetahuan pajak, self assessment system, penerapan e-filing, dan sanksi pajak terhadap kepatuhan wajib pajak yang melakukan pekerjaan bebas. *Trilogi Accounting and Business Research*, *4*(1), 132–150. https://doi.org/10.31326/tabr.v4i1.1642

Sarpong, S. A., Yeboah, M., Oware, K. M., & Danquah, B. A. (2024). Effect of taxpayer knowledge and taxation socialization on taxpayer compliance: The mediating role of taxpayer awareness. *Wseas Transactions on Business and Economics*, *21*, 1217–1227. https://doi.org/10.37394/23207.2024.21.99

Sarstedt, M., Hair, J. F., Pick, M., Liengaard, B. D., Radomir, L., & Ringle, C. M. (2022). Progress in partial least squares structural equation modeling use in marketing research in the last decade. *Psychology and Marketing*, *39*(5), 1035–1064. https://doi.org/10.1002/mar.21640

Sinaga, S. T., Ekananda, M., Gitaharie, B. Y., & Setyowati, M. (2023). Tax buoyancy in Indonesia: An evaluation of tax structure and policy reforms. *Economies*, *11*(12), 1–18. https://doi.org/10.3390/economies11120294

Tamale, F., Mpangwire, V., Orobia, L. A., Musiita, B., Kisaalita, T., Ssembatya, B., Ndaazano, K., Kabasinguzi, B., & Mwesige, R. (2025). Religiosity: Mediator of tax knowledge and tax compliance among small business enterprises (SBEs). *Technology and Investment*, *16*(1), 40–52. https://doi.org/10.4236/ti.2025.161003

Taryana, R., & Supriatiningsih, S. (2025). Enhancing tax compliance through improved tax service quality and the enforcement of tax sanctions. *Jurnal Ilmiah Akuntansi Kesatuan*, *13*(1), 143–154. https://doi.org/10.37641/jiakes.v13i1.3215

Tawfik, O. I., & Elmaasrawy, H. E. (2024). Determinants of the quality of tax audits for content Creation tax and tax compliance: evidence from Egypt. *SAGE Open*, *14*(1), 1–17. https://doi.org/10.1177/21582440241227755

Tilahun, M., Berhan, E., & Tesfaye, G. (2023). Determinants of consumers' purchase intention on digital business model platform: evidence from Ethiopia using partial least square structural equation model (PLS-SEM) technique. *Journal of Innovation and Entrepreneurship*, *12*(1). https://doi.org/10.1186/s13731-023-00323-x

Trifan, V. A., Szentesi, S. G., Cuc, L. D., & Pantea, M. F. (2023). Assessing tax compliance behavior among romanian taxpayers: An empirical case study. *SAGE Open*, *13*(3), 1–21. https://doi.org/10.1177/21582440231195676

Utama, M. S., Nimran, U., Hidayat, K., & Prasetya, A. (2022). Effect of religiosity, perceived risk, and attitude on tax compliant intention moderated by e-Filing. *International Journal of Financial Studies*, *10*(8). https://doi.org/10.3390/ijfs10010008

Yogama, E. A., Gray, D. J., & Rablen, M. D. (2024). Nudging for prompt tax penalty payment: Evidence from a field experiment in Indonesia. *Journal of Economic Behavior and Organization*, *224*(June), 548–579. https://doi.org/10.1016/j.jebo.2024.06.003

Yossinomita, Y., Hartanti, R., Rosmeli, Junaidi, J., Fathiyah, F., & Suryani, A. (2025). The

impact of tax reform on tax ratios: A comparative analysis of the transition from the official assessment system to the self-assessment system in Indonesia and selected Asian Countries. *Journal of Tax Reform*, *11*(2), 282–305. https://doi.org/10.15826/jtr.2025.11.2.202