When Compliance Meets Perception: A Theory of Planned Behavior-Based Study of Ethical Tax Evasion

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Abstract

This study examines the influence of taxation systems and fiscal discrimination on ethical perceptions of tax avoidance within the framework of the Theory of Planned Behavior (TPB). Ethical perceptions are important indicators in understanding voluntary tax compliance, particularly among Micro, Small, and Medium Enterprises (MSMEs) in Indonesia. An explanatory quantitative approach was used with data from 157 MSME taxpayers, analyzed using multiple linear regression. The results indicate that the tax system has a negative effect, while fiscal discrimination has a positive effect on ethical perceptions of tax avoidance. However, both effects are not statistically significant. The model only explains 5.9% of the variation in ethical perceptions, indicating the presence of other factors not captured in the model. This study contributes to strengthening the discourse on fair fiscal governance and emphasizes the importance of considering both technical aspects and perceptions of fairness in tax reform, in line with Sustainable Development Goal (SDG) 16.

Keywords: Ethical Perceptions, Tax Avoidance, Tax System, Fiscal Discrimination, Theory of Planned Behaviour

INTRODUCTION

Tax evasion remains a serious problem that is deeply entrenched in Indonesia's tax system. This issue is no longer limited to individual legal or moral awareness, but touches on a deeper dimension: how society views the tax system itself. In the *Indonesia Economic Prospects* report released by the World Bank in 2024, it was stated that around 25% of formal companies in Indonesia openly admit to not fully complying with their tax obligations. This finding comes from an experimental survey of nearly 3,000 companies, and the results reflect one important thing—the complexity, unfairness, and lack of transparency of the tax system are the main factors undermining compliance.

Other data from (CEIC, 2024) shows that Indonesia's tax-to-GDP ratio stands at just 11.8%, still far below the 15% minimum threshold recommended by the World Bank as a condition for fiscal stability. More concerning, Micro, Small, and Medium Enterprises (MSMEs)—which actually contribute over 60% to the national GDP—often feel they are treated unfairly. They not only face difficulties in understanding tax rules and procedures

but also experience unequal treatment: they are audited more frequently, receive minimal assistance, and struggle to access adequate services.

A study by the (Committee, 2024) reinforces this conclusion. Along with other research, these findings indicate that discriminatory experiences and perceptions of unfairness within the tax system have a real impact on taxpayers' attitudes and behavior. In this context, tax avoidance is not merely considered an illegal act, but can be understood as a form of moral protest against a system that is perceived as unfair ((Ramli R. & Siregar, 2020);(S. Dewi & Sylviana, 2021); (Anggareni & Mujiyati, 2024))

Discrimination in the tax system can manifest in various forms: selective audits, unequal services, and administrative sanctions that are often disproportionate. When SMEs feel they are treated more harshly than large companies—which often receive incentives or leniency—a sense of injustice grows. In such situations, moral justification for tax evasion becomes inevitable.

When viewed through the lens of the Theory of Planned Behavior (TPB), this condition explains how perceptions of injustice and discrimination shape negative attitudes toward tax obligations. Not only that, a social environment that is permissive toward tax avoidance also creates subjective norms that further reinforce deviant behavior. When such practices are considered "normal" or "necessary" by other business actors, social pressure to follow suit becomes very strong (Arda & Yusuf, 2024).

Therefore, the tax system and discriminatory treatment cannot merely be viewed as a backdrop but as key actors that directly influence taxpayers' perceptions and decisions. If these structural inequalities are not addressed promptly, efforts to enhance moral awareness or tax compliance campaigns risk failing to achieve their objectives.

Unfortunately, much previous research has tended to focus on internal aspects of taxpayers—such as moral values, religiosity, or tax knowledge. Meanwhile, structural factors such as the tax system and discriminatory treatment are often positioned as secondary variables or supporting contexts. In reality, especially in developing countries such as Indonesia, these two factors are crucial in shaping perceptions of tax ethics and voluntary compliance.

This study aims to address this gap with two main approaches. First, theoretically, this study uses the Theory of Planned Behavior to map more clearly how perceptions of systemic injustice and discrimination contribute to shaping attitudes, social norms, and intentions to evade taxes. This approach allows us to understand the psychological and social processes that have been overlooked in the taxation discourse.

