THE ROLE OF TAX FAIRNESS AND TAXPAYER TRUST IN BUILDING VOLUNTARY COMPLIANCE IN MSME TAXPAYERS

Nadia Fajriana♣
University of Brawijaya

Gugus Irianto
University of Brawijaya

Wuryan Andayani
University of Brawijaya

ABSTRACT

The aim of this study is to explain the role of tax fairness (procedural and distributive) and taxpayer trust (cognitive) in building voluntary compliance of micro, small, and medium enterprises (MSMEs) taxpayers in Malang Raya, Indonesia. To achieve this, the study uses a positivist paradigm approach with a judgment sampling method. Data were collected from questionnaires, which were created using the Google Forms platform and distributed online. Furthermore, the response was obtained from 204 respondents. The study results show that the two observed factors, i.e tax fairness (procedural and distributive) and taxpayer trust (cognitive), significantly influences voluntary compliance among MSME taxpayers in Malang Raya, Indonesia.

Keywords: Tax fairness, trust, tax compliance, MSME.

1. INTRODUCTION

Tax is an essential instrument for state development and Indonesia is a country that relies on tax revenues for state development activities. The Indonesian government's target for tax revenue in 2020 was IDR 1,404 trillion, which was expected to cover 51% of the total state needs, according to the revised 2020 expenditure plan. This plan was revised due to the COVID-19 pandemic and was outlined in Presidential Regulation Number 72 of 2020, which amended Presidential Regulation Number 54 of 2020 regarding The Changes in Posture and Details of the State Budget for Fiscal Year 2020. Furthermore, in reality, tax revenues as of August 2020 were still approximately IDR 676 trillion or 48% of the 2020 tax revenue budget (Ministry of Finance of the Republic of Indonesia, 2020). The tax ratio in 2020 was projected to depreciate by 9% compared to previous years (DDTC News, 2020).

♣ Corresponding author: Study Program of Accounting, Faculty of Economics and Business, University of Brawijaya. Jl. MT. Haryono 165 Malang, Indonesia (65145). Tel: +6282123459854; Email: nadyafajriana@gmail.com

In Indonesia, tax compliance remains low with only 60% of 19 million taxpayers reporting taxes accurately (Suwiknyo, 2020). This highlights the need to improve both the practical and formal aspects of tax compliance. Additionally, Micro, Small, and Medium Enterprises (MSMEs) play a significant role in the Indonesian economy. In 2018, there were 64 million Micro, Small, and Medium Enterprises (MSMEs) recorded, and 99.9% of business activities were supported by MSMEs (Ministry of Cooperatives and Small and Medium Enterprises of the Republic of Indonesia, 2019; Ministry of Finance of the Republic of Indonesia, 2021). Despite this, tax compliance among MSMEs remains low, with only 2.3 million MSMEs registered as taxpayers, representing only 0.36% of total MSMEs in Indonesia (Setiawan, 2020). In 2019, MSMEs contributed only 1.1% of the total income tax revenue of IDR 711.2 trillion (Catriana, 2021), thus limiting the full potential of tax revenue from the MSME sector.

For MSMEs to fulfill their tax obligations, voluntary compliance is essential. Indonesia has had a self-assessment system for tax reporting in place since 1983, with the government serving as both supervisor and policy maker (Hanum et al., 2019; (Hanum et al., 2019; Regulation of the Minister of Finance of the Republic of Indonesia, 2015; Palil, 2010). However, the self-assessment system has not been fully effective, leading to opportunities for tax avoidance (Darmayasa et al., 2018). Taxpayers must therefore be motivated to comply voluntarily, and previous studies have shown that fairness and trust in tax authorities can increase compliance levels (Angeles, 2021; Erin, 2021; Gilligan & Richardson, 2005; Muslichah & Graha, 2018; Novikasaria et al., 2021; Rachmawan et al., 2020).

