

The Effect of Tax Awareness, Tax Understanding, and Tax Morals on Taxpayer Compliance from the Gender Perspective of MSME Entrepreneurs in the Tanah Abang Market

ABSTRACT

Aims: This study aims to determine the effect of tax awareness, tax understanding, and tax morals on taxpayer compliance from the gender point of view of MSME entrepreneurs.

Study design: The research design used is a survey by distributing questionnaires directly to respondents or MSE taxpayers in the Tanah Abang Market. The sample collection technique used in this study was simple random sampling.

Place and Duration of Study: The sample in this study were MSME taxpayers in the Tanah Abang Market as many as 154 male respondents and 116 female respondents.

Methodology: Researchers used the Hair et al. formula (2021) to determine the number of research samples. The type of data used in this study is quantitative data in the form of values or scores for the answers given by MSME respondents in the Jakarta Tanah Abang Market to the questions in the questionnaire. The data obtained was transferred into data tabulation and analyzed using PLS-SEM (Partial Least Squares Structural Equation Modeling) software version 4.0 to generate a hypothesis of a causal relationship between the independent variables (tax awareness, tax understanding, and tax morale) and the dependent variable (taxpayer compliance).

Results: The results of the study are tax awareness, tax understanding, and tax morale have a significant influence on the compliance of male and female taxpayers.

Conclusion: From this study, it was found that in combination gender, tax awareness, tax understanding, and tax morale had an effect on taxpayer compliance. However, based on the significance value, it is known that tax awareness and tax understanding of females have a more significant effect on tax compliance than males. This is different from tax morale, based on the significance value, it is known that male tax morale has a more significant effect than female. This is in line with Gender theory which explains the differentiation of roles, positions, responsibilities, and division of labor between men and women determined by society based on the nature of women and men who are considered appropriate in accordance with the norms, customs, beliefs or habits of society (BPS, 2024).

Keywords: Tax Awareness, Tax Understanding, Tax Morale, and Tax Compliance.

1. INTRODUCTION

Businesspeople need accounting knowledge, especially in terms of recording business activities. The report on the recording of business activities is closely related to tax reporting. Taxes are the state revenue with the largest percentage of revenue. Based on the state revenue realization report from Indonesia's Central Bureau of Statistics (BPS), state revenue from tax revenue in 2023 is IDR 2,017,123.70 billion with a percentage of revenue of 83%.

The revenue of tax in Indonesia is used as one of the benchmarks to determine taxpayer compliance. The more obedient the taxpayer, the more state revenue increases. The more state revenue increases from the tax side, the better it will be for the development of the Indonesian state. Because the taxation sector is the most dominant source of state revenue that contributes to determining the APBN (State Budget).

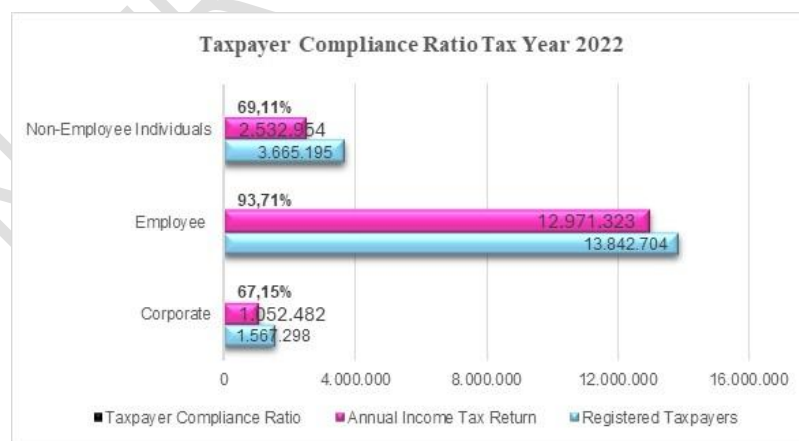
Chart 1: Source of State Revenue 2023



Source: Data from Central Bureau of Statistics.2023

From pie chart 1 of state revenue above, the tax sector is the largest state revenue sector. The increase or decrease in tax revenue in Indonesia is influenced by various factors, one of which is the involvement of MSMEs (Micro, Small and Medium Enterprises). Minister of Finance Sri Mulyani Indrawati revealed that the level of awareness of paying taxes from Indonesian taxpayers is still minimal because some people still think that taxes are synonymous with colonization (Kemenkeu.go.id, 2020).