Second, from a methodological perspective, this study adopts an explanatory quantitative approach with the tax system and fiscal discrimination as the main variables. This focus provides a strong empirical foundation for analyzing the direct impact of structural inequality on the ethical behavior of taxpayers—especially MSMEs, a vulnerable group that has not been the main subject of similar studies.

The strength of this study lies in its success in combining two important dimensions—structure and behavior—into a comprehensive analytical model. TPB is utilized not only to trace individual attitudes and intentions but also to explicitly map institutional and structural influences. In this model, the tax system is examined as a determinant of attitudes, while fiscal discrimination is viewed as a determinant of social norms. This approach provides a more comprehensive understanding of the phenomenon of tax evasion, which has often been understood only partially.

More than just an academic contribution, this study is also in line with the sustainable development agenda. In particular, this research supports the achievement of Sustainable Development Goal (SDG) number 16, which emphasizes the importance of building fair, inclusive, and trustworthy institutions. By showing how fiscal injustice and discrimination can encourage deviant behavior, this study provides strong empirical evidence for the need for institutional reform—both in terms of policy and implementation.

Through a structural approach based on the TPB, this research is expected to not only enrich the scientific literature but also serve as a practical foundation for policymakers. Amid efforts to expand the tax base and improve compliance, the findings of this study offer an important message: that building a fair and inclusive system is not only a moral ideal but a logical prerequisite for a sustainable, ethical, and trusted tax system.

THEORITICAL FRAMEWORK AND HYPOTHESIS

Theory of Planned Behaviour

The Theory of Planned Behavior (TPB) developed by (Ajzen, 1991) is one of the most influential behavioral theories in social science. TPB explains that individual behavior can be predicted by the intention to perform the behavior, and this intention is influenced by three main constructs: attitude, subjective norms, and perceived behavioral control (PBC) (Manrejo & Yulaeli, 2022)(Damayanti, 2012).

Attitude towards behavior is an individual's positive or negative evaluation of an action. In the context of taxation, taxpayers' attitudes towards tax evasion reflect the extent to which the action is considered morally right or wrong (Yuliana & Puspitosari, 2021). If the tax system is considered unfair or burdensome, then attitudes towards evasion can change to permissive or even positive (Arham & Firmansyah, 2021).

Subjective norms refer to social pressure or perceptions of the expectations of those closest to an action. When social environments such as colleagues, family, or the business community consider tax evasion as normal or acceptable, these subjective norms can encourage similar behavior (Damayanti, 2012)(Markonah & Manrejo, 2022).

For example, a tax system that is perceived as discriminatory tends to lower moral norms towards tax compliance. Taxpayers who feel they are treated unfairly are more likely to perceive tax evasion as justifiable (Anggrahini R. & Wirawan, 2020). Within the TPB framework, this demonstrates the important role of contextual variables in influencing two key constructs: attitudes and subjective norms.

TPB-based research has also integrated other variables such as trust in government, tax knowledge and religiosity. However, few studies have examined the direct influence of the tax system and fiscal discrimination on the ethical perception of tax evasion, making this approach a novel theoretical contribution in the tax ethics literature (Hasiholan & Jasman, 2019).

In this study, the TPB is used as the main framework to examine how the tax system shapes attitudes towards tax evasion, and how fiscal discrimination shapes subjective norms in favor of or against evasion. By including ethical perception as a dependent variable, this study expands the scope of the TPB in the context of moral and fiscal behavior.

Therefore, the TPB framework provides a strong theoretical foundation to explain the link between systemic structures (tax and discrimination) and the formation of moral

attitudes. This is relevant in the context of Indonesia, which is working to improve voluntary tax compliance through a justice and ethics approach.

Ethical Perceptions of Tax Evasion

Ethical perception of tax evasion refers to an individual's assessment of the rightness or wrongness of avoiding or evading tax obligations. Conceptually, this ethical perception is a form of a person's moral evaluation of certain actions, which are influenced by the value system, social norms, and structural context. In the realm of taxation, this perception plays an important role because it can be an early predictor of tax compliance or evasion intentions and behavior (Saragih & Rahayu, 2021).

Recent studies have shown that ethical perceptions of tax evasion vary widely among individuals, depending on internal factors such as personal morality, religiosity, and tax knowledge (Afriyani, 2023), as well as external factors such as the fairness of the tax system and tax authorities' treatment of taxpayers (M. S. Dewi & Merkusiwati, 2017). In many cases, these perceptions are also shaped by personal or collective experiences of the tax bureaucracy.