In this regard, the present study focuses on the role of procedural and distributive fairness and cognitive trust in increasing voluntary compliance among MSME taxpayers in Indonesia, specifically in the region of Malang Raya. This area is located in East Java and has contributed significantly to Indonesia's economic growth over the past three years (Santoso, 2021; Statistics Central Bureau of Indonesia, 2019, 2020). The study also aims to expand upon previous study on voluntary compliance among MSME taxpayers in Yogyakarta (Albab & Suwardi, 2021). Therefore, this study has global significance, as tax compliance remains a problem in many countries (Hassan et al., 2021) and MSMEs play a crucial role in economic development and social stability (Ensari & Karabay, 2014). As a result, tax revenue generated from the MSME sector is of great importance to the state.

2. LITERATURE REVIEW

2.1. The Psychology of Fairness Theory

In the theory "Psychology of Fairness", fairness is divided into three aspects namely procedural, distributive, and retributive fairness. The focus of the procedural aspect is on the fairness of the tax system, while the distributive focuses on the fairness of tax distribution (Lind & Tyler, 1988). However, retributive fairness, whose focus is on fairness in the provision of sanctions for tax obligation violations, is not included in this study (Tyler et al., 1997). Studies have shown that both procedural and distributive fairness can improve taxpayer compliance, with taxpayers who feel the taxation system is fair being more likely to comply with their tax obligations voluntarily (Feld & Frey, 2007; Saad, 2011; van Dijke & Verboon, 2010; Verboon & Goslinga, 2009). As a result, the following hypothesis was proposed in this study:

H1a: Higher levels of perceived procedural fairness result in higher levels of voluntary taxpayer compliance.

H1b: Higher levels of perceived distributive fairness result in higher levels of voluntary taxpayer compliance.

2.2. The Slippery Slope Framework (SSF)

The SSF and The Psychology of Fairness Theory both play important roles in shaping taxpayer compliance. Furthermore, the power of tax authorities and taxpayer trust are the two crucial factors that impact taxpayer compliance (Kirchler et al., 2008). This study specifically focuses on cognitive trust, which involves a belief based on evidence, facts, and a professional attitude (Colquitt et al., 2012; Gobena & Van Dijke, 2016).

Previous studies have shown that trust in tax authorities and fairness play a crucial role in shaping voluntary compliance (Verboon & van Dijke, 2007; Wenzel, 2002). Therefore, procedural and distributive fairness both contribute to building taxpayer trust and obedience, as taxpayers believe that the tax system as well as distribution of tax proceeds are fair (Gobena & Van Dijke, 2016; van Dijke & Verboon, 2010). The following hypotheses have been proposed based on the literature review:

H2a: Cognitive trust is positively influenced by procedural fairness and this leads to increased voluntary taxpayer compliance.

H2b: Cognitive trust is positively influenced by distributive fairness, which also leads to increased voluntary taxpayer compliance.

From the aforementioned literature, a conceptual framework was derived by combining the elements of the psychology of fairness theory and the SSF.

Figure 1: Conceptual Framework
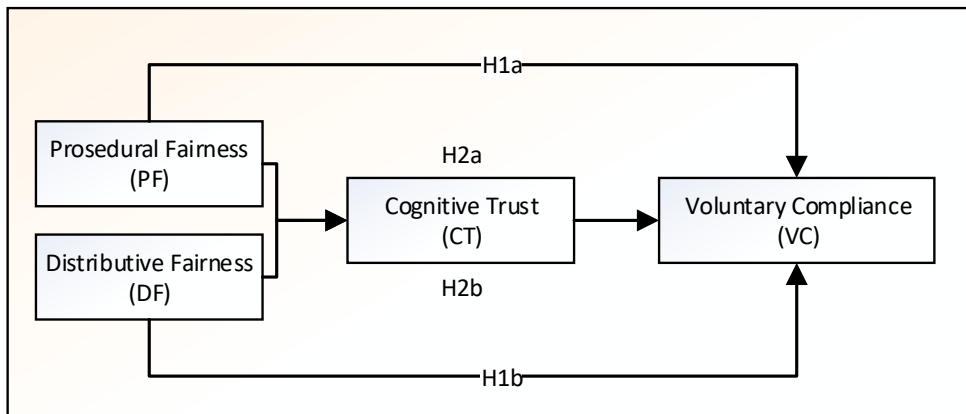
3. METHODOLOGY

