Website:
ejournal.umm.ac.id/index.php/jaa

Affiliation:
[1,2]Faculty of Business and Economics, University of Surabaya, Surabaya, Indonesia
[3]Nanyang Business School, Nanyang Technological University, Singapore

***Correspondence*:**
wisnugirindratama@staff.ubaya.ac.id

DOI: 10.22219/jaa.v9i4.45128

Citation:
Syarifudin, D, S., Girindratama, M, W., Dirwan, N, A. Understanding Tax Compliance Among Smes Through Ethical, Cognitive, And Legal Perspectives In Indonesia. Jurnal Akademi Akuntansi, 9(3), 804-824.

Article Process
Submitted:
June 6, 2026

Reviewed:
June 8, 2026

Revised:
July 20, 2026

Accepted:
July 28, 2026

Published:
October 5, 2026

Office Address:
Accounting Department
University of Muhammadiyah Malang Joint Lecture Building
3rd Floor. Tlogomas Street 246, Malang, East Java, Indonesia

P-ISSN: 2715-1964
E-ISSN: 2654-8321

Article Type: Research Paper

Understanding tax compliance among smes through ethical, cognitive, and legal perspectives in Indonesia

Muhammad Wisnu Girindratama[1*], Dony Sultan Syarifudin[2], Nawridho Alfismartienez Dirwan[3]

ABSTRACT

Purpose: This study examines the factors influencing tax compliance among small and medium-sized enterprises (SMEs) in Indonesia, with particular focus on ethical role models, severity of punishment, tax knowledge, and complexity of tax regulations. The study addresses the growing challenges of SME tax compliance in developing economies, where administrative burden, limited taxpayer understanding, and behavioural influences frequently shape compliance behaviour.

Methodology/approach: A quantitative research approach was employed using survey questionnaires distributed to SME owners and managers operating in Surabaya. A total of 385 valid responses were analysed using Partial Least Squares Structural Equation Modelling (PLS-SEM) to evaluate both the measurement and structural models.

Findings: The findings show that ethical role models, severity of punishment, and tax knowledge positively influence tax compliance, while complexity of tax regulations negatively affects tax compliance.

Practical and Theoritical contribution/Originality: The study contributes to tax compliance literature by integrating behavioural and institutional perspectives within the SME context. Practically, the findings provide insights for policymakers and tax authorities in designing simpler tax systems, improving taxpayer education, and strengthening ethical taxation environments to enhance SME tax compliance.

Research Limitation: This study is limited by its geographically restricted sample, cross-sectional design, reliance on self-reported responses, and the omission of other factors that may influence tax compliance.

Keywords: Complexity of Tax Regulations; Ethical Role Models; Severity of Punishment; Tax Compliance; Tax Knowledge.

© 2026 Dony Sultan Syarifudin, Muhammad Wisnu Girindratama, Nawridho Alfismartienez Dirwan
Jurnal Akademi Akuntansi is licensed under a Creative Commons Attribution-NonCommercial-ShareAlike 4.0 International License.

INTRODUCTION

Tax compliance remains one of the most important challenges faced by governments, particularly in developing countries where tax revenue plays a central role in supporting economic development, public infrastructure, healthcare, education, and social welfare programmes. Despite the growing importance of taxation, many governments continue to experience difficulties in ensuring consistent compliance among taxpayers, especially within the small and medium-sized enterprise (SME) sector. SMEs contribute significantly to employment generation and economic activity, yet they are frequently associated with lower levels of tax compliance due to administrative limitations, informal business practices, and difficulties in understanding taxation procedures. Abdu & Adem (2023) explained that tax non-compliance continues to weaken government revenue collection because many taxpayers struggle with tax system complexity, limited awareness, and ineffective administrative processes. Similarly, Saptono et al. (2024) showed that complex tax systems increase firms' tendency toward tax evasion, particularly in developing economies where institutional and administrative conditions remain challenging. These conditions demonstrate that SME tax compliance has become both a practical concern for policymakers and an important empirical issue requiring further academic investigation.

The increasing complexity of modern taxation systems has intensified these concerns, particularly for SMEs with limited financial and human resources. Tax regulations often involve complicated reporting requirements, changing administrative procedures, and technical legal interpretations that smaller businesses may find difficult to manage. Hoppe et al. (2023) argued that tax complexity emerges through both tax regulations and administrative frameworks, including audits, documentation requirements, and procedural obligations. In SME environments, these conditions may create confusion, increase compliance costs, and reduce taxpayers' willingness to comply fully with tax obligations. Lavic (2022) further demonstrated that tax complexity substantially increases compliance costs among SMEs because businesses frequently require additional professional assistance and administrative resources to meet taxation requirements. Khozen & Setyowati (2023) also highlighted that taxation systems become more effective when taxpayers perceive administrative procedures as understandable and manageable. These arguments suggest that the complexity of tax regulations represents an important institutional factor shaping SME tax compliance behaviour. Nevertheless, existing discussions frequently emphasise technical administrative burden while giving less attention to how SME taxpayers psychologically interpret regulatory complexity within their daily business activities.

Alongside institutional challenges, social and behavioural influences have increasingly attracted attention within tax compliance research. Traditional deterrence perspectives previously focused heavily on sanctions and enforcement mechanisms as the primary tools for increasing compliance (Lavic, 2022). However, some studies suggest that taxpayer behaviour also develops through social environments, ethical influence, and behavioural interpretation (Agbetunde et al., 2022; Belahouaoui & Attak, 2024; Khozen & Setyowati, 2023). Gioacchino & Fichera (2022) explained that social influence and reputational concerns significantly shape tax behaviour because individuals respond to opinions and ethical expectations within their networks. Dularif & Rustiarini (2022) similarly argued that social norms, personal values, and trust-based approaches contribute to tax compliance beyond formal deterrence mechanisms. Within SMEs, these behavioural dynamics may become even more influential because business owners frequently operate within close interpersonal and community networks where ethical reputation and social legitimacy strongly affect business relationships. At the same time, punishment mechanisms remain relevant because taxpayers

continue to evaluate the potential consequences of non-compliance. Okafor (2023) demonstrated that punishment and public shaming influence tax compliance intentions through perceptions of justice and social responsibility. King (2025) further explained that severe penalties influence compliance together with social norms and behavioural framing. These findings indicate that both Ethical Role Models and Severity of Punishment may shape SME tax compliance simultaneously through interconnected social, behavioural, and institutional mechanisms.

However, previous studies frequently discuss tax knowledge separately from social influence, punishment mechanisms, and institutional complexity, leaving limited understanding regarding how these factors operate simultaneously within SME environments. Another important factor influencing SME tax compliance relates to taxpayers' level of tax knowledge and understanding of taxation procedures. Tax systems frequently require taxpayers to interpret regulations, complete administrative documentation, and understand reporting obligations accurately. In SME contexts, these responsibilities are often handled directly by business owners who may possess varying levels of taxation literacy and procedural understanding. Bornman & Ramutumbu (2019) conceptualised tax knowledge as consisting of general, procedural, and legal dimensions that shape taxpayers' understanding of taxation systems. Nichita et al. (2019) and Appiah et al. (2024) further explained that stronger tax literacy and procedural understanding encourage voluntary tax compliance because taxpayers become more capable of interpreting taxation responsibilities and institutional expectations. Musimenta (2020) also argued that insufficient tax knowledge intensifies the difficulties created by complex taxation systems and increases compliance costs for taxpayers. These findings suggest that Tax Knowledge functions as an important cognitive resource that may strengthen SME taxpayers' confidence and ability to comply with taxation obligations.

Based on these issues, the current study seeks to examine the influence of ethical role models, severity of punishment, tax knowledge, and complexity of tax regulations on tax compliance among SMEs in Surabaya, Indonesia. The study contributes to the literature by integrating behavioural, cognitive, social, and institutional perspectives within a single framework to explain SME tax compliance behaviour more comprehensively. Unlike prior studies that often focus on isolated determinants of tax compliance, the present study positions compliance as the outcome of interconnected behavioural interpretations, social influence, institutional pressure, and administrative experience. The study also contributes empirically by providing evidence from the Indonesian SME context, where SMEs frequently encounter regulatory complexity, resource limitations, and evolving taxation systems. Through this approach, the study aims to provide a more contextual understanding of SME taxpayer behaviour while offering practical insights for policymakers and tax authorities seeking to improve voluntary tax compliance among SMEs.

Tax compliance within SMEs cannot always be understood purely through economic reasoning or legal enforcement. Compliance behaviour is often socially constructed through everyday interaction and observation. SME owners commonly operate in close social and business environments where values, attitudes, and behaviours are continuously exchanged. In these settings, ethical behaviour may gradually become normalised when influential individuals consistently demonstrate honesty and responsibility toward taxation. Rather than making decisions independently, taxpayers often evaluate whether certain behaviours are socially accepted within their networks. Gioacchino & Fichera (2022) illustrated this dynamic by showing that tax behaviour spreads through social networks and reputational concerns. Their study suggests that individuals care not only about financial consequences but also about how they are perceived by others. Tax compliance therefore becomes connected to

social legitimacy, where ethical behaviour gains influence because it shapes collective expectations regarding what is considered responsible conduct. This perspective aligns closely with the broader arguments of Dularif & Rustiarini (2022), who highlighted that social norms and personal norms remain important non-deterrence factors influencing compliance behaviour beyond formal punishment mechanisms.