Research by (Seputro & Ratih, 2022) shows that money ethics and tax morale have a significant effect on taxpayers' perceptions of the ethics of tax evasion, while religiosity has no significant effect (Seputro & Ratih, 2022). This strengthens the argument that ethical judgment is not only spiritual, but also strongly influenced by rationality and perceptions of fairness.

In addition, the fiscal discrimination factor is also proven to have a significant effect on the ethical perception of taxpayers. The study by (M. S. Dewi & Sari, 2023) states that taxpayers who experience discriminatory treatment tend to have greater tolerance for tax evasion. This phenomenon is also confirmed by (Faradiza, 2018) research, which found that perceptions of injustice can form a moral justification for evasive actions.

Ethical perceptions are also influenced by the prevailing tax system. A complex, non-transparent, or inconsistent system can lead to negative perceptions and reduce the moral integrity of taxpayers. This is confirmed by the study of (Hakki M. F. & Rachmawati, 2023) and (Zuliyanti, 2017), which show that negative perceptions of the tax system increase the tendency to justify embezzlement (Hakki M. F. & Rachmawati, 2023)(Zuliyanti, 2017).

Several studies have also found that ethical perceptions are influenced by cultural values, gender, and economic orientation. Research by (Yuniartaa & Purnamawatib, 2020), in Bali shows that aspects of Hindu spirituality contribute to negative ethical perceptions of tax evasion. Meanwhile, (Cahyandari et al., 2024) revealed that "love of money" has a positive influence on moral justification for embezzlement.

In many studies, ethical perceptions of tax evasion are considered as mediating variables between structural factors and behavioral intentions. Research by (Saragih & Rahayu, 2021) proves that ethical perception is a strong predictor of voluntary tax compliance, making it an important variable in the tax behavior model.

However, research on ethical perception is often still limited to the influence of individual values, without considering systemic conditions such as discrimination and fiscal justice. Therefore, this study proposes a structural approach in understanding the formation of ethical perceptions by including tax system variables and discrimination in the Theory of Planned Behavior framework.

Thus, ethical perceptions of tax evasion are not only a reflection of personal morals, but also the result of complex interactions between individual values, social pressures, and experiences of the fiscal system. This approach is relevant to broaden the understanding of taxpayer behavior in developing countries such as Indonesia.

Taxation System

The tax system is the main pillar in creating a fair fiscal structure and serves as a means of redistributing state income. A good tax system should reflect the principles of fairness, efficiency, simplicity, and transparency. However, in practice, the tax system is often perceived as complex, unfair, or biased towards certain groups, which ultimately affects taxpayer perceptions and behavior (Rahayu & Pratama, 2025)(Priyono & Wulandari, 2024).

Various studies have shown that perceptions of the fairness of the tax system have a significant influence on the level of voluntary compliance of taxpayers. When taxpayers feel that the system is fair and provides commensurate benefits, they tend to be cooperative in fulfilling their fiscal obligations (Sitepu & Arbak, 2023)(Saptono & Khozen, 2023).

One of the key elements in taxpayers' perceptions of the system is tax fairness. A study by (Febrian & Islami, 2020) shows that perceptions of fiscal justice mediate the effect of trust in government on tax compliance decisions. The fairness in question includes horizontal equity (equal treatment for tax subjects with similar income) and vertical equity (higher burdens on those with greater income).

System complexity is also a major source of taxpayer dissatisfaction. A complicated system not only makes it difficult to understand, but also opens up room for legal interpretation and loopholes for tax avoidance (Priyono & Wulandari, 2024)(Wulandari D. & Nugraha, 2024). This is exacerbated by regulations that change frequently, lack of socialization, and differences in treatment between large and small taxpayers (Anwar & Rahmawati, 2024).

In the Indonesian context, the tax reform approach has been carried out through digitalization and the establishment of a CRM (Compliance Risk Management) system. However, the impact on taxpayer perceptions is still varied. A study by (Hermawan, 2022) shows that digital transformation has a positive correlation with perceptions of fairness and voluntary tax compliance.