This study adopts a quantitative method to examine the perceptions of MSME taxpayers in Malang Raya towards tax fairness (both procedural and distributive), trust (cognitive), and their impact on voluntary compliance. Following this, the samples were selected based on judgment sampling, which involves the selection of respondents who meet specific predetermined criteria (Sekaran & Bougie, 2016). The criteria for selection were derived from the Indonesian Government Regulation Number 23 of 2018 on income tax for businesses with certain gross circulation. The criteria indicate that respondents must have a Taxpayer Identification Number, a gross turnover of less than IDR 4.8 billion per year, and they must not have been keeping financial books prior to the time they were surveyed (Government Regulation, 2018).

The survey questions are based on previous studies by Murphy (2004), Verboon and van Dijke (2007), Gobena and Van Dijke (2016), and Kirchler and Wahl (2010) for procedural fairness, distributive fairness, cognitive trust, and voluntary compliance respectively. The questionnaires were administered through Google Forms due to the ongoing lockdown in the Greater Malang area, which was caused by the COVID-19 pandemic. The study was conducted over a period of two months and 204 responses were received. Furthermore, data analysis was performed using the Partial Least Squares (PLS) approach, which evaluates the predictive effect of partial hypotheses and models by measuring latent variables or constructs (Hair et al., 2012).

4. RESULTS AND DISCUSSION

Before the hypothesis test was conducted, the validity and reliability of the data collected through the Google Form account were first verified. The convergent validity test revealed that four indicators, PF10, PF11, DF1, and DF4, in the constructs of Procedural Fairness (PF) and Distributive Fairness (DF), showed values below 0.7. Accordingly, Chin (1995) stated that indicators with loading factors less than 0.7 should be removed from the study model. After removing these indicators, the results of the convergent and discriminant validity tests met the criteria set by Chin (1995), and the results of the reliability tests met the standards set by Hair et al. (2012).

Table 1: Convergent Validity Testing

Variables	Indicators	Loading factor	Average Variance Extracted (AVE)	Communality
Rules of Thumbs		**>0.7**	**>0.5**	**>0.5**
Procedural	**PF1**	0.818	0.684	0.684
Fairness	**PF2**	0.823		
	PF3	0.820		
	PF4	0.802		
	PF5	0.867		
	PF6	0.785		
	PF7	0.845		
	PF8	0.832		
	PF9	0.847		
Distributive	**DF2**	0.773	0.640	0.640
Fairness	**DF3**	0.840		
	DF5	0.784		
Cognitive	**CT1**	0.744	0.603	0.603
Trust	**CT2**	0.768		
	CT3	0.721		
	CT4	0.838		
	CT5	0.861		
	CT6	0.715		
Voluntary	**VC1**	0.838	0.666	0.666
Compliance	**VC2**	0.793		
	VC3	0.848		
	VC4	0.821		
	VC5	0.811		
	VC6	0.813		
	VC7	0.799		
	VC8	0.797		
	VC9	0.793		
	VC10	0.846		

Table 2: Discriminant Validity Testing (AVE root & correlation between variables)

	Roots of AVE	Procedural Fairness	Distributive Fairness	Cognitive Trust	Voluntary Compliance
Procedural Fairness	0.827	1.000	0.646	0.701	0.448
Distributive Fairness	0.800	0.646	1.000	0.484	0.401
Cognitive Trust	0.776	0.701	0.484	1.000	0.653
Voluntary Compliance	0.816	0.448	0.401	0.653	1.000

Note: Roots of AVE > variables correlation was valid.