This social dimension becomes even more important in SMEs because business decisions are often deeply embedded within local communities, peer relationships, and informal networks. As a result, ethical role models may influence compliance indirectly by shaping the surrounding moral environment in which tax decisions are made. Bani-Khalid et al. (2022) found that subjective norms significantly influence SMEs' intentions to comply with tax obligations. In this sense, social approval and collective expectations strongly affect taxpayer behaviour (Bani-Khalid et al., 2022). Similarly, Nartey (2023) explained that institutional pressures and social influences encourage tax compliance among SMEs because businesses tend to conform to behaviours perceived as legitimate within their environment. This process reflects how compliance may emerge not simply because taxpayers fear sanctions, but because ethical conduct becomes associated with professionalism, credibility, and social acceptance.

At a deeper level, ethical role models may also shape how taxpayers emotionally and morally interpret their relationship with the state and taxation system. Individuals are more likely to fulfil obligations voluntarily when they believe ethical behaviour is valued collectively and reflected by influential actors within institutions and society. Darmayasa & Hardika (2024) argued that trust remains central within the Slippery Slope Framework (SSF) because taxpayers respond differently when authorities are perceived as legitimate and professional. Ethical role models may strengthen this legitimacy by reinforcing the idea that compliance is part of responsible citizenship and ethical business behaviour rather than merely a compulsory administrative task. At the same time, Ojo & Shittu (2023) demonstrated that taxpayer perceptions and attitudes significantly shape VAT compliance among SMEs in Nigeria, while Moerenhout & Yang (2022) showed that small firms' attitudes toward tax evasion are closely tied to broader social and institutional realities.

Therefore, within SMEs, where personal relationships and community reputation often hold substantial importance, taxpayers may become increasingly sensitive to the behaviours demonstrated by respected individuals around them. Ethical behaviour observed repeatedly within professional and social environments may create moral pressure to behave consistently with those values. Consequently, tax compliance may become driven not only by external enforcement but also by internalised ethical expectations and the desire to maintain social credibility. Based on these arguments, ethical role models are expected to positively influence tax compliance among SMEs. Therefore, the following hypothesis is proposed:

H_1: Ethical role models positively influence tax compliance among SMEs.

Within the SSF, punishment reflects the authority dimension that encourages enforced tax compliance by increasing the perceived risks of non-compliance. According to Okafor (2023), tax compliance is frequently shaped by how taxpayers interpret the consequences attached to non-compliant behaviour. Severe penalties signal that tax evasion is considered a serious violation of collective responsibility, that create pressure for individuals and businesses to align their actions with social expectations. In many cases, taxpayers develop compliance behaviour through their awareness of how authorities respond toward offenders and how society reacts to those responses. Okafor (2023) illustrated this dynamic by showing

that the public shaming of tax evaders increased compliance intentions among observers through perceptions of retributive justice. The findings imply that punishment influences taxpayers through symbolic meaning, where sanctions reinforce the idea that dishonest tax behaviour deserves social condemnation. This process creates a moral environment in which compliance becomes associated with legitimacy, responsibility, and social acceptance. The broader behavioural economics perspective discussed by Alm & Kasper (2023) further strengthens this view by explaining that taxpayers respond strongly to psychological cues, social interpretations, and behavioural framing when making tax-related decisions.

Severe punishment therefore carries economic implications alongside reputational implications that may threaten the social standing of the business itself. Moreover, Tiv (2023) demonstrated that social aversion toward tax offenders strongly motivates compliance behaviour. As explained, the taxpayers are highly sensitive toward negative social judgment associated with evasion. This idea becomes even more meaningful when viewed together with King's (2025) findings that penalty severity interacts with social norms in shaping tax compliance. Taxpayers appear to interpret punishment differently depending on the ethical climate surrounding them. So, in environments where compliance is socially valued, severe penalties strengthen existing moral expectations and increase the psychological pressure to comply. In this sense, punishment functions as part of a wider social communication process that defines which behaviours are viewed as ethical and which behaviours damage social credibility (see also, Cingl et al., 2023).

We perceive that the influence of punishment also depends on how taxpayers perceive the legitimacy and fairness of the tax system itself. Severe sanctions may encourage compliance when taxpayers believe enforcement is consistent, transparent, and connected to collective welfare. Behavioural approaches in taxation increasingly emphasise that individuals respond more positively when enforcement mechanisms are combined with perceptions of participation, empathy, and institutional trust (Ndlovu et al., 2026). Abdelnabi & Mansour (2026) argued that behavioural interventions such as empathy and voice significantly improve tax compliance because taxpayers become more connected to the broader social purpose of taxation. Similarly, Hoy et al. (2024) found that behavioural nudges affected filing behaviour among taxpayers who already possessed some degree of responsiveness toward the tax system. These findings suggest that punishment becomes more influential when taxpayers perceive tax obligations as socially meaningful rather than purely coercive. In SME environments, where owners frequently manage taxation directly and experience the practical consequences of enforcement personally, perceptions of punishment may shape daily business decisions, risk evaluations, and long-term attitudes toward compliance. Based on these arguments, the following hypothesis is proposed:

H_2: Severity of punishment positively influences tax compliance among SMEs.

As indicated in the work of Inasius (2019), tax compliance often depends on how taxpayers understand the rules that govern their obligations. For SMEs, tax responsibilities usually rest directly on owners or a small number of employees. This condition places tax knowledge at the centre of compliance behaviour. Business owners who understand tax procedures, reporting rules, and legal obligations usually possess greater confidence when dealing with taxation matters. In contrast, weak tax knowledge may create confusion, uncertainty, and fear of making costly mistakes. Bornman & Ramutumbu (2019) described tax knowledge as a multidimensional concept that includes procedural, legal, and general fiscal understanding. This view shows that taxpayers need more than simple awareness of tax rates or deadlines. They also need the ability to interpret regulations and understand how taxation connects with

business activities and public responsibilities. Kamleitner et al. (2012) also explained that small business owners often face limited legislative and procedural understanding, which shapes how they perceive taxation and compliance obligations in daily business practice.

Musimenta (2020) found that tax knowledge significantly influences compliance behaviour, especially in complex taxation environments where taxpayers experience higher compliance costs. The study showed that taxpayers often require additional training and external support when tax systems become difficult to understand. Nichita et al. (2019) also found that tax literacy strongly affects voluntary tax compliance because knowledgeable taxpayers develop stronger awareness regarding taxation concepts and obligations. These findings suggest that tax knowledge reduces confusion and helps taxpayers approach taxation with greater certainty. In SME environments, this certainty becomes important because owners frequently make financial and reporting decisions personally.

Moreover, Appiah et al. (2024) found that tax knowledge significantly influences voluntary tax compliance among SMEs, particularly when linked with fairness perception and trust in government. This finding suggests that knowledge helps taxpayers develop stronger institutional understanding and greater acceptance of taxation responsibilities. Hauptman & Žmuk (2024) similarly highlighted the relationship between tax knowledge and fairness perception. Their study showed that taxpayers who understand taxation more clearly often develop different views regarding the fairness of the system. In Indonesia, Inasius (2019) also identified tax knowledge as an important predictor of SME tax compliance. As illustrated by Inasius (2019) tax knowledge influences compliance through cognitive interpretation, institutional understanding, and behavioural judgment. Similarly, Lim et al. (2025) demonstrated that tax knowledge may become a critical factor that shapes compliance behaviour. Tax knowledge strengthens taxpayers' understanding of taxation and may enhance trust in the tax system, thereby facilitating voluntary compliance as proposed by the SSF. Greater knowledge reduces uncertainty and strengthens taxpayers' ability to interpret legal requirements correctly. Based on these arguments, the following hypothesis is proposed:

H_3: Tax knowledge positively influences tax compliance among SMEs.

The complexity of tax regulations has often been viewed as one of the major barriers to tax compliance, especially among SMEs. Small and medium-sized businesses usually operate with limited financial resources, limited staff, and lower access to professional tax assistance compared to large corporations. Because of this, complicated tax rules can create confusion and increase the difficulty of understanding tax obligations correctly. When tax procedures become difficult to follow, SMEs may experience uncertainty in filing taxes, calculating tax payments, or interpreting changing regulations. Research by Hoppe et al. (2023) showed that tax systems across countries vary greatly in terms of complexity, particularly in areas such as tax regulations and reporting procedures. Their study suggests that complicated tax structures increase administrative burden and make compliance more difficult for businesses. Similarly, Abdu & Adem (2023) explained that complex tax systems are among the main reasons taxpayers struggle to comply with tax obligations, especially in developing economies where taxpayers may already face limited access to tax information and guidance.