Chart 2: Compliance Ratio of Annual Tax Return Submission 2022



Sumber: Laporan Tahunan DJP, 2022

Chart Bar 2 explains that the compliance ratio for submitting the Annual Tax Return of Non-Employee Individual Taxpayers is 69.11% and it is still quite low, where MSMEs are part of this group of taxpayers. Several factors are thought to be the cause of the low level of

MSME tax compliance. Taxpayer awareness is one of the factors that is thought to affect taxpayer compliance. When taxpayers realize that taxes are very useful for the state and society, in the end taxpayers will obey in carrying out their tax rights and obligations. Mahendra & Budiarta's research (2020) states that taxpayer awareness has a positive effect on taxpayer compliance, in line with Hartana & Merkusiwati (2018) who also concluded that taxpayer awareness has a significant positive effect on individual taxpayer compliance. However, other studies have not concluded the effect of taxpayer awareness on tax compliance (Putri et al., 2020).

Apart from tax awareness, understanding taxation can also affect taxpayer compliance itself. However, in its application there are still many taxpayers who do not understand the applicable tax regulations. Knowledge of tax regulations is a process for taxpayers to know about taxation and apply it (Labangu et al., 2020). Research from Yunia et al (2021) regarding taxpayer compliance states that understanding of taxes has a positive effect on taxpayer compliance, meaning that the increase in taxpayer compliance is influenced by the taxpayer's own understanding of applicable tax laws. Conversely, research conducted by Pebrina & Hidayatulloh (2020) states that taxpayer understanding does not have a significant effect on individual taxpayer compliance.

The low contribution of MSMEs to GDP is due to a lack of awareness and understanding of taxation, as well as low tax morale in complying with tax obligations. Minister of Finance Sri Mulyani Indrawati revealed that the level of awareness of paying taxes from Indonesian taxpayers is still minimal because some people still think that taxes are synonymous with colonization (Kemenkeu.go.id, 2020). The large number of tax regulations in Indonesia and the frequent changes of these regulations, also become an obstacle for the public in fulfilling their tax obligations. There are three reasons why MSMEs are lazy to pay taxes. First, the socialization of tax authorities on the obligations and ease of MSME tax payments is not friendly. Second, the lack of support from the local government (Pemda) to embrace MSMEs. Third, MSME business patterns are moving from offline to digital platforms. This shift in business model has actually poked the tax authority to capture the MSME tax base.

If taxpayers already have awareness and a good understanding of taxation, of course, the value of tax morality has been embedded in taxpayers. Moral is the basis that will direct someone to do good or bad actions (Darmayasa & Sudarma, 2018). In line with the results of research conducted by Sriniyati (2020) which states that tax morale affects taxpayer compliance. Likewise, Timothy & Abbas (2021) research states that tax morality has the greatest role as the main driver of tax compliance. However, this research is inversely proportional to the results of research by Wardani et al. (2022) which states that tax morale has no effect on taxpayer compliance.

The research gap that forms the background of this study is based on several inconsistent research results regarding the effect of awareness, understanding, and tax morale on taxpayer compliance. In addition to these internal taxpayer factors, taxpayer demographics, especially gender, are also considered to have a role in taxpayer compliance. Differences in dispositions, attitudes, and behaviors that are generally owned by men and women are thought to have an impact on self-drive to comply with applicable tax regulations.

Tax awareness is the willingness of taxpayers to contribute funds for the implementation of the taxation function by paying taxes on time and in the right amount (Suprihati, 2021). Awareness is the willingness of taxpayers without coercion because taxpayers understand the important role of state revenue. By increasing taxpayer awareness of the importance of paying taxes or complying with tax regulations, taxpayers can feel the direct and indirect benefits of paying taxes. One of the benefits that can be felt directly from tax payments is the

existence of a free public transportation program in the city of Jakarta, namely Jak Lingko and the many roads built to facilitate access to public transportation. Tax knowledge is tax information that taxpayers can use as a basis for action, decision making and to take certain directions or strategies in connection with the implementation of their rights and obligations in the field of taxation (Kartikasari & Yadnyana, 2020). Tax understanding is the ability possessed by taxpayers to understand and understand tax regulations and realize that the benefits of tax revenue are very large. In addition, if taxpayers are not compliant in fulfilling their tax obligations, tax sanctions and fines will arise. Zulma (2020) states that tax morale is a factor that can determine the success of tax incentives and sanctions in influencing taxpayer compliance. According to Nugroho (2021) tax morale is a motivation that arises from within individuals to fulfill their tax obligations. Gender theory is related to this research because it can be used as a basis for knowing the differences in the behavior of male and female taxpayers in complying with taxation.