Table 3: Discriminant Validity Testing (Cross Loading)

	Procedural Fairness	Distributive Fairness	Cognitive Trust	Voluntary Compliance
PF1	**0.818**	0.499	0.545	0.329
PF2	**0.823**	0.561	0.489	0.363
PF3	**0.820**	0.477	0.622	0.437
PF4	**0.802**	0.537	0.469	0.265
PF5	**0.867**	0.594	0.557	0.400
PF6	**0.785**	0.580	0.606	0.370
PF7	**0.845**	0.510	0.646	0.400
PF8	**0.832**	0.465	0.644	0.371
PF9	**0.847**	0.601	0.589	0.361
DF2	0.395	**0.773**	0.297	0.347
DF3	0.576	**0.840**	0.430	0.318
DF5	0.562	**0.784**	0.422	0.302
CT1	0.586	0.401	**0.744**	0.294
CT2	0.560	0.375	**0.768**	0.346
CT3	0.455	0.308	**0.721**	0.425
CT4	0.542	0.432	**0.838**	0.586
CT5	0.579	0.444	**0.861**	0.676
CT6	0.545	0.287	**0.715**	0.611
VC1	0.346	0.269	0.524	**0.838**
VC2	0.392	0.384	0.553	**0.793**
VC3	0.316	0.306	0.533	**0.848**
VC4	0.346	0.394	0.473	**0.821**
VC5	0.314	0.215	0.444	**0.811**
VC6	0.394	0.307	0.605	**0.813**
VC7	0.404	0.340	0.617	**0.799**
VC8	0.378	0.323	0.555	**0.797**
VC9	0.291	0.299	0.453	**0.793**
VC10	0.441	0.412	0.513	**0.846**

Note: Cross loading >0.7 in each variable was valid.

Table 4: Reliability Testing

	Cronbach's Alpha	Composite Reliability
Rules of Thumbs	**>0.7**	**>0.7**
Procedural Fairness	0.942	0.951
Distributive Fairness	0.718	0.842
Cognitive Trust	0.868	0.901
Voluntary Compliance	0.944	0.952

In this study, a mediation model was established to investigate the impact of tax fairness (procedural and distributive) and trust (cognitive) on the voluntary compliance of MSME taxpayers in Malang Raya. The mediation analysis follows the Baron & Kenny (1986) method, with both direct and indirect tests conducted. The results of the hypothesis testing show that procedural fairness has a significant effect on voluntary compliance through the mediating role of cognitive trust, supporting Hypothesis 2a. On the other hand, distributive fairness has a direct impact on voluntary compliance without the influence of cognitive trust, confirming Hypothesis 1b.

Table 5: Hypotheses Testing

	β	T values
Procedural Fairness → Voluntary Compliance	-0.115	1.111
Distributive Fairness → Voluntary Compliance	0.157*	1.917
Procedural Fairness → Cognitive Trust	0.667*	13.272
Distributive Fairness → Cognitive Trust	0.053	0.663
Cognitive Trust → Voluntary Compliance	0.657*	9.130

Note: * p value >0.05.

The results obtained from this study show that tax fairness (procedural and distributive) and trust (cognitive) play a crucial role in fostering voluntary compliance among MSME taxpayers in Malang Raya, Indonesia. This conclusion is aligned with the Psychology of Fairness Theory and SSF, which suggest that tax fairness and taxpayer trust drive voluntary taxpayer compliance. The study also indicates that cognitive trust acts as a mediator between procedural fairness and voluntary compliance. Additionally, trust, based on evidence and facts, has been demonstrated to encourage taxpayers voluntarily fulfill their tax obligations (Gobena & Van Dijke, 2016; Kirchler et al., 2008; van Dijke & Verboon, 2010).

5. CONCLUSION

In conclusion, the results of this study suggest that in order to improve voluntary compliance among MSME taxpayers, it is essential to establish fairness and trust between the government (tax authority) and the taxpayers. In a self-assessment system, the government must improve its procedural and distributive fairness. The greater the perceived fairness by taxpayers, the higher the level of trust in the government, leading to increased voluntary compliance. Therefore, the government must, strive to create a fair tax system, which will foster confidence and belief in its ability to manage the tax funds paid by taxpayers. As MSME taxpayers and citizens, it is also essential to increase tax literacy and understand the role of taxes in the development of the country.