Previous studies also suggest that, in many cases, business owners may become discouraged from fully complying because the tax system appears too technical and difficult to understand. For example, evidence from Saptono et al. (2024) demonstrated that more complex tax systems were associated with higher levels of firm tax evasion across countries. Their findings revealed that businesses facing greater time requirements and complicated tax

procedures were more likely to engage in non-compliance behaviour. Supporting this argument, Lavic (2022) found that tax compliance costs among SMEs increased substantially due to administrative burden, company characteristics, and the need to hire external tax consultants. This shows that tax complexity may place additional pressure on SMEs, particularly those with fewer financial and human resources. In many situations, SME owners must allocate additional time and operational costs to understand tax procedures, prepare documentation, and ensure that reporting requirements comply with existing regulations (Lim et al., 2025). Complex tax rules may also increase dependence on accountants or tax advisors, which creates further financial burden for smaller firms. As such, these pressures may reduce taxpayers' willingness to comply fully because taxation becomes perceived as difficult, costly, and administratively exhausting rather than as a manageable business responsibility.

Beyond financial and administrative burden, according to Khozen & Setyowati (2023), the complexity of the tax system significantly influenced individuals' willingness to pay taxes, especially during the COVID-19 crisis in Indonesia. Their findings indicate that taxpayers are more willing to comply when tax procedures are understandable and supported by clear dissemination of tax information. In a similar direction, Surugiu et al. (2025) highlighted that taxpayers are more likely to comply when they perceive the tax system positively and understand the broader benefits of taxation. The result show that complex tax systems increase confusion, compliance costs, administrative burden, and uncertainty, all of which may discourage taxpayers from fulfilling their obligations properly. SMEs are particularly vulnerable because they often lack the resources and expertise necessary to navigate complicated taxation procedures effectively. Excessive regulatory complexity may undermine voluntary compliance because it reduces taxpayers' confidence in their ability to comply and weakens institutional trust, both of which are consistent with the behavioural mechanisms proposed by the SSF. Therefore, the following hypothesis is proposed:

H_4: Complexity of tax regulations negatively influences tax compliance among SMEs.

METHOD

This study employed a quantitative research approach to examine the factors influencing tax compliance among SMEs in Surabaya, Indonesia. The quantitative approach was considered appropriate because the study aimed to test the relationships between several independent variables and tax compliance using statistical analysis. The target population of this study comprised SMEs operating in Surabaya, Indonesia. According to BPS,Surabya, the city is home to approximately 490,000 micro, small, and medium-sized enterprises (MSMEs), reflecting the significant contribution of the SME sector to the local economy. This large and diverse population provides an appropriate setting for investigating tax-related behavioural issues among business owners. SMEs were selected as the focus of the study because they represent one of the largest contributors to economic activity and simultaneously face various challenges related to taxation practices, administrative procedures, and regulatory obligations. In many developing economies, SMEs frequently experience difficulties in understanding and complying with tax requirements due to limited financial resources, lack of professional assistance, and the complexity of tax regulations. These conditions make SMEs highly relevant for examining behavioural and institutional factors associated with tax compliance.

Primary data were collected through questionnaire distribution to SME owners and managers operating in Surabaya. Surabaya was selected because it is Indonesia's second-largest

metropolitan economy and one of the country's major commercial hubs. The city hosts a large and diverse population of SMEs operating under the ongoing national tax reform agenda, making it an appropriate empirical setting for examining tax-related behavioural issues. The respondents were specifically selected because they are directly involved in business operations and taxation matters within their organisations. Their direct involvement allowed them to provide relevant perceptions and experiences regarding tax obligations, compliance behaviour, tax knowledge, regulatory complexity, and punishment mechanisms. The study used purposive sampling because respondents needed to meet certain criteria, namely actively operating SMEs and possessing experience related to tax reporting and taxation procedures. The questionnaires were distributed both directly and through online platforms to improve accessibility and participation rates. After the data collection process and screening procedures, a total of 385 valid responses were obtained and used for further analysis.

The research procedure began with the identification of relevant previous studies related to tax compliance behaviour among SMEs. Based on the literature review, measurement items were adapted and modified to suit the context of SMEs in Surabaya. The questionnaire was developed carefully to ensure that each item reflected the conceptual meaning of the variables examined in the study. The questionnaire consisted of statements related to Ethical Role Models, Severity of Punishment, Tax Knowledge, Complexity of Tax Regulations, and Tax Compliance. Before the main distribution process, the questionnaire was reviewed to ensure that the wording, sentence structure, and content were understandable and appropriate for SME respondents with different educational and business backgrounds.

After the questionnaire development stage, the data collection process was conducted over several weeks. Respondents were informed about the academic purpose of the study and assured that all responses would remain confidential and anonymous. Participation in the study was voluntary, and respondents were given sufficient time to complete the questionnaire. During the collection process, several questionnaires were checked directly to minimise incomplete responses and ensure consistency in answers. After all responses were collected, the questionnaires underwent a screening and coding process to identify incomplete, inconsistent, or invalid responses. The final dataset was then prepared for statistical analysis using Partial Least Squares Structural Equation Modelling (PLS-SEM).

All variables in this study were measured using a five-point Likert scale ranging from 1 = strongly disagree to 5 = strongly agree. Because all constructs were assessed using self-reported questionnaires completed by the same respondents at a single point in time, the possibility of common method bias (CMB) cannot be entirely excluded. To mitigate this potential issue, several procedural measures were incorporated into both the questionnaire design and data collection process. Participants were informed that their responses would be treated anonymously and kept strictly confidential, thereby reducing evaluation apprehension and the likelihood of socially desirable responses. In addition, the questionnaire clearly stated that there were no correct or incorrect answers and encouraged respondents to provide honest responses based on their personal experiences and actual business practices. The Likert scale was selected because it allows respondents to express their perceptions and levels of agreement consistently across different statements. Each construct in the study was measured using seven items adapted and developed from previous literature related to tax compliance and taxpayer behaviour. The measurement items were modified to suit the SME context and the objectives of the current study.

Tax Compliance was measured using seven items developed from studies discussing taxpayer behaviour and voluntary compliance among SMEs, particularly the works of Appiah et al. (2024), Inasius (2019), and Nartey (2023). The items focused on respondents' commitment to fulfilling tax obligations, reporting taxes honestly, and complying with tax procedures and regulations. Ethical Role Models were measured using seven items adapted from studies emphasising social influence, social norms, and ethical behaviour in taxation contexts, including Bani-Khalid et al. (2022), Dularif & Rustiarini (2022), and Gioacchino & Fichera (2022). These items captured the influence of ethical individuals, social environments, and respected figures on taxpayers' compliance behaviour.

Severity of Punishment was measured using seven items developed from prior studies discussing deterrence mechanisms, sanctions, and behavioural responses toward tax enforcement, particularly Alm & Kasper (2023), King (2025), Tiv (2023), Okafor (2023). The items reflected respondents' perceptions regarding tax penalties, sanctions, and the consequences associated with tax non-compliance. Tax Knowledge was measured using seven items adapted from studies related to tax literacy, procedural understanding, and taxpayer awareness, including Appiah et al. (2024), Bornman & Ramutumbu (2019), Musimenta (2020), Nichita et al. (2019). These items assessed respondents' understanding of tax regulations, tax procedures, and reporting obligations.

Complexity of Tax Regulations was measured using seven items developed from previous studies discussing tax system complexity and compliance burden, particularly Hoppe et al. (2023), Khozen & Setyowati (2023), Lavic (2022), Saptono et al. (2024). The items reflected respondents' perceptions regarding the difficulty of understanding tax rules, administrative procedures, and reporting requirements. The use of multiple items for each variable allowed the study to capture the multidimensional nature of taxpayer perceptions and behaviours more comprehensively.

The collected data were analysed using Partial Least Squares Structural Equation Modelling (PLS-SEM). This method was considered suitable because the study aimed to examine complex relationships between latent variables measured using multiple indicators. PLS-SEM is also widely used in behavioural and social science research because of its flexibility in handling prediction-oriented models and its suitability for analysing relationships between multiple constructs simultaneously.

The analysis was conducted using two major stages, namely measurement model assessment and structural model assessment (Hair et al., 2019). The measurement model assessment evaluated the validity and reliability of the constructs used in the study. Convergent validity was examined through factor loadings and Average Variance Extracted (AVE) values, while reliability was assessed using Cronbach's Alpha, rho_A, and Composite Reliability values. Discriminant validity was evaluated using the Fornell-Larcker Criterion and the Heterotrait-Monotrait Ratio (HTMT). These procedures were conducted to ensure that each construct measured distinct conceptual dimensions and possessed adequate internal consistency. After confirming the adequacy of the measurement model, the structural model assessment was conducted to test the proposed hypotheses. The relationships between variables were analysed using path coefficients, standard deviation values, and p-values obtained through the bootstrapping procedure. The analysis focused on examining the influence of Ethical Role Models, Severity of Punishment, Tax Knowledge, and Complexity of Tax Regulations on Tax Compliance among SMEs in Surabaya. The findings from the structural model were then interpreted to explain the behavioural and institutional factors associated with SME tax compliance.