Perceptions of the system can also be influenced by negative experiences, such as a mismatch between fiscal services and taxpayer expectations, non-transparent dispute resolution, and unequal access to information (Kurniawan D. & Lestari, 2023)(Djajanti, 2020). All these factors erode the sense of justice and strengthen the narrative of moral justification for tax evasion.

A number of studies in Indonesia strengthen the correlation between the tax system and ethical perceptions. For example, a study by (Merkusiwati & Suaryana, 2021) proves that perceptions of system unfairness have a direct impact on permissiveness of tax evasion. This is also agreed by (Inasius, 2019) who highlights the important role of perceptions of equity and fairness in encouraging or inhibiting MSME tax compliance.

Furthermore, perceptions of the tax system are closely related to the intention to comply or vice versa tax avoidance. Within the Theory of Planned Behavior framework, these perceptions shape individual attitudes towards tax evasion which have an impact on ethical intentions and actual behavior. Research by (Manrejo & Yulaeli, 2022) emphasizes

that a fair and easy-to-understand tax system shapes positive attitudes and intentions to comply.

Thus, in this theoretical framework, the tax system is an independent variable that can affect the ethical perception of tax evasion through the attitude channel. Understanding the complexity, fairness, and effectiveness of the system is an important element in shaping taxpayer perceptions. This approach is an important basis in the design of equitable and sustainable fiscal policies, especially in improving voluntary compliance.

Fiscal Discrimination

Fiscal discrimination is unequal treatment by tax authorities against taxpayers based on factors such as business type, economic status, geographic location, or social background. In the context of the tax system, fiscal discrimination occurs when there is inequality of treatment or structural injustice in the application of tax policy that creates a sense of dissatisfaction and moral resistance to tax obligations (Nugaha & Hajanirina, 2020).

Recent studies confirm that fiscal discrimination can have a negative impact on taxpayer perceptions. A study by (Judijanto & Muhtadi, 2024) states that although the Harmonization of Tax Regulations Law (UU HPP) has promoted fiscal justice, there are still major challenges in distributing the benefits of reforms to the informal sector and small businesses.

Fiscal discrimination also creates negative social norms that justify tax avoidance. In the framework of Theory of Planned Behavior, this is related to the formation of subjective norms that strengthen tolerance for tax evasion behavior (Owusu et al., 2020). Study by (Sadjiarto et al., 2020) on the Chinese business community in Indonesia shows that perceived fiscal discrimination is a moral justification for evasive behavior

Discrimination also occurs geographically, where taxpayers in underdeveloped or border areas have much lower access to tax information and services than metropolitan areas. This creates a perception of injustice that is systemic and has the potential to trigger a decrease in tax compliance (Wibowo A. & Lestari, 2022).

In addition, MSMEs often feel discriminated against compared to large corporations in terms of audit intensity and legal treatment. A study by (Wahyudin D. & Yuliani, 2023) shows that large corporations tend to get incentives and facilities, while MSMEs face a relatively greater administrative burden and face less sympathetic tax auditors.

Fiscal discrimination is also latent in the implementation of tax digitalization, where taxpayers who do not have access to technology or digital literacy will be marginalized from the system, and face higher compliance risks (Mahpudin, 2024).

Discrimination experienced collectively can create "moral disengagement", which is a condition when individuals feel ethically justified to break the rules because the system is perceived as unfair (Hakki M. F. & Rachmawati, 2023). In the study of moral psychology, this phenomenon is dangerous because it can transform lawlessness into socially acceptable actions.

In the theoretical framework of this study, fiscal discrimination is identified as an independent variable that affects the ethical perception of tax evasion. When individuals or groups feel unfairly treated by the system, they tend to justify evasion as a form of resistance to structural inequality (Nugaha & Hajanirina, 2020).

Thus, fiscal discrimination is not only a technical issue in policy implementation, but also has a serious impact on fiscal morality and the formation of social norms in society.

Therefore, integrating this variable in a behavioral framework such as the TPB is an important and innovative approach to understanding the dynamics of tax compliance in developing countries such as Indonesia.

Hypothesis

In the TPB framework, attitude towards behavior is the main determining factor in the formation of intentions and actions. This attitude is formed based on individual experiences and perceptions of a phenomenon, including the fairness and effectiveness of the tax system. Therefore, the first hypothesis in this study states that a tax system that is considered fair and transparent will form a negative attitude towards tax evasion and vice versa (Owusu et al., 2020).