However, this study has some limitations, such as the broad categorization of business specifications, which affects the responses of the respondents, who are mainly business actors engaged in exchanging goods or services. Therefore, future study could, include a more detailed categorization of business classifications in order to obtain more precise results. Additionally, the role of tax knowledge on tax compliance could also be explored in further study. With the availability of digital access, taxpayers have the opportunity to increase their tax literacy and understanding of the complexities of taxation, and it is important to examine the impact of this understanding on tax compliance.

REFERENCES

Albab, F. N. U., & Suwardi, E. (2021). The Effect of Tax Knowledge on Voluntary Tax Compliance with Trust as a Mediating Variable: A study on micro, small, and medium enterprises (MSMEs). *The Indonesian Journal of Accounting Research, 24*(3), 381–406. https://doi.org/10.33312/ijar.528

Angeles, I. T. (2021). Categorizing taxpayers: A mixed-method study on small business tax compliance in the Philippines. *The South East Asian Journal of Management, 15*(2), 212–234. http://www.ijil.ui.ac.id/index.php/tseajm/article/viewFile/13295/67546965

Baron, R. M., & Kenny, D. A. (1986). The moderator-mediator variable distinction in social psychological research: Conceptual, strategic, and statistical considerations. *Journal of Personality and Social Psychology*, *51*(6), 1173–1182. https://doi.org/10.1037//0022-3514.51.6.1173

Catriana, E. (2021, September). Menkop: kontribusi pajak UMKM masih sangat rendah (minister of cooperatives and SMEs: The MSME tax contribution is still low). *Kompas.Com*. https://money.kompas.com/read/2021/09/16/191249026/menkop-kontribusi-pajak-umkm-masih-sangat-rendah

Chin, W. W. (1995). Partial least squares is to LISREL as principal components. *Technology Studies, 2*(2), 315–319.

Colquitt, J. A., LePine, J. A., Piccolo, R. F., Zapata, C. P., & Rich, B. L. (2012). Explaining the justice-performance relationship: Trust as exchange deepener or trust as uncertainty reducer?. *Journal of Applied Psychology*, 1-15. https://doi.org/10.1037/a0025208

Darmayasa, I. N., Sudarma, I. M., Achsin, H. M., & Mulawarman, A. D. (2018). Constructed interpretation of tax compliance through the historicity, rationality, and actuality of Pancasila (cases in Indonesia). *International Journal of Trade and Global Markets, 11*(1–2). https://www.inderscienceonline.com/doi/pdf/10.1504/IJTGM.2018.092481

DDTC News. (2020, May). *Pemerintah Proyeksi Tax Ratio 2020 Terendah dalam 2 Dekade Terakhir (Government Projects Lowest Tax Ratio 2020 in the Last 2 Decades)*. https://news.ddtc.co.id/pemerintah-proyeksi-tax-ratio-2020-terendah-dalam-2-dekade-terakhir-20876?page_y=1774

Ensari, M. Ş., & Karabay, M. E. (2014). What helps to make SMEs successful in global markets?. *Procedia - Social and Behavioral Sciences, 150*, 192 – 201. https://doi.org/doi: 10.1016/j.sbspro.2014.09.030

Erin. (2021). The effectiveness of tax administration digitalization to reduce compliance cost taxpayers of micro small, and medium enterprises. *Budapest International Research and Critics Institute-Journal, 4*(4), 7508–7515. https://doi.org/https://doi.org/10.33258/birci.v4i4.2666

Feld, L. P., & Frey, B. S. (2007). Tax compliance as the result of a psychological tax contract: The role of incentives and responsive regulation. *Law and Policy*, *29*(1), 102–120. https://doi.org/10.1111/j.1467-9930.2007.00248.x

Gilligan, G., & Richardson, G. (2005). Perceptions of tax fairness and tax compliance in Australia and Hong Kong - a preliminary study. *Journal of Financial Crime, 12*(4), 331–343. https://doi.org/doi.org/10.1108/13590790510624783

Gobena, L. B., & Van Dijke, M. (2016). Power, justice, and trust: A moderated mediation analysis of tax compliance among Ethiopian business owners. *Journal of Economic Psychology*, *52*(1), 24–37. https://doi.org/10.1016/j.joep.2015.11.004