RESULT AND DISCUSSION

Measurement Items	Factor Loadings	VIF
CTR1	0.786	2.017
CTR2	0.770	1.751
CTR3	0.759	1.787
CTR4	0.777	1.838
CTR5	0.744	1.763
CTR6	0.720	1.719
CTR7	0.726	1.666
ERM1	0.800	2.030
ERM2	0.796	1.939
ERM3	0.752	1.846
ERM4	0.801	2.061
ERM5	0.781	1.922
ERM6	0.707	1.605
ERM7	0.720	1.612
SP1	0.719	1.647
SP2	0.817	2.113
SP3	0.726	1.676
SP4	0.746	1.799
SP5	0.777	1.841
SP6	0.721	1.601
SP7	0.734	1.654
TC1	0.743	1.654
TC2	0.747	1.718
TC3	0.786	1.904
TC4	0.697	1.518
TC5	0.732	1.595
TC6	0.649	1.434
TC7	0.712	1.575
TK1	0.795	1.799
TK2	0.681	1.529
TK3	0.680	1.526
TK4	0.713	1.578
TK5	0.771	1.757
TK6	0.647	1.470
TK7	0.684	1.437

Table 1. Factor Loading and VIF

Source: Data Processed, 2026

This presents the empirical findings obtained from the data analysis. The analysis was conducted using Partial Least Squares Structural Equation Modelling (PLS-SEM) to evaluate both the measurement model and the structural model. The measurement model assessment focused on examining indicator reliability, internal consistency reliability, convergent validity, discriminant validity, and collinearity issues. Subsequently, the structural model was assessed to test the proposed hypotheses and determine the relationships among the constructs. The

constructs examined in this study consist of Complexity of Tax Regulations, Ethical Role Models, Severity of Punishment, Tax Knowledge, and Tax Compliance. Each construct was measured using seven indicators. The findings are presented systematically to ensure a clear understanding of the measurement quality and the structural relationships among variables.

Measurement of Model Assessment

Before examining the relationships between the variables in the structural model, the measurement model was first assessed to ensure that all constructs used in the study were statistically reliable and conceptually valid. So, it serves as the foundation for the structural analysis because it verifies that the constructs possess adequate validity and reliability before hypothesis testing is conducted. The first stage of the analysis involved assessing the outer loadings of each measurement item and examining the variance inflation factor (VIF) values. It is to identify potential collinearity issues. Factor loadings above 0.70 generally indicate satisfactory indicator reliability (Hair et al., 2019).

As presented in Table 1, the majority of indicators demonstrated strong factor loadings. Those exceed the recommended threshold of 0.70. Several indicators, such as TC6 (0.649), TK6 (0.647), TK2 (0.681), and TK3 (0.680), showed slightly lower loadings. However, these values were still considered acceptable because the constructs achieved adequate composite reliability and average variance extracted values. In terms of collinearity, all VIF values ranged between 1.434 and 2.113, which are substantially below the critical threshold of 5.00. These findings suggest the absence of multicollinearity concerns among the indicators. Consequently, the measurement items were deemed appropriate for further analysis.

Following the indicator assessment, the reliability and convergent validity of the constructs were evaluated using Cronbach's Alpha, rho_A, Composite Reliability (CR), and Average Variance Extracted (AVE). Reliability values above 0.70 and AVE values above 0.50 indicate acceptable construct reliability and convergent validity (Hair et al., 2019).

Table 2 demonstrates that all constructs achieved Cronbach's Alpha values ranging from 0.838 to 0.882. Those are above the recommended threshold and indicate strong internal consistency reliability. Similarly, rho_A values ranged from 0.851 to 0.886 that support the reliability of the constructs. Moreover, the Composite Reliability values also exceeded 0.80 for all constructs, with values ranging from 0.877 to 0.909. According to Hair et al. (2019), these results confirm that the measurement model possesses high construct reliability. Furthermore, the AVE values ranged between 0.507 and 0.587. This finding indicates that each construct explains more than half of the variance of its indicators, thereby confirming convergent validity.

Table 2. Construct Reliability and Validity

Variables	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted
Complexity of Tax Regulations	0.874	0.881	0.903	0.570
Ethical Role Models	0.882	0.886	0.909	0.587
Severity of Punishment	0.870	0.876	0.900	0.562
Tax Compliance	0.849	0.853	0.885	0.525
Tax Knowledge	0.838	0.851	0.877	0.507

Source: Data Processed, 2026

Variables	Complexity of Tax Regulations	Ethical Role Models	Severity of Punishment	Tax Compliance	Tax Knowledge
Complexity of Tax Regulations	0.755				
Ethical Role Models	0.011	0.766			
Severity of Punishment	0.074	0.057	0.750		
Tax Compliance	-0.245	0.444	0.259	0.725	
Tax Knowledge	0.060	0.127	0.038	0.414	0.712

Table 3. Fornell-Larcker Criterion

Source: Data Processed, 2026

Discriminant Validity Assessment

After establishing convergent validity, the next stage involved evaluating discriminant validity to ensure that each construct captured a unique conceptual domain and was empirically distinguishable from the other constructs included in the model. To assess discriminant validity comprehensively, two complementary approaches were employed, namely the Fornell-Larcker Criterion and the Heterotrait-Monotrait Ratio (HTMT).

The Fornell-Larcker Criterion was first applied to assess whether each construct shared greater variance with its own indicators than with other constructs in the model. This method compares the square root of the Average Variance Extracted (AVE) of each construct with the correlations between that construct and other variables. A construct is considered to possess adequate discriminant validity when its square root AVE value is higher than its correlations with all other constructs.

As shown in Table 3, the square root AVE values for all constructs exceeded their corresponding inter-construct correlations. For instance, Complexity of Tax Regulations recorded a square root AVE value of 0.755, which was substantially higher than its correlations with Ethical Role Models (0.011), Severity of Punishment (0.074), Tax Compliance (-0.245), and Tax Knowledge (0.060). This finding indicates that the indicators associated with Complexity of Tax Regulations explain the construct more strongly than they explain other constructs within the model.

A similar pattern was observed for the remaining variables. Ethical Role Models demonstrated a square root AVE value of 0.766, exceeding its correlations with Severity of Punishment (0.057), Tax Compliance (0.444), and Tax Knowledge (0.127). Although the correlation between Ethical Role Models and Tax Compliance was relatively stronger compared to other correlations, the square root AVE remained substantially higher. This confirms that both constructs remain empirically distinct despite their theoretical relationship. Likewise, Severity of Punishment achieved a square root AVE value of 0.750, which exceeded its correlations with all other variables. Tax Compliance and Tax Knowledge also demonstrated adequate discriminant validity, with square root AVE values of 0.725 and 0.712 respectively, both exceeding the correlations observed in the matrix.

To further strengthen the discriminant validity assessment, the Heterotrait-Monotrait Ratio (HTMT) was employed. HTMT has become increasingly recommended in PLS-SEM studies because it is considered a more sensitive and rigorous approach for detecting potential

discriminant validity problems compared to traditional methods. HTMT evaluates the ratio of correlations between constructs relative to correlations within the same construct. Values below 0.90 indicate acceptable discriminant validity, while lower values suggest stronger distinctions between constructs.

The results presented in Table 4 indicate that all HTMT values were substantially below the recommended threshold of 0.90. The highest HTMT value observed was 0.505 between Ethical Role Models and Tax Compliance, followed by 0.479 between Tax Knowledge and Tax Compliance. These values remain comfortably within acceptable limits, suggesting that although the constructs are theoretically connected, they do not measure the same underlying concept. The HTMT findings are particularly important because they confirm that the positive relationships identified in the structural model are not caused by redundancy or measurement overlap between variables. Instead, the results suggest that each construct independently contributes to explaining Tax Compliance from different theoretical perspectives. Ethical Role Models reflect social and behavioural influences, Severity of Punishment represents deterrence mechanisms, Tax Knowledge captures cognitive understanding, and Complexity of Tax Regulations reflects regulatory burden. The discriminant validity results therefore support the conceptual robustness of the study's framework.

Hypothesis Testing

Following the confirmation of the measurement model adequacy, the structural model was evaluated to examine the proposed relationships among the constructs. The structural model assessment focused on analysing the path coefficients *(β),* standard deviations, significance levels, and the direction of relationships between the independent variables and Tax Compliance. Bootstrapping procedures were employed to determine the statistical significance of each hypothesised relationship.

The results of the hypothesis testing are presented in Table 5. The first hypothesis (H1) proposed that Ethical Role Models positively influence Tax Compliance. The findings reveal a positive and statistically significant relationship between Ethical Role Models and Tax Compliance ($\beta = 0.386$, SD = 0.038, p = 0.000). Therefore, H1 was supported. This finding suggests that taxpayers are more likely to comply with tax obligations when they observe ethical behaviour, honesty, and integrity demonstrated by influential individuals within their social or professional environment. In this point, individuals may internalise ethical standards through observation and social interaction that leads them to perceive tax compliance as a moral responsibility rather than merely a legal obligation

Table 4. Heterotrait-Monotrait Ratio (HTMT)

Variables	Complexity of Tax Regulations	Ethical Role Models	Severity of Punishment	Tax Compliance	Tax Knowledge
Complexity of Tax Regulations					
Ethical Role Models	0.064				
Severity of Punishment	0.095	0.072			
Tax Compliance	0.281	0.505	0.295		
Tax Knowledge	0.091	0.147	0.068	0.479	

Source: Data Processed, 2026

Paths	β	SD	P Values	Notes
H1: Ethical Role Models -> Tax Compliance	0.386	0.038	0.000	Supported
H2: Severity of Punishment -> Tax Compliance	0.244	0.036	0.000	Supported
H3: Tax Knowledge -> Tax Compliance	0.373	0.036	0.000	Supported
H4: Complexity of Tax Regulations -> Tax Compliance	-0.290	0.037	0.000	Supported

Table 5. Hypothesis Tests

Source: Data Processed, 2026

The second hypothesis (H2) examined the relationship between Severity of Punishment and Tax Compliance. The results indicate that Severity of Punishment positively and significantly affects Tax Compliance (β = 0.244, SD = 0.036, p = 0.000). Thus, H2 was supported. This finding suggests that taxpayers are more likely to comply with tax regulations when they perceive penalties and sanctions for non-compliance as severe. The positive influence of Severity of Punishment supports deterrence-based perspectives in taxation research, which argue that stronger enforcement mechanisms can reduce opportunistic behaviour. However, compared to Ethical Role Models and Tax Knowledge, the effect size of Severity of Punishment was relatively smaller. This suggests that although punitive measures remain important, compliance behaviour may be influenced more strongly by internal motivations and social factors than by fear alone. Therefore, relying exclusively on punishment may not be sufficient to sustain long-term voluntary compliance without complementary ethical and educational strategies.