Hypothesis 1 is built on the basis that a fair system encourages tax morality. Research by (Manrejo & Yulaeli, 2022) and (Ramli R. & Siregar, 2020) show that a tax system that is perceived as fair significantly reduces the justification for tax evasion.

Conversely, a complex, inconsistent, or discriminatory tax system can shape the perception that tax evasion is a morally justified form of reaction. This is confirmed by the studies of (M. S. Dewi & Merkusiwati, 2017) and (Hakki M. F. & Rachmawati, 2023), which confirms that distrust of the system encourages the emergence of permissive perceptions of tax violations.

A recent study by (Wahyuni S. & Fitriani, 2022) also highlighted that the effectiveness of tax technology in creating a transparent system can reduce taxpayer tolerance for tax evasion. Therefore, the tax system is an important construct in explaining the ethical perception of taxpayers through the attitude path in TPB.

H1: The tax system negatively affects the ethical perception of tax evasion.

Hypothesis 2 is built from the subjective norm component in TPB. This norm is formed based on social expectations that individuals feel from their surrounding environment. In the context of fiscal discrimination, taxpayers who feel treated unfairly tend to develop social norms that are permissive of evasion (Sadjiarto et al., 2020).

Research by Santi (S. Dewi & Sylviana, 2021) and (Zuliyanti, 2017) found that fiscal discrimination has a significant effect on ethical perceptions of tax evasion, which indicates that distributive justice is very important in shaping fiscal moral values.

Furthermore, (Maharani, 2015) and (Halifah & Sayidah, 2021) show that discriminatory treatment of certain business sectors or social groups strengthens the narrative of justification for tax evasion. This discrimination triggers psychological resistance and ethical justifications that lead to non-compliant behavior.

The effect of discrimination was also found in (Mentari & Halimahtusyadiah, 2017) study in Bengkulu, which stated that fiscal discrimination has a positive correlation with increased justification for tax evasion. This effect is also observed in the population of university students and MSME players in various parts of Indonesia.

Thus, each hypothesis in this study is systematically built based on the integration between the TPB components (attitudes and norms) with contextual structural variables, namely the tax system and fiscal discrimination. This modeling is not only based on theoretical arguments, but also reinforced by empirical evidence from relevant and recent previous research.

H2: Fiscal discrimination has a positive effect on the ethical perception of tax evasion.

RESEARCH METHOD

This research uses a quantitative approach with an explanatory research type. This approach is used to test the causal relationship between the tax system and fiscal discrimination on the ethical perception of tax evasion within the Theory of Planned Behavior (TPB) framework. This approach is considered appropriate because it is able to explain the relationship between variables objectively and measurably.

The population in this study are individual taxpayers who carry out business activities, especially Micro, Small and Medium Enterprises (MSMEs) in Indonesia. The sampling technique was carried out by purposive sampling, with the following criteria: (1) having a Taxpayer Identification Number (NPWP), (2) actively reporting the Annual Tax Return (SPT) in the last three years, and (3) having direct experience interacting with the tax system. The sample was determined based on the Slovin formula, and the questionnaires were distributed online and offline.

Primary data were obtained through a structured questionnaire developed from theoretical indicators and relevant previous studies. The questionnaire used a 1-5 Likert scale and covered three main variables, namely the tax system (6 items), fiscal discrimination (3 items), and ethical perceptions of tax evasion (8 items). The instrument is designed to measure perceptions, attitudes, and social norms that correspond to the TPB constructs.

The validity test was conducted through Pearson Product Moment correlation to ensure inter-indicator measurability, while the reliability of the instrument was tested using Cronbach's Alpha coefficient with a minimum acceptable value of 0.70. The feasibility of data to be analyzed was first tested through the classical assumption test which includes normality, multicollinearity, and heteroscedasticity.

The data analysis technique used is multiple linear regression. This analysis was chosen because it is suitable for testing the simultaneous and partial effects of two independent variables on one dependent variable. In addition, linear regression also allows testing the strength of the model through the coefficient of determination (R^2) and testing the significance of the model as a whole through the F test.

All data processing and analysis was conducted using statistical software such as SPSS. To maintain data quality, control procedures for possible common method bias and construct reliability tests were also conducted to ensure the stability of the measurement tool.

This methodology is expected to provide a systematic approach in explaining the relationship between systemic perceptions (system and discrimination) and dimensions of fiscal ethics in the context of individual taxpayers in Indonesia.