Government Regulation Number 23 of 2018 concerning Income Tax on Income from Business Received or Earned by Taxpayers with Certain Gross Turnover (2018). https://peraturan.bpk.go.id/Home/Details/82680/pp-no-23-tahun-2018

Hair, J. F., Ringle, C. M., & Sarstedt, M. (2012). Partial least squares: The better approach to structural equation modeling? Long Range Planning, 45(5–6), 312–319

Hanum, L., Ari, D. P. S., & Susilo, H. (2019). Determinant of tax compliance intention in Java Indonesia: Theory of reasoned action approach. *Advances in Economics, Business and Management Research, 154*, 177–182. http://creativecommons.org/licenses/by-nc/4.0/

Hassan, I. e, Naeem, A., & Gulzar, S. (2021). Voluntary tax compliance behavior of individual taxpayers in Pakistan. *Financial Innovation, 7*(21),1-23. https://doi.org/doi.org/10.1186/s40854-021-00234-4

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

Kirchler, E., Hoelzl, E., & Wahl, I. (2008). Enforced versus voluntary tax compliance: The "slippery slope" framework. *Journal of Economic Psychology, 29*(2), 210–225. https://doi.org/10.1016/j.joep.2007.05.004

Ministry of Cooperatives and Small and Medium Enterprises of the Republic of Indonesia. (2019). Perkembangan Data Usaha Mikro, Kecil, Menengah (UMKM) dan Usaha Besar (UB) Tahun 2017-2018 (Data Development of Micro, Small, Medium Enterprises and Large Enterprises in 2017-2018). *Ministry of Cooperatives and Small and Medium Enterprises of the Republic of Indonesia*. https://kemenkopukm.go.id/uploads/laporan/1580223129_PERKEMBANGAN DATA USAHA MIKRO, KECIL, MENENGAH (UMKM) DAN USAHA BESAR (UB) TAHUN 2017 - 2018.pdf

Ministry of Finance of the Republic of Indonesia (2020, September). Menkeu Paparkan Realisasi Penerimaan Perpajakan Hingga Agustus 2020 (Minister of Finance Explains Tax Revenue Realization Until August 2020). *Ministry of Finance of the Republic of Indonesia*. https://www.kemenkeu.go.id/publikasi/berita/menkeu-paparkan-realisasi-penerimaan-perpajakan-hingga-agustus-2020/#:~:text="Penerimaan pajak (hingga Agustus 2020,6%25%2C" jelas Menkeu.

Ministry of Finance of the Republic of Indonesia (2021, September). Ministry of Cooperatives and Small and Medium Enterprises Coordinates Synergy and Collaboration for Cooperatives and SMEs Development. *Ministry of Finance of the Republic of Indonesia*. https://www.kemenkeu.go.id/en/publications/news/ministry-of-cooperatives-and-small-and-medium-enterprises-coordinates-synergy-and-collaboration-for-cooperatives-and-smes-development/

Murphy, K. (2004). The role of trust in nurturing compliance: A study of accused tax avoiders. In *Law and Human Behavior, 28*(2), 187–209. https://doi.org/10.1023/B:LAHU.0000022322.94776.ca

Muslichah, & Graha, V. S. (2018). The effect of tax fairnesson tax compliance with trust as an intervening variable. *Accounting and Financial Review, 1*(2), 78–85. https://jurnal.unmer.ac.id/index.php/afr/article/view/2372/pdf

Novikasaria, S. R., Ly, D. Q., & Gershaneck, K. (2021). Taxing micro, small and medium enterprises in Yogyakarta: *Regulation and Compliance. Bestuur, 9*(1), 43–52. https://doi.org/https://dx.doi.org/10.20961/bestuur.v9i1.49184

Palil, M. R. (2010). Tax knowledge and tax compliance determinants in self assessment system in Malaysia. In *University of Birmingham*.