The third hypothesis (H3) proposed that Tax Knowledge positively affects Tax Compliance. The findings demonstrate a positive and statistically significant relationship between Tax Knowledge and Tax Compliance (β = 0.373, SD = 0.036, p = 0.000). Accordingly, H3 was supported. This result indicates that taxpayers with higher levels of tax knowledge are more likely to comply with taxation requirements. In contrast, limited tax knowledge may increase the likelihood of errors, misunderstandings, or non-compliance due to confusion and lack of awareness. These findings imply that improving taxpayer education programmes, public awareness campaigns, and accessible tax guidance may contribute significantly to increasing compliance levels.

The fourth hypothesis (H4) examined the relationship between Complexity of Tax Regulations and Tax Compliance. The results reveal a negative and statistically significant relationship between Complexity of Tax Regulations and Tax Compliance (β = -0.290, SD = 0.037, p = 0.000). Therefore, H4 was supported. This finding suggests that greater perceived complexity in tax regulations reduces taxpayers' willingness or ability to comply with tax obligations. However, the negative effect indicates that complicated tax systems may weaken voluntary compliance by increasing psychological and procedural barriers. Taxpayers who perceive tax regulations as overly technical or difficult may become discouraged from complying fully, particularly when they lack sufficient professional assistance or tax literacy. In some cases, regulatory complexity may also increase opportunities for loopholes, misinterpretation, or avoidance behaviour. Therefore, the findings emphasise the importance of simplifying tax procedures, improving clarity in tax communication, and reducing unnecessary administrative complexity. So, we suggest that a simpler and more

understandable tax system may encourage higher levels of voluntary compliance and improve taxpayers' overall perceptions of fairness and accessibility.

Discussion

The findings of this study provide important insights into the behavioural and institutional factors shaping tax compliance among SMEs in an emerging economy. The results demonstrate that ethical role models, severity of punishment, and tax knowledge positively influence tax compliance, while complexity of tax regulations negatively influences tax compliance. These findings strengthen the growing understanding that SME tax behaviour cannot be explained solely through economic calculations or deterrence perspectives. Instead, tax compliance emerges through the interaction between social influence, institutional perception, cognitive understanding, and administrative experience. The current study contributes by integrating these dimensions simultaneously within the SME context, particularly in a developing economy environment where SMEs frequently encounter regulatory complexity, limited administrative resources, and direct exposure to taxation processes. This broader perspective allows the study to extend previous discussions that often examine tax compliance determinants separately rather than as interconnected behavioural and institutional mechanisms (see also Tumoro & Pandya, 2026).

Based on the current study, the positive relationship between ethical role models and tax compliance highlights the importance of social influence and normative environments in shaping taxpayer behaviour among SMEs. This finding supports previous arguments proposed by Gioacchino & Fichera (2022), who explained that social reputation and influential individuals shape compliance behaviour through network interactions and reputational concerns. The current study extends this understanding by demonstrating that ethical influence remains highly relevant within SME environments where business relationships, local interactions, and community expectations strongly affect decision making. Unlike larger corporations with formalised governance systems, SMEs often rely on personal judgment and informal social references when interpreting ethical behaviour. The findings also associate with Bani-Khalid et al. (2022), who identified subjective norms as significant determinants of tax compliance intentions among SMEs. However, the present study contributes further by positioning ethical role models as a broader behavioural mechanism that shapes compliance beyond simple peer pressure or social expectations. The findings suggest that SME taxpayers internalise ethical standards through respected individuals, trusted business environments, and socially valued behaviour patterns that gradually influence compliance decisions.

The current findings also reinforce institutional and social perspectives discussed by Nartey (2023) and Dularif & Rustiarini (2022). Nartey (2023) argued that institutional pressures and tax fairness encourage SME compliance behaviour, while Dularif & Rustiarini (2022) highlighted the importance of social norms and personal values within non-deterrence approaches to taxation. The present study contributes by showing that Ethical Role Models operate as practical channels through which these institutional and normative pressures become translated into daily taxpayer behaviour. This contribution is important because prior studies frequently discuss social norms conceptually without explaining how ethical influence becomes embedded within SME decision-making processes (Kiconco et al., 2019). The findings indicate that ethical role models help shape behavioural expectations regarding what constitutes responsible business conduct. In SMEs, where owners often interact closely with local communities and business networks, ethical examples may influence compliance more directly than formal regulatory communication. This insight enriches tax compliance

literature by emphasising the behavioural significance of social learning and moral imitation within SME taxation contexts.

Moreover, the positive effect of severity of punishment on tax compliance also contributes to ongoing debates regarding deterrence and behavioural taxation theories. Previous studies such as King (2025), Tiv (2023), and Okafor (2023) argued that sanctions influence compliance through perceptions of justice, social aversion, and ethical framing. The current study supports these arguments within the SME context and demonstrates that punishment mechanisms continue to play an important role in encouraging compliance behaviour among small businesses. Interestingly, the present findings also extend prior research by illustrating how punishment functions simultaneously as a legal consequence and a social signal. We propose that severe sanctions do more than increase fear of financial penalties because they also communicate broader expectations regarding ethical business behaviour and social responsibility. SME owners may perceive sanctions as threats to financial stability alongside threats to reputation and business credibility. This dual interpretation becomes particularly relevant in SMEs because business identity is often closely connected to personal identity and community reputation (Musimenta et al., 2017). The study therefore contributes by explaining that punishment influences SME compliance through interconnected financial, psychological, and social mechanisms rather than through fear alone.

The findings further engage with behavioural taxation perspectives discussed by Abdelnabi & Mansour (2026) and Alm & Kasper (2023). Alm & Kasper (2023) emphasised that behavioural economics has transformed the understanding of tax compliance by demonstrating the importance of psychological and contextual factors. Abdelnabi & Mansour (2026) similarly argued that behavioural interventions and perceptions of social responsibility influence taxpayer decisions. The current study contributes to these perspectives by showing that punishment severity remains behaviourally effective even within environments characterised by complex social and institutional dynamics. The findings suggest that SME taxpayers interpret punishment within broader moral and institutional frameworks rather than as isolated legal threats. This insight challenges purely rational deterrence assumptions and strengthens the argument that compliance behaviour develops through combined behavioural and institutional interpretations (Belahouaoui & Attak, 2024). Consequently, the study expands behavioural taxation literature by demonstrating how sanctions interact with social perception and business identity within SME settings.

Our study also suggests that the positive relationship between tax knowledge and tax compliance also provides important contributions to the related literature. Previous studies such as Appiah et al. (2024), Bornman & Ramutumbu (2019), Musimenta (2020), Nichita et al. (2019) consistently identified tax knowledge as an important predictor of compliance behaviour. The current study supports these findings within the Indonesian SME context and contributes by demonstrating how knowledge influences compliance through multiple dimensions simultaneously. The findings suggest that tax knowledge improves taxpayers' ability to interpret regulations, manage reporting procedures, and understand institutional expectations. In SMEs, where taxation responsibilities are frequently managed directly by owners, knowledge becomes closely connected to confidence, decision quality, and administrative capability. This contribution extends prior discussions by positioning tax knowledge as both a cognitive resource and a behavioural stabiliser that reduces uncertainty associated with taxation obligations. The study therefore highlights that improving tax knowledge may strengthen compliance behaviour by reducing confusion and increasing taxpayers' perceived control over taxation procedures.

In relation to tax knowledge, this study engages strongly with studies focusing on literacy, procedural understanding, and institutional trust. For example, Appiah et al. (2024) argued that tax knowledge influences voluntary compliance through fairness perception and trust in government, while Hauptman & Žmuk (2024) connected tax knowledge with taxpayers' fairness evaluations. The present study contributes by reinforcing the idea that tax knowledge shapes how SMEs interpret the legitimacy and manageability of the taxation system itself. The findings imply that knowledgeable taxpayers may develop stronger acceptance toward taxation because understanding reduces ambiguity and increases procedural confidence. Furthermore, the study extends the arguments of Lim et al. (2025), who explained that tax knowledge diffuses through professional relationships and shared expertise. Within SMEs, access to tax information and professional support may therefore influence compliance capability significantly. This perspective contributes to the literature by positioning tax knowledge as a socially distributed resource that develops through education, institutional communication, and professional interaction rather than through isolated individual learning alone.