In psychology gender is a description of the nature, attitudes, and behavior of men and women. Thus, gender can influence a person's attitude in making decisions that will be taken based on individual characteristics (Nugraha, 2019). Based on gender, research conducted by Prasetyo et al. (2020) states that "There are significant differences in tax compliance between masculine and feminine taxpayers". Feminine taxpayers have a greater level of tax compliance than masculine taxpayers". Meanwhile, according to Pasaribu and Tjen (2016), tax compliance is the same between male and female respondents. Theory of Planned Behavior (TPB) as the Grand Theory in this study, suggests that individual behavior is triggered by behavioral intentions, and these behavioral intentions are a function of three determinants, namely individual attitudes towards behavior (Behavioral Beliefs), subjective norms (Normative Beliefs), and perceived self-control (Control Beliefs) (Ajzen, 1988).

Based on the background and phenomena described above, it can be concluded that low taxpayer compliance is a problem that still occurs in Indonesia today. For this reason, researchers will conduct research with the title "The Effect of Tax Awareness, Tax Understanding, and Tax Morale on Taxpayer Compliance from the Gender Perspective of MSME Entrepreneurs in the Tanah Abang Market". For this purpose, researchers will conduct a survey on MSMEs (Micro, Small and Medium Enterprises) in the Tanah Abang Market, DKI Jakarta Province. The reason researchers chose Tanah Abang Market as a survey location is because Tanah Abang Market is the largest textile market in Southeast Asia and the turnover of money in Tanah Abang Market is very large.

Based on the above framework, the hypothesis in this study is as follows:

H1: Tax Awareness Positively Affects the Compliance of Male Taxpayers and Female Taxpayers of MSMEs in Tanah Abang Market.

H2: Tax Understanding Positively Affects the Compliance of Male Taxpayers and Female Taxpayers of MSMEs in Tanah Abang Market.

H3: Tax Moral Positively Affects the Compliance of Male Taxpayers and Female Taxpayers of MSMEs in Tanah Abang Market.

2. MATERIAL AND METHODS

This research was conducted on the basis of the aim to test the hypothesis regarding the influence or relationship of the independent variable (X) on the dependent variable (Y) from a gender perspective. Sugiyono (2019: 65) states that causal designs are useful for

analyzing how a variable affects another variable, and are also useful in experimental research, where the independent variable is treated in a controlled manner to see its impact on the dependent variable directly. Researchers used this research design to test and analyze the effect of tax awareness, understanding of taxation, and tax morals on MSME taxpayer compliance in the Tanah Abang market from a gender perspective. This research was conducted by conducting a survey distributed to MSMEs in the Tanah Abang Market directly. In this study, the questionnaire method uses a checklist instrument where each question presented has the following answer options available:

Table 1. Ordinal scale for Data collection technique

No	Respondent's Answer	Respondent's score
1.	Strongly Agree	5
2.	Agree	4
3.	Neutral	3
4.	Disagree	2
5	Strongly Disagree	1

A questionnaire can be said to be reliable if it meets the Cronbach Alpha value above 0.7. Meanwhile, the questionnaire validity test was carried out with the aim of knowing the validity of the questionnaire. The questionnaire is said to be valid to convey the meaning that the questionnaire is able to measure what should be measured. The data obtained was transferred into data tabulation and analyzed using PLS-SEM (Partial Least Squares Structural Equation Modeling) software version 4.0 to generate a hypothesis of a causal relationship between the independent variables (tax awareness, tax understanding, and tax morale) and the dependent variable (taxpayer compliance).

The method that researchers use in this study is a quantitative method. Researchers use probability sampling using simple random sampling. According to Sugiyono (2019: 129) simple random sampling is taking sample members from the population randomly without paying attention to the strata in the population. Researchers used the opinion of Hair et al (2021) to determine the number of research samples. According to the opinion of Hair et al (2021) the recommended minimum sample size ranges from 100-300 in estimating SEM parameters. To determine the total representative, the sample size is measured by multiplying the number of indicators by 10. The total number of researcher indicators in this study amounted to 27 indicators. Thus, the total number of researcher samples is 10×27 indicators = 270 sample respondents. PLS-SEM analysis usually consists of two sub models, namely the measurement model or often called the outer model and the structural model or often called the inner model. The measurement model shows how the manifest or observed variables represent the latent variables to be measured. PLS consists of validity test, reliability test and hypothesis testing.