RESULT AND DISCUSSION

This study analyzes the effect of the tax system and fiscal discrimination on the ethical perception of tax evasion with a multiple linear regression approach. Prior to regression analysis, data quality testing was first carried out through validity, reliability, and classical assumption tests, as suggested by (Hair et al., 2019) in the multivariate analysis approach.

Table 1. Reliability Test Results

	Cronbach's Alpha	Reliability Description
Taxation System	0,71	Reliabel (α > 0,6)
Discrimination	0,382	Less Reliable (α < 0,6)
Ethical Perception of Tax Evasion	0,879	Reliabel (α > 0,6)

Source: Processed Data, 2025

The results of the instrument validity test using Pearson correlation show that all statement items from each variable have a calculated r value greater than the r table (0.1557) and significance <0.05. This indicates that each indicator is able to measure the intended construct validly (Ghozali, 2018). Furthermore, the reliability test results using Cronbach's Alpha show that the tax system variable has α = 0.710, fiscal discrimination α = 0.382, and ethical perceptions α = 0.879. Hair et al. (2019) suggest that an α value ≥ 0.7 is considered reliable, although in exploratory studies a value between 0.6-0.7 is still acceptable.

Table 2. Normality Test Results

	Std. Deviation	Kolmogorov-Smirnov Statistic	Sig. (2-tailed)	Description
Unstandardized Residual	6,93791152	0,048	0,2	Data is normally distributed (Sig > 0.05)

Source: Processed Data, 2025

The normality test using the Kolmogorov-Smirnov method produces a significance value of 0.200 (> 0.05), which indicates that the data is normally distributed. (Gujarati, 2011) states that residual normality is an important requirement in classical regression for BLUE (Best Linear Unbiased Estimator) parameter estimation. Furthermore, the multicollinearity test shows a tolerance value of 0.860 and VIF of 1.163 for each independent variable, which is far below the threshold of 10 as stated by Field (2013), so it can be concluded that there is no multicollinearity.

Table 3. Multicollinearity Test Results

Variabels	Tolerance	VIF	Description
Taxation System	0,86	1,163	No multicollinearity (Tolerance > 0.1 and VIF < 10)
Discrimination	0,86	1,163	No multicollinearity (Tolerance > 0.1 and VIF < 10)

Source: Processed Data, 2025

Heteroscedasticity test is conducted through residual analysis with significance > 0.05, which indicates that the residual variables are homogeneously distributed and the model does not experience heteroscedasticity problems. (Fidel & Grace, 2011) state that the assumption of homoscedasticity is necessary so that the error variance is constant and the prediction error remains stable over the entire range of data.

<div align="center">Table 4. Heteroscedasticity Test Results</div>

Variabels	Unstandardized Coefficients (B)	Std. Error	t	Sig.	Description
Taxation System	-0,169	0,111	-1,53	0,13	No heteroscedasticity (Sig. > 0.05)
Discrimination	0,204	0,172	1,187	0,24	No heteroscedasticity (Sig. > 0.05)

Source: Processed Data, 2025

Multiple linear regression analysis produces a model equation:

$$Y = 23,742 - 0,272X1 + 0,355X2,$$

with Y is the ethical perception of tax evasion, X1 is the tax system, and X2 is fiscal discrimination. This model indicates that the tax system has a negative effect and fiscal discrimination has a positive effect on ethical perceptions, although both effects are not statistically significant.

<div align="center">Table 5. t-test Test Results</div>

Variabels	Unstandardized Coefficients (B)	Std. Error	Beta	t	Sig.	Description
Taxation System	-0,272	0,196	-0,119	-1,39	0,17	Not significant (p > 0.05)
Discrimination	0,355	0,304	0,101	1,168	0,25	Not significant (p > 0.05)

Source: Processed Data, 2025

The t-test results show that the tax system variable has a significance value of 0.168 and fiscal discrimination of 0.245 (both > 0.05). Thus, partially there is no significant effect of the two independent variables on the dependent variable. This is in line with the principle explained by (Gujarati, 2011) that although the regression coefficient indicates the direction of the relationship, statistical significance is required to ensure the reliability of the relationship inferentially.