Finally, the negative relationship between Complexity of Tax Regulations and Tax Compliance provides strong support for previous studies highlighting the burden created by complicated tax systems. Hoppe et al. (2023), Khozen & Setyowati (2023), Lavic (2022), Saptono et al. (2024) all argued that complex tax systems create administrative pressure, increase compliance costs, and encourage non-compliance behaviour. The current study strengthens these arguments within the SME context by showing that regulatory complexity directly weakens compliance behaviour among small businesses in Surabaya. The study contributes by demonstrating that complexity influences SMEs beyond technical administrative burden because complicated regulations also shape taxpayers' psychological responses toward taxation. SMEs with limited resources may perceive complex tax procedures as exhausting, costly, and difficult to manage, which gradually reduces willingness to comply fully. This contribution is particularly important for developing economy contexts where SMEs often operate with limited access to professional assistance and limited institutional support.

CONCLUSION

This study demonstrates that SME tax compliance is shaped by the combined influence of behavioural, cognitive, and institutional factors. The findings reveal that ethical role models, the severity of punishment, and tax knowledge positively influence tax compliance, whereas the complexity of tax regulations negatively affects compliance behaviour. These results suggest that SME taxpayers do not base their compliance decisions solely on economic considerations; rather, they are influenced by ethical norms, institutional signals, and their understanding of the taxation system. Accordingly, tax compliance should be viewed as the outcome of both voluntary and enforced behavioural mechanisms operating within the broader institutional environment.

This study contributes to the tax compliance literature by extending the application of the Slippery Slope Framework (SSF) within the context of SMEs in a developing economy. While the SSF emphasises the complementary roles of trust and authority in shaping tax compliance, the present findings demonstrate that these dimensions can be operationalised through multiple behavioural and institutional antecedents. Ethical role models and tax knowledge strengthen voluntary compliance by reinforcing ethical values, institutional understanding, and taxpayers' confidence in fulfilling their obligations. In contrast, the severity of punishment represents the authority dimension that encourages enforced

compliance through the perceived consequences of non-compliance. Furthermore, the negative effect of tax regulation complexity indicates that excessive administrative burden may weaken the effectiveness of both trust- and authority-based compliance mechanisms by increasing uncertainty and reducing taxpayers' capacity to comply. These findings broaden the explanatory scope of the SSF by integrating ethical, cognitive, deterrence, and institutional perspectives into a unified behavioural model for SME taxpayers.

The findings provide several practical implications for the Directorate General of Taxes (DGT). First, tax compliance programmes should place greater emphasis on strengthening tax knowledge among SME owners through continuous education, sector-specific guidance, and accessible digital learning resources that explain tax obligations in practical business contexts. Second, tax authorities should complement enforcement strategies with initiatives that promote ethical business values and voluntary compliance, such as public campaigns highlighting compliant taxpayers and collaboration with business associations to disseminate positive compliance norms. Third, while maintaining consistent enforcement and appropriate sanctions, the DGT should ensure that penalties are applied transparently and fairly to reinforce institutional legitimacy rather than relying solely on deterrence. Finally, the findings indicate that reducing regulatory complexity requires more than simplifying legal provisions. Priority should also be given to improving the usability of digital tax services, simplifying reporting procedures, providing clearer implementation guidelines, and expanding taxpayer assistance for SMEs. Collectively, these measures may strengthen both voluntary and enforced compliance while improving taxpayers' trust in the Indonesian taxation system.

This study has several limitations that should be acknowledged. First, the study focused only on SMEs operating in Surabaya, which may limit the generalisability of the findings to SMEs in other regions or countries with different economic, cultural, and taxation environments. Tax compliance behaviour may vary across locations due to differences in institutional quality, regulatory enforcement, business culture, and taxpayer awareness. Second, the study used a cross-sectional design, meaning that the data were collected at one point in time. This condition limits the ability to observe changes in taxpayer behaviour over time or examine how tax compliance develops under changing economic and regulatory conditions. Third, the study relied on self-reported questionnaire responses, which may create the possibility of social desirability bias because respondents may provide answers that appear socially acceptable rather than fully reflecting their actual behaviour. This issue is particularly relevant in taxation research because tax compliance is often viewed as a sensitive topic. Fourth, the study examined only four independent variables influencing tax compliance. Other important factors such as trust in government, tax fairness, audit probability, digital taxation systems, business performance, and cultural influences were not included in the current model.

Future studies are encouraged to expand the scope of the research by involving SMEs from different cities, regions, or countries to provide broader comparative insights regarding tax compliance behaviour across different institutional contexts. Longitudinal research designs may also provide deeper understanding regarding how taxpayer behaviour changes over time, particularly after policy reforms or technological developments in taxation systems. In addition, future studies may incorporate mixed-method approaches by combining quantitative surveys with qualitative interviews to capture richer explanations regarding SME taxpayer experiences and perceptions. Researchers are also encouraged to examine additional behavioural and institutional variables such as trust in tax authorities, perceived fairness, digital tax systems, financial literacy, and organisational culture to develop a more comprehensive understanding of SME tax compliance. Further exploration regarding the

role of social networks, professional advisors, and technological adaptation in shaping tax compliance behaviour may also contribute valuable insights to taxation and SME literature.

REFERENCES

Abdelnabi, M., & Mansour, S. (2026). *How can tax compliance be incentivized ? An experimental examination of voice and empathy*. *7*(2), 87–107. https://doi.org/10.1108/REPS-05-2021-0053

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

Agbetunde, L. A., Raimi, L., & Akinrinola, O. O. (2022). Moderating influence of religiosity on the causality between taxpaying attitudes and tax compliance behaviour of entrepreneurial firms in Nigeria. *International Journal of Ethics and Systems*, *38*(3), 402–425. https://doi.org/10.1108/IJOES-07-2021-0152

Alm, J., & Kasper, M. (2023). Using behavioural economics to understand tax compliance. *Economic and Political Studies*, *11*(3), 279–294. https://doi.org/10.1080/20954816.2022.2117676

Appiah, T., Domeher, D., & Agana, J. A. (2024). *Tax Knowledge , Trust in Government , and Voluntary Tax Compliance : Insights From an Emerging Economy*. *June*, 1–13. https://doi.org/10.1177/21582440241234757

Bani-Khalid, T., Alshira'h, A. F., & Alshirah, M. H. (2022). Determinants of Tax Compliance Intention among Jordanian SMEs: A Focus on the Theory of Planned Behavior. *Economies*, *10*(2), 1–20. https://doi.org/10.3390/economies10020030

Belahouaoui, R., & Attak, E. H. (2024). Exploring the relationship between taxpayers and tax authorities in the digital era: evidence on tax compliance behavior in emerging economies. *International Journal of Law and Management*, *67*(6), 632–653. https://doi.org/10.1108/IJLMA-02-2024-0064

Bornman, M., & Ramutumbu, P. (2019). A conceptual framework of tax knowledge. *Meditari Accountancy Research*, *27*(6), 823–839. https://doi.org/10.1108/MEDAR-09-2018-0379

Cingl, L., Lichard, T., & Miklánek, T. (2023). Tax designation effects on compliance: An online experiment with taxpayers. *Journal of Economic Behavior & Organization*, *214*, 615–633. https://doi.org/https://doi.org/10.1016/j.jebo.2023.08.016

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 & Management*, *11*(1). https://doi.org/10.1080/23311975.2024.2337358

Dularif, M., & Rustiarini, N. W. (2022). Tax compliance and non-deterrence approach: a systematic review. *International Journal of Sociology and Social Policy*, *42*(11–12), 1080–1108. https://doi.org/10.1108/IJSSP-04-2021-0108

Gioacchino, D., & Fichera, D. (2022). Tax evasion and social reputation : The role of influencers in a social network. *International Review of Economics*, *December 2021*, 1048–1069. https://doi.org/10.1111/meca.12391

Hair, J. F., Risher, J. J., Sarstedt, M., & Ringle, C. M. (2019). When to use and how to report

the results of PLS-SEM. *European Business Review*, *31*(1), 2–24. https://doi.org/10.1108/EBR-11-2018-0203

Hauptman, L., & Žmuk, B. (2024). *Citation: Hauptman, Lidija, Berislav*. https://doi.org/10.3390/jrfm17030089

Hoppe, T., Schanz, D., Sturm, S., Sureth-sloane, C., Hoppe, T., Schanz, D., Sturm, S., & Sureth-, C. (2023). *The Tax Complexity Index – A Survey-Based Country Measure of Tax Code and Framework Complexity The Tax Complexity Index – A Survey-Based Country Measure of Tax Code and*. *8180*. https://doi.org/10.1080/09638180.2021.1951316

Hoy, C., Luke, M., & Mathias, S. (2024). Improving Tax Compliance without Increasing Revenue: Evidence from Population-Wide Randomized Controlled Trials in Papua New Guinea. *Economic Development and Cultural Change*, *72*(2), 691–723. https://doi.org/10.1086/721650

Inasius, F. (2019). Factors Influencing SME Tax Compliance: Evidence from Indonesia. *International Journal of Public Administration*, *42*(5), 367–379. https://doi.org/10.1080/01900692.2018.1464578

Kamleitner, B., Korunka, C., & Kirchler, E. (2012). Tax compliance of small business owners: A review. *International Journal of Entrepreneurial Behaviour and Research*, *18*(3), 330–351. https://doi.org/10.1108/13552551211227710