Table 2. Validity Test Parameters in the PLS Measurement Model

Validity Test	Parameters	Rule of thumbs

Convergent	<i>Loading Factor</i>	> 0,7
	<i>Average Variance Extracted (AVE)</i>	> 0,5
	<i>Communality</i>	> 0,5
Discriminant	Root AVE and Correlation of latent variables	Root AVE > Latent variable correlation
	<i>Cross loading</i>	> 0,7 in one variable

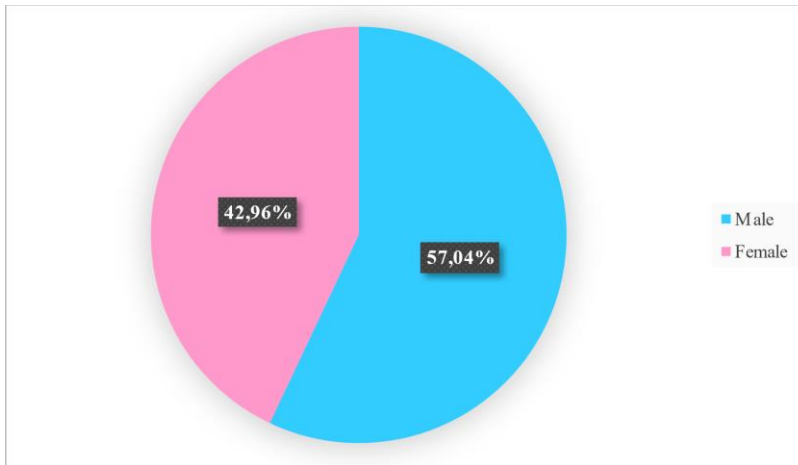
The reliability test in PLS is used to measure the internal consistency of the measuring instrument. Reliability shows the accuracy, consistency and accuracy of a measuring instrument in making measurements. The reliability test in PLS can use two methods, namely Cronbach's alpha and composite reliability. The inner model describes the relationship between latent variables (structural model), also called the inner relation, which describes the relationship between latent variables based on the substantive theory of research. Without losing its generality, it is assumed that latent variables and indicators or manifest variables are scaled to zero means and unit variance is equal to one so that location parameters (constant parameters) can be omitted from the model. The structural model with reflexive indicator variables is evaluated using the R-square for the dependent construct and the t-test and significance of the structural path parameter coefficients.

In assessing the model with PLS, we start by looking at the R-square for each dependent latent variable. The interpretation is the same as the interpretation of regression. Changes in the R-Square value can be used to assess the effect of a particular independent latent variable on the dependent latent variable whether it has a substantive effect. The stability of these estimates is evaluated using statistical tests obtained through the bootstrapping procedure. Hypothesis testing in PLS is used to measure the probability of a data using the path coefficients menu. The rule of thumbs for supporting a research hypothesis is: if the coefficient or direction of the variable relationship (indicated by the original sample value) is in line with what is hypothesized, and if the t-statistic value > 1.64 (two tailed) or > 1.96 (one tailed) can be said to be significant and the probability value (p-value) < 0.01; < 0.05; < 0.10 can be said to be significant. In the p-value if a value > 0.10 is obtained, it can be said to be insignificant (Abdillah and Jogiyanto, 2014).

3. RESULTS AND DISCUSSION

This study was conducted to examine the compliance of MSME (Micro, Small and Medium Enterprises) taxpayers after receiving permission from the management of Perumda Pasar Jaya to distribute questionnaires directly at Tanah Abang Market in Jakarta with a sample size of 270 respondents. Based on the research results, the distribution of respondents is as follows:

Chart 3: Number of Respondents



Source: Primary Data Processed, 2024

Chart 3 shows descriptive statistics from distributing questionnaires to 270 respondents and questionnaires answered by respondents offline or directly. Based on the results of the questionnaires that have been collected, the profiles of respondents in terms of gender, age, education, and the length of time MSMEs have been formed are presented in Table 1 below.