<div align="center">Table 7. Result Of Linear Coefficient Of Determination (R2)</div>

R	R Square	Adjusted R Square	Std. Error of the Estimate	Description
243	0,059	0,047	3,49141	The contribution of the independent variable to the dependent variable is

Source: Processed Data, 2025

The coefficient of determination (R^2) of 0.059 indicates that the tax system and fiscal discrimination variables are only able to explain 5.9% of the variation in the ethical perception of tax evasion, while the rest is explained by other factors. The simultaneous test (ANOVA) results in a significance value of 0.303 (> 0.05), which indicates that together the independent variables do not have a significant effect on the dependent variable. According

to (Ghozali, 2018), although not statistically significant, these results can still contribute to building theoretical understanding and become the basis for further model development.

Table 8. Result Of Anova

Source of Variation	Sum of Squares	df	Mean Square	F	Sig.	Description
Regression	117.433	2	58,716	1,204	0,303	Not significant (p > 0.05)
Residual	7509	154	48,76	-	-	-
Total	7626,433	156	-	-	-	-

Source: Processed Data, 2025

Overall, this analysis process shows that the regression model has met the basic assumptions of classical regression and the instruments used are feasible in terms of validity and reliability. However, based on the statistical results, the effect of independent variables on the ethical perception of tax evasion still needs to be further tested by considering mediation, moderation, or expansion of other social and psychological structure variables as suggested by (Hair et al., 2019).

Discussion

The results of this study indicate that perceptions of the tax system have a negative influence on ethical perceptions of tax evasion, although this influence is not statistically significant. These findings suggest that when the system is perceived as increasingly unfair or complex, taxpayers' attitudes toward tax evasion tend to become more permissive. This is in line with the Theory of Planned Behavior (TPB), which states that attitude is one of the main determinants of behavioral intention (Ajzen, 1991). Previous studies conducted by [(Ramli & Siregar, 2020)] also support this finding, stating that distrust of the tax system can weaken taxpayers' fiscal morality.

A number of other studies also reinforce this trend. Research by [(Faradiza, 2018)] and [(Mentari & Halimahtusyadiah, 2017)] shows that an inefficient and discriminatory tax system can increase taxpayers' tolerance of tax evasion. Inconsistent rules, frequent policy changes, and a lack of transparency in tax implementation will reduce the government's fiscal credibility in the eyes of the public.

Meanwhile, the fiscal discrimination variable in this study shows a positive influence on the ethical perception of tax evasion, although it is not statistically significant. The direction of this relationship reinforces previous findings that inequality in fiscal treatment can shape permissive social norms toward tax violations. This is consistent with the concept of subjective norms in TPB, where negative experiences or social environmental influences can reinforce the belief that violations are normal and justifiable [(Sadjiarto et al., 2020)].

These findings are reinforced by [(Dewi & Sari, 2023a)], who state that fiscal discrimination has a significant impact on the moral justification of tax avoidance, especially among informal sector and SME actors. In the Indonesian context, where disparities in tax services and oversight are still common, perceptions of injustice can easily develop and spread.

Various studies have confirmed that discrimination not only affects perceptions but also influences intentions and even actual behavior. Research by [(Anggrahini & Wirawan,

2020)] on university students showed that perceived discrimination has a significant positive influence on the justification of tax evasion. Similar results were found by [(Hakki M. F. & Rachmawati, 2023)], who explained that fiscal discrimination can trigger fiscal moral disengagement—a condition in which individuals feel ethically unbound by fiscal obligations because the system is perceived as unfair.

Although the two variables in this study were not statistically significant, the direction of the relationship found still supports previous empirical findings and is consistent with TPB theory. This shows that systemic and structural factors continue to play a role in shaping individuals' moral perceptions of taxation. As emphasized by [(Saragih & Rahayu, 2021)], ethical perceptions are an important mediator between system structure and voluntary tax compliance.

The coefficient of determination (R^2) of only 5.9% indicates that most of the variables that influence ethical perceptions are not included in this model. This opens up opportunities for exploring other variables in further research, such as religiosity, moral orientation (idealism vs. relativism), quality of tax authority services, or trust in the government [(Afriyani, 2023)].

The lack of statistical significance in this model could also be due to the homogeneity of respondent characteristics or sample size limitations. As suggested by [(Hair et al., 2019)], increasing the sample size and diversity of respondent characteristics can improve the generalizability of the findings. Therefore, further approaches such as PLS-SEM or multigroup analysis can be used in subsequent studies to understand differences in effects based on taxpayer class or specific fiscal regions.