Khozen, I., & Setyowati, M. S. (2023). Managing taxpayer compliance : Reflections on the drivers of willingness to pay taxes in times of crisis Managing taxpayer compliance : Reflections on the drivers of willingness to pay taxes in times of. *Cogent Business & Management*, *10*(2). https://doi.org/10.1080/23311975.2023.2218176

Kiconco, R. I., Gwokyalya, W., Sserwanga, A., & Balunywa, W. (2019). Tax compliance behaviour of small business enterprises in Uganda. *Journal of Financial Crime*, *26*(4), 1117–1132. https://doi.org/10.1108/JFC-03-2018-0031

King, T. (2025). First Things First : Using Anchoring Bias to Examine the Effect of Penalty Severity and Social Norms on Tax Compliance. *Journal of Business Ethics*, *197*(4), 785–809. https://doi.org/10.1007/s10551-024-05750-8

Lavic, V. (2022). Factors affecting corporate income tax compliance costs of SMEs in Bosnia and Herzegovina. *Journal of Entrepreneurship and Public Policy*, *12*(1), 92–114. https://doi.org/10.1108/JEPP-02-2022-0023

Lim, C. Y., Shevlin, T., Wang, K., & Xu, Y. (2025). Tax Knowledge Diffusion Through Shared Audit Partners : Evidence From China. *Journal of Accounting, Auditing & Finance*, *40*(2), 486–524. https://doi.org/10.1177/0148558X231172661

Malka Tiv, K. (2023). Role of social aversion in the motivations for tax law compliance. *Journal of Institutional Economics*, *19*(5), 688–706. https://doi.org/DOI: 10.1017/S1744137423000097

Moerenhout, T., & Yang, J. (2022). Tax Evasion Attitudes of Small Firms in Low- and Middle-income Countries: Evidence from Nigeria. *Development Policy Review*, *40*(6), e12616. https://doi.org/https://doi.org/10.1111/dpr.12616

Musimenta, D. (2020). Knowledge requirements , tax complexity , compliance costs and tax compliance in Uganda Knowledge requirements , tax complexity , compliance costs and tax compliance in Uganda. *Cogent Business & Management*, *7*(1).

https://doi.org/10.1080/23311975.2020.1812220

Musimenta, D., Nkundabanyanga, S. K., Muhwezi, M., Akankunda, B., & Nalukenge, I. (2017). Tax compliance of small and medium enterprises: a developing country perspective. *Journal of Financial Regulation and Compliance*, *25*(2), 149–175. https://doi.org/10.1108/JFRC-08-2016-0065

Nartey, E. (2023). Tax compliance of small and medium sized enterprises in Ghana. *International Journal of Sociology and Social Policy*, *43*(11–12), 1063–1083. https://doi.org/10.1108/IJSSP-06-2022-0159

Ndlovu, M. O., Schutte, D. P., Group, F., & Schutte, D. P. (2026). *An evaluation of tax compliance among small businesses*. *1954*, 20–39. https://doi.org/10.1080/10291954.2024.2372132

Nichita, A., Batrancea, L., Marcel Pop, C., Batrancea, I., Morar, I. D., Masca, E., Roux-Cesar, A. M., Forte, D., Formigoni, H., & da Silva, A. A. (2019). We Learn Not for School but for Life: Empirical Evidence of the Impact of Tax Literacy on Tax Compliance. *Eastern European Economics*, *57*(5), 397–429. https://doi.org/10.1080/00128775.2019.1621183

Ojo, A. O., & Shittu, S. A. (2023). Value Added Tax compliance, and Small and Medium Enterprises (SMEs): Analysis of influential factors in Nigeria. *Cogent Business & Management*, *10*(2), 2228553. https://doi.org/10.1080/23311975.2023.2228553

Okafor, O. N. (2023). Shaming of Tax Evaders: Empirical Evidence on Perceptions of Retributive Justice and Tax Compliance Intentions. *Journal of Business Ethics*, *182*(2), 377–395. https://doi.org/10.1007/s10551-021-05011-y

Saptono, P. B., Mahmud, G., Salleh, F., Pratiwi, I., & Purwanto, D. (2024). *Tax Complexity and Firm Tax Evasion : A Cross-Country Investigation*. 1–35. https://doi.org/10.3390/economies12050097

Surugiu, M., Vasile, V., Surugiu, C., Mazilescu, C. R., Panait, M., & Bunduchi, E. (2025). *Tax Compliance Pattern Analysis : A Survey-Based Approach*. 1–19. https://doi.org/10.3390/ijfs13010014

Tumoro, D. T., & Pandya, H. (2026). Exploring Factors Influencing Tax Compliance in Sub-Saharan Africa: A Review of Articles Using the PRISMA Approach. *International Journal of Public Administration*, *49*(6), 412–424. https://doi.org/10.1080/01900692.2025.2478983


JAA
JURNAL AKADEMI AKUNTANSI
Jurnal Akademi Akuntansi (JAA)
P-ISSN: 2715 - 1964
E-ISSN: 2654 - 8321
Published by:
UMM
IKATAN AKUNTAN INDONES

Vol. 9 No. 4 (2026): Jurnal Akademi Akuntansi (JAA)

DOI: https://doi.org/10.22219/jaa.v9i4

Published: 2026-10-05

Articles

Understanding tax compliance among SMEs through ethical, cognitive, and legal perspectives in Indonesia

DOI: https://doi.org/10.22219/jaa.v9i4.45128

Muhammad Wisnu Girindratama, Dony Sultan Syarifudin, Nawridho Alfismartienez Dirwan

804-824

PDF

Rule of law and corruption: the mediating role of government effectiveness in cross-country

DOI: https://doi.org/10.22219/jaa.v9i4.45449

Novita Khoirunnisa, Rozmita Dewi Yuniarti Rozali, Denny Andriana

825-846

PDF

The effect of emotional self-control on buy now pay later use and life satisfaction

DOI: https://doi.org/10.22219/jaa.v9i4.45377

Irdan Fattur Mi'raj, Mohammad Benny Alexandri, Anang Muftiadi

847-862

PDF

Strategic partnership synergy, halal consistency, and circular economy innovation for financial sustainability of culinary SMEs

DOI: https://doi.org/10.22219/jaa.v9i4.45834

Divianto, Ummasyroh, A. Jalaludin Sayuti, Meidasari Adelia, Wahyuni Triarizki Dewangi

863-880

PDF

Information

For Readers

For Authors

For Librarians

Make a Submission









Editorial Team

Peer Reviewers

Focus and Scope

Author Guidelines

Peer Review Process

Publication Ethics

Open Acces Policy

Copyright Notice

Article Processing Charges

Screening for Plagiarism

Citeness in Scopus

Visitor Counter

INDEXED BY

















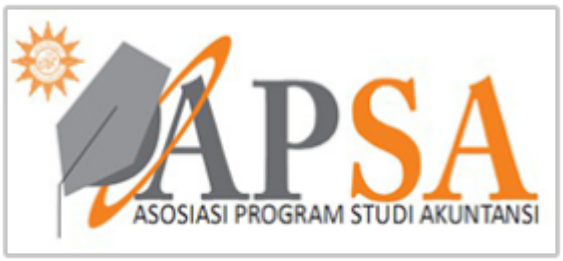
PLAGIARISM CHECKER



SUPPORTED BY









*Update Every 5 minutes

P-ISSN : 2715-1964

E-ISSN : 2654-8321

Visitors
189,903 594
6,297 559
4,675 555
1,176 463
616 386
FLAG counter

View My Stats

Office:

Ruang Jurusan Akuntansi Universitas Muhammadiyah Malang
Gedung Kuliah Bersama 2 Floor 3. Jalan Raya Tlogomas 246, Kota Malang, East Java, Indonesia
Email: jaa@umm.ac.id



View My Stats



Editorial Team

Chief Editor

Firda Ayu Amalia , Scopus ID:57547908500 **,** Universitas Muhammadiyah Malang, Indonesia

Handling Editor

Fahmi Dwi Mawardi , Sinta ID : 6828762, Universitas Muhammadiyah Malang, Indonesia

Managing Editor

Faris Afrizal, Universitas Muhammadiyah Malang, Indonesia

Editor

Noradiva Hamzah, Scopus ID: 23974612500 , Universiti Kebangsaan Malaysia, Bangi, Malaysia

Mohd Hairul Azrin Haji Besar, Scopus ID: 57090808500,UBD School of Business and Economics (UBDSBE) Universiti Brunei Darussalam, Brunei Darussalam

Shujahat Ali, Mirpur University of Science and Technology, Pakistan

Prof. Djoko Sigit Sayogo, Scopus ID: 37049476600, Universitas Muhammadiyah Malang, Indonesia

Meinarni Asnawi , Scopus ID: 57222600954 , Universitas Cendrawasih, Indonesia

Fitriani, Scopus ID: 57211042608 , Universitas Indonesia, Indonesia

Anne Putri, Scopus ID: 57191863228 , ITB Haji Agus Salim Bukittinggi, Indonesia

Icuk Rangga Bawono , Scopus ID: 57211989537 , Universitas Jenderal Soedirman, Indonesia