Table 3. Profile of respondents

Description	Frequency	% Respondent
Age		
<25 th	10	3.70
25-30 th	42	15.56
31-35 th	43	15.93
36-40 th	30	11.11
41-45 th	47	17.41
46-50 th	54	20.00
>50 th	44	16.30
Total	270	100
Education		
Elementary School	52	19.26
Junior High School	73	27.04
Senior High School	117	43.33
Bachelor's Degree	28	10.37
Total	270	100
Type of Business		
Accessories	49	18.15
Veil	35	12.96
Clothing	86	31.85
Shoes	40	14.81
Blanket	25	9.26
Bag	35	12.96
Total	270	100

Source: Primary Data Processed, 2024

The number of respondents based on gender obtained in general is male, namely 57.04% while female respondents are 42.96%. Based on age obtained, the majority in the age group 46-50 years, namely as much as 20%. The number of respondents based on the level of education obtained is generally high school, namely 43.33%. Based on the type of MSMEs obtained, in general, it is clothing as much as 31.85%.

“Analysis with PLS-SEM is an analysis used to analyse data that has non-linear data. Partial Least Squares is a powerful analytical method and is often referred to as soft modelling because it eliminates the assumptions of OLS (Ordinary Least Squares) regression, such as data must be multivariate normally distributed and there is no multicollinearity problem between exogenous variables” (Ghozali and Hengky, 2015). PLS-SEM analysis usually consists of two sub models, namely the measurement model or often called the outer model and the structural model or often called the inner model. The measurement model shows how the manifest or observed variables represent the latent variables to be measured. PLS consists of validity test, reliability test and hypothesis testing.

Validity testing consists of convergent validity and discriminant validity. Convergent Validity is used to measure whether each construct indicator in the study is valid or not. Testing convergent validity can be seen through the loading factor value for each construct indicator. Rule of thumb for loading factor if loading factor > 0.7 (Abdillah and Jogiyanto, 2014). The second convergent validity test is the AVE value where the rule of thumb for AVE > 0.5.

Table 4. Convergent Validity Results

Variable	Outer Loading Value
x1.d1.1 <- x1.d1	0.897
x1.d1.2 <- x1.d1	0.925
x1.d1.3 <- x1.d1	0.933
x1.d2.1 <- x1.d2	0.932
x1.d2.2 <- x1.d2	0.929
x1.d2.3 <- x1.d2	0.870
x2.d1.1 <- x2.d1	0.925
x2.d1.2 <- x2.d1	0.944
x2.d1.3 <- x2.d1	0.934
x2.d1.4 <- x2.d1	0.850
x2.d2.1 <- x2.d2	0.918
x2.d2.2 <- x2.d2	0.903
x3.d1.1 <- x3.d1	0.863
x3.d1.2 <- x3.d1	0.902
x3.d1.3 <- x3.d1	0.887
x3.d1.4 <- x3.d1	0.782
x3.d2.1 <- x3.d2	0.783
x3.d2.2 <- x3.d2	0.928
x3.d2.3 <- x3.d2	0.936

Variable	Outer Loading Value
y.d1.1 <- y.d1	0.936
y.d1.2 <- y.d1	0.947
y.d2.1 <- y.d2	0.954
y.d2.2 <- y.d2	0.949
y.d3.1 <- y.d3	0.897
y.d3.2 <- y.d3	0.913
y.d4.1 <- y.d4	0.928
y.d4.2 <- y.d4	0.906

Source: Primary Data Processed, 2024

Based on **Table 4** convergent validity, it is found that the loading factor value for each variable is in the range of 0.782 to 0.954, which means it is greater than the valid requirement or Rule of thumb for loading factor of 0.70, this indicates that the loading factor value or correlation between the construct and the variables of the research model for all variables is valid and has met the requirements for further testing.

Apart from using factor loading, this study also uses the Average Variance Extracted (AVE) parameter. In this study, it was found that convergent validity based on the AVE value for each variable was in the range of 0.739 to 0.905, which means greater than the valid requirement of 0.50. This shows that the AVE value of the research model for all variables is good because it meets the minimum criteria (Rule of thumb) and further testing requirements.

The second validity test is discriminant validity. Discriminant validity is used to ensure the results of convergent validity. Discriminant validity occurs if two different instruments measuring two constructs that are predicted to be uncorrelated produce scores that are indeed uncorrelated. The method used for testing discriminant validity is by cross loading and comparing AVE roots. Rule of thumb for cross loading on discriminant validity > 0.7 in one variable. The AVE root is used to compare each construct with the correlation between the construct and other constructs in the model (Abdillah and Jogiyanto, 2014). Rule of thumb for AVE root if the AVE root value of each variable is greater than the correlation between constructs.