Rachmawan, R., Subekti, I., & Adib, N. (2020). The effect of tax knowledge on relationship of procedural justice perception towards voluntary tax compliance mediated by trust. *International Journal of Research in Business and Social Science, 9*(4), 207–213. https://doi.org/doi.org/10.20525/ijrbs.v9i4.725

Regulation of the Minister of Finance of the Republic of Indonesia Number 234/PMK.01/2015 concerning Organization and Work Procedures of the Ministry of Finance (2015). https://jdih.kemenkeu.go.id/fullText/2010/184~PMK.01~2010Per.6.htm

Saad, N. (2011). Fairness perceptions and compliance behaviour: Taxpayers' judgments in self-assessment environments. In *University of Canterbury*.

Santoso, Y. I. (2021, February). Ekonomi 2020 masih terpusat di Pulau Jawa, ini kata ekonom Core (The 2020 economy is still centered on the island of Java, says economist Core). *Kontan.Id*. https://nasional.kontan.co.id/news/ekonomi-2020-masih-terpusat-di-pulau-jawa-ini-kata-ekonom-core

Sekaran, U., & Bougie, R. (2016). Research methods for business: A skill-building approach / Uma Sekaran and Roger Bougie. In *Wiley & Sons*.

Setiawan, D. A. (2020, February). Dinilai 'Tahan Banting', kontribusi UMKM ke pajak diharapkan naik (Assessed capable, MSME contribution to taxes is expected to increase). *DDTC News*. https://news.ddtc.co.id/dinilai-tahan-banting-kontribusi-umkm-ke-pajak-diharapkan-naik-19020

Statistics Central Bureau of Indonesia. (2019, February). Ekonomi Indonesia 2018 tumbuh 5,17 persen (2018 Indonesian economy grows 5.17 percent). *Statistics Central Bureau of Indonesia*. https://www.bps.go.id/pressrelease/2019/02/06/1619/ekonomi-indonesia-2018-tumbuh-5-17-persen.html

Statistics Central Bureau of Indonesia. (2020, February). Ekonomi Indonesia 2019 Tumbuh 5,02 persen (2019 Indonesian economy grows 5.02 percent). *Statistics Central Bureau of Indonesia*. https://www.bps.go.id/pressrelease/2020/02/05/1755/ekonomi-indonesia-2019-tumbuh-5-02-persen.html

Suwiknyo, E. (2020, September). Kepatuhan formal wajib pajak melempem, tren buruk berlanjut (Taxpayer formal compliance sluggish, bad trend continues). *Bisnis News*. https://ekonomi.bisnis.com/read/20200909/259/1289281/kepatuhan-formal-wajib-pajak-melempem-tren-buruk-berlanjut

The Audit Board of the Republic of Indonesia (2020). *Presidential Regulation Number 7 of 2020 concerning Amendments to Presidential Regulation Number 54 of 2020 concerning Changes in Posture and Details of the State Budget for Fiscal Year 2020*. https://peraturan.bpk.go.id/Home/Details/139576/perpres-no-72-tahun-2020

Tyler, T. R., Boeckmann, R. J., Smith, H. J., & Huo, Y. J. (1997). Social Justice in a Diverse Society. In *Westview Press*. Routledge.

van Dijke, M., & Verboon, P. (2010). Trust in authorities as a boundary condition to procedural fairness effects on tax compliance. *Journal of Economic Psychology*, *31*(1), 80–91. https://doi.org/10.1016/j.joep.2009.10.005

Verboon, P., & Goslinga, S. (2009). The role of fairness in tax compliance. *Netherlands Journal of Psychology*, *65*(4), 136–145. https://doi.org/10.1007/BF03080136

Verboon, P., & van Dijke, M. (2007). A self-interest analysis of justice and tax compliance: How distributive justice moderates the effect of outcome favorability. *Journal of Economic Psychology*, *28*(6), 704–727. https://doi.org/10.1016/j.joep.2007.09.004

Wenzel, M. (2002). Tax compliance and the psychology of justice: Mapping the field. In V. Braithwaite (Ed.). *Taxing Democracy: Understanding Tax Avoidance and Evasion*. Ashgate Publishing Ltd.