Johan Arifin , Scopus ID: 57217383570 , Universitas Islam Indonesia, Indonesia

Imam Abu Hanifah , Scopus ID: 57875110900 , Universitas Sultan Ageng Tirtayasa, Indonesia

Masiyah Kholmi, Sinta ID : 5980249 , Universitas Muhammadiyah Malang, Indonesia

Sri Wahjuni Latifah, Sinta ID : 5995341 , Universitas Muhammadiyah Malang, Indonesia

Umi Muawanah , Sinta ID : 6004749 , Universitas Gajayana Malang, Indonesia

Section Editor

Dwi Irawan, Scopus ID: 57369792200, Universitas Muhammadiyah Malang, Indonesia

Agung Prasetyo Nugroho Wicaksono, Scopus ID : 57948635300 , Universitas Muhammadiya Malang, Indonesia

Aviani Widyastuti, Scopus ID: 57369606700 , Universitas Muhammadiyah Malang, Indonesia

Muhammad Wildan Affan, Sinta ID : 6710325 , Universitas Muhammadiyah Malang, Indonesia

Agustin Dwi Haryanti, Sinta ID : 6718535 , Universitas Muhammadiyah Malang, Indonesia

Novitasari Agus Saputri, Sinta ID : 6475213 , Universitas Muhammadiyah Malang, Indonesia

Copy Editor

Tri Wahyu Oktavendi, Scopus ID: 57486195100 , Universitas Muhammadiyah Malang, Indonesia

Information

For Readers

For Authors

For Librarians

Make a Submission









Editorial Team

Peer Reviewers

Focus and Scope

Author Guidelines

Peer Review Process

Publication Ethics

Open Acces Policy

Copyright Notice

Article Processing Charges

Screening for Plagiarism

Citeness in Scopus

Visitor Counter

INDEXED BY







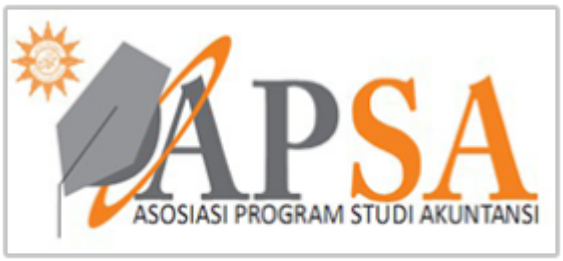
PLAGIARISM CHECKER



SUPPORTED BY







Google Scholar Citation : JAA

#N/A		

*Update Every 5 minutes

P-ISSN : 2715-1964

E-ISSN : 2654-8321

Visitors
189,904 594
6,297 559
4,675 555
1,177 463
616 386
FLAG counter

View My Stats

Office:

Ruang Jurusan Akuntansi Universitas Muhammadiyah Malang
Gedung Kuliah Bersama 2 Floor 3. Jalan Raya Tlogomas 246, Kota Malang, East Java, Indonesia
Email: jaa@umm.ac.id



View My Stats

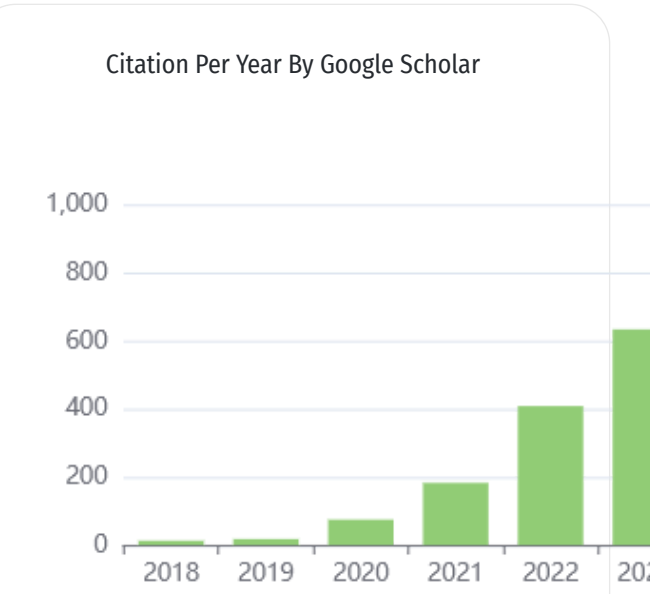
Get More with SINTA Insight

Go to Insight

JURNAL AKADEMI AKUNTANSI

UNIVERSITAS MUHAMMADIYAH MALANG

P-ISSN : 27151964 E-ISSN : 26548321 Subject Area : Economy



1.83824
Impact

3093
Google Citations

Sinta 2
Current Acreditation

Google Scholar Garuda Website Editor URL

History Accreditation

2018 2019 2020 2021 2022 2023 2024 2025 2026 2027 2028 2029

Journal By Google Scholar

	All	Since 2021
Citation	3093	2972
h-index	27	27
i10-index	72	71

Garuda Google Scholar

Timeliness of financial reporting: an analysis of good corporate governance mechanisms

Universitas Muhammadiyah Malang Jurnal Akademi Akuntansi Vol. 9 No. 1 (2026): Jurnal Akademi Akuntansi (JAA) 165-175

2026 DOI: 10.22219/jaa.v9i1.34690 Accred : Sinta 2

How financial performance, firm characteristics, and board composition shape sustainability report disclosure?

Universitas Muhammadiyah Malang Jurnal Akademi Akuntansi Vol. 9 No. 1 (2026): Jurnal Akademi Akuntansi (JAA) 131-149

2026 DOI: 10.22219/jaa.v9i1.43147 Accred : Sinta 2

Determinants of audit quality: competence, independence, professional skepticism, and time budget pressure

Universitas Muhammadiyah Malang Jurnal Akademi Akuntansi Vol. 9 No. 1 (2026): Jurnal Akademi Akuntansi (JAA) 150-164

2026 DOI: 10.22219/jaa.v9i1.43815 Accred : Sinta 2

The role of leverage, sales volatility, and accrual reliability on earnings persistence

Universitas Muhammadiyah Malang Jurnal Akademi Akuntansi Vol. 9 No. 1 (2026): Jurnal Akademi Akuntansi (JAA) 176-194

2026 DOI: 10.22219/jaa.v9i1.43973 Accred : Sinta 2

The impact of herding and overconfidence bias on investment decisions of generation Z: the role of financial literacy as a moderating factor

Universitas Muhammadiyah Malang Jurnal Akademi Akuntansi Vol. 9 No. 1 (2026): Jurnal

Akademi Akuntansi (JAA) 33-47

2026 DOI: 10.22219/jaa.v9i1.42993 Accred : Sinta 2

Dividend policy in moderating the impact of capital structure and profitability on firm value

Universitas Muhammadiyah Malang Jurnal Akademi Akuntansi Vol. 9 No. 1 (2026): Jurnal Akademi Akuntansi (JAA) 1-17

2026 DOI: 10.22219/jaa.v9i1.42998 Accred : Sinta 2

A compliance of campaign finance reporting in the democratic era

Universitas Muhammadiyah Malang Jurnal Akademi Akuntansi Vol. 9 No. 1 (2026): Jurnal Akademi Akuntansi (JAA) 48-61

2026 DOI: 10.22219/jaa.v9i1.43437 Accred : Sinta 2

Does financial health matter for stock prices? the role of firm size covid-19 period

Universitas Muhammadiyah Malang Jurnal Akademi Akuntansi Vol. 9 No. 1 (2026): Jurnal Akademi Akuntansi (JAA) 104-118

2026 DOI: 10.22219/jaa.v9i1.43441 Accred : Sinta 2

Mapping the research landscape of tax enforcement in Southeast Asia: a bibliometric study

Universitas Muhammadiyah Malang Jurnal Akademi Akuntansi Vol. 9 No. 1 (2026): Jurnal Akademi Akuntansi (JAA) 119-130

2026 DOI: 10.22219/jaa.v9i1.43473 Accred : Sinta 2

Determination of firm value: the role of investment decisions, financing, dividend policy, growth, and profitability

Universitas Muhammadiyah Malang Jurnal Akademi Akuntansi Vol. 9 No. 2 (2026): Jurnal Akademi Akuntansi (JAA) 407-425

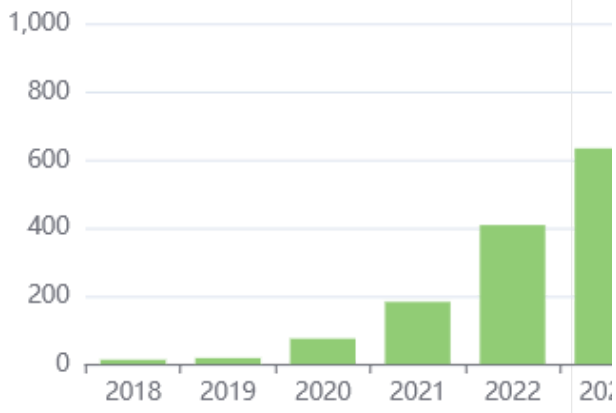
2026 DOI: 10.22219/jaa.v9i2.43494 Accred : Sinta 2

View more ...

Get More with SINTA Insight

Go to Insight

Citation Per Year By Google Scholar



Journal By Google Scholar

	All	Since 2021
Citation	3093	2972
h-index	27	27
i10-index	72	71