Conceptually and practically, this study makes an important contribution by showing that taxpayers' perceptions are not solely shaped by individual values but also by perceptions of the fairness of the system and the treatment by tax authorities. The policy implications of these findings are that tax reforms should not be focused solely on technical aspects but should also address ethical and social dimensions. Fiscal education, tax socialization based on fairness, and improved service integrity are key to building a strong national fiscal ethic.

Furthermore, these findings are closely related to Sustainable Development Goal (SDG) number 16, which is to build inclusive, fair, and trustworthy institutions. When the tax system is perceived as fair and fiscal authorities are able to demonstrate integrity in their treatment of taxpayers, public trust in state institutions will increase. Conversely, when the system is perceived as unfair, moral resistance will arise that justifies violations, which ultimately erodes fiscal compliance and legitimacy.

Thus, this study not only contributes academically to the literature on tax ethics but also offers a relevant policy perspective for efforts to achieve sustainable, inclusive, and ethical fiscal governance—in line with the spirit and principles of SDG 16.

CONCLUSIONS

This study aims to examine the influence of taxation systems and fiscal discrimination on ethical perceptions of tax evasion, using the Theory of Planned Behavior (TPB) framework. Although statistical results indicate that both independent variables do not significantly influence ethical perceptions, the direction of the relationship formed is consistent with theoretical predictions. The tax system shows a negative relationship with

ethical perceptions, while fiscal discrimination shows a positive relationship. These findings indicate that when the tax system is perceived as unfair or discriminatory, individuals' tendency to morally tolerate tax evasion tends to increase.

From a theoretical perspective, this study reinforces the understanding that structural factors such as fiscal justice and equality of treatment play an important role in shaping subjective attitudes and norms related to tax compliance. This is in line with the spirit of SDG 16, which emphasizes the importance of building inclusive, fair, and trustworthy institutions. Sustainable fiscal compliance cannot be achieved solely through administrative or legal approaches, but must also be driven by the public's perception of the fairness and legitimacy of the tax system.

In practical terms, the results of this study provide evidence that tax reform needs to go beyond technical aspects and touch on the dimensions of perception and fairness felt by taxpayers. Participatory fiscal education, increased service transparency, and a communication approach that emphasizes the principles of equality and respect for all taxpayer groups are essential for building a sustainable national fiscal ethic.

However, this study has several limitations that need to be acknowledged. First, the number of respondents, which only reached 157, is still relatively limited and does not represent all taxpayer groups in Indonesia, especially those outside the MSME sector. Second, the quantitative research design was unable to explore in depth the psychological aspects or individual perceptions, which are crucial in studies of ethics and morality.

Third, the measurement instruments for fiscal discrimination variables showed low reliability ($\alpha = 0.382$), indicating potential instability in the measurement and the need for indicator revision in further research. Fourth, the multiple linear regression model used in this study can only explain 5.9% of the variation in ethical perceptions, indicating that many other important factors remain unexplored in this model.

Therefore, further research is recommended to use a mixed methods approach that combines quantitative and qualitative data to capture the nuances of morality and taxpayer experiences more comprehensively. The addition of mediating variables such as trust in the government, moral disengagement, or audit experience can enrich the theoretical model used.

In addition, the use of Partial Least Squares – Structural Equation Modeling (PLS-SEM) analysis techniques can be utilized to test more complex latent relationships between constructs, especially when involving more heterogeneous samples. Future research is also expected to involve a wider geographical area and compare perceptions between the formal and informal sectors, or between high- and low-income groups, to identify possible differences in fiscal ethics patterns.

Finally, future studies need to consider local cultural dimensions, religious values, and the influence of social media, given that ethical perceptions in the digital age are greatly influenced by rapidly evolving public discourse. With a more multidimensional approach, understanding of fiscal ethics and the systemic influence on tax behavior will become more comprehensive.

Thus, the conclusions of this study not only address the research objectives but also contribute conceptually to the development of fairer and more humane tax theory and practice. The recommendations proposed are aimed at strengthening tax institutional reform, promoting the development of fairness-based fiscal behavior theory, and guiding

the direction of further contextual and interdisciplinary research—all in line with efforts to achieve SDG 16 in building integrity and inclusive governance.

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