In this study, it was found that the cross-loading value for each variable was in the range of 0.782 to 0.954, which is greater than the valid requirement of 0.70. This shows that the cross-loading value of the research model for all variables is valid and has met the requirements for further testing.

Based on the square root of AVE, each variable is in the range of 0.860 to 0.951 so that it is greater than the correlation on other variables. So that the discriminant validity requirements in this study are met.

“The reliability test in PLS is used to measure the internal consistency of the measuring instrument. Reliability shows the accuracy, consistency and accuracy of a measuring instrument in making measurements. The reliability test in PLS can use two methods, namely Cronbach's alpha and composite reliability” (Abdillah and Jogiyanto, 2014) 1). “Composite reliability is used to measure the true value of the reliability of a construct. Composite reliability is considered better in estimating the internal consistency of a

construct. The rule of thumb for composite reliability is > 0.6 " (Abdillah and Jogiyanto, 2014) 2). "Cronbach's alpha is used to measure the lower limit of the reliability value of a construct and ensure the value of composite reliability. The rule of thumb for Cronbach's alpha is > 0.7 " (Abdillah and Jogiyanto, 2014).

Table 5. Reliability Test Results

Variable	Cronbach's Alpha	Composite Reliability
Taxpayer perception (x1.d1)	0.907	0.942
Taxpayer Awareness and Voluntarism (x1.d2)	0.897	0.936
Know and Understand the Role of Taxation (x2.d1)	0.934	0.953
Know and Understand the Functions of Taxation (x2.d2)	0.793	0.906
Moral Obligation (x3.d1)	0.882	0.919
Moral Value (x3.d2)	0.859	0.915
Formal Tax Compliance (y.d1)	0.871	0.940
SPT Calculation (y.d2)	0.895	0.950
Income Tax Remittance (y.d3)	0.780	0.901
Tax return reporting (y.d4)	0.812	0.914

Source: Primary Data Processed, 2024

The inner model describes the relationship between latent variables (structural model), also known as the inner relation, describes the relationship between latent variables based on the substantive theory of research. Without losing its generality, it is assumed that latent variables and indicators or manifest variables are scaled to zero means and unit variance is equal to one so that location parameters (constant parameters) can be removed from the model. In assessing the model with PLS, we start by looking at the R-square for each dependent latent variable. The interpretation is the same as the interpretation of regression. Changes in the R-Square value can be used to assess the effect of certain independent latent variables on the dependent latent variable whether it has a substantive effect.

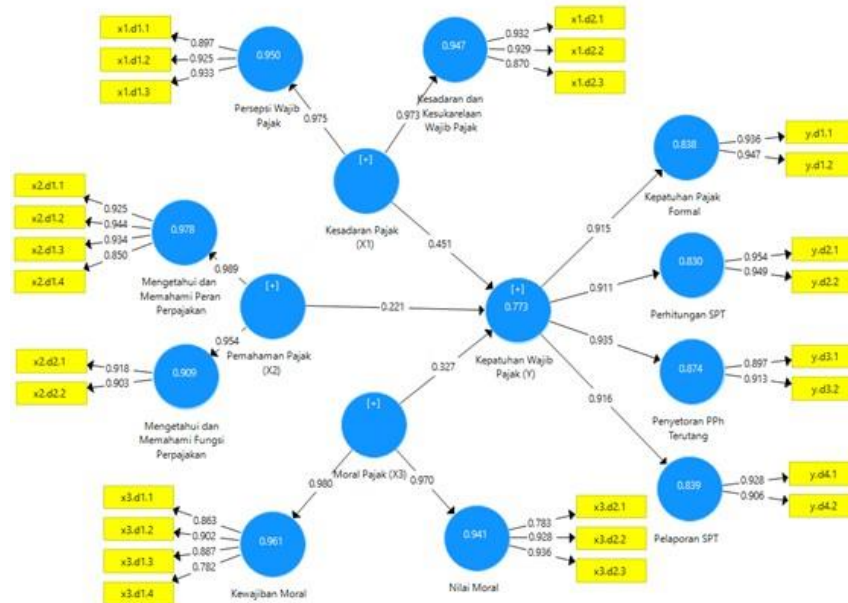
Table 6. R-Square Value Result

Variable	R-Square Value
Y. Tax Compliance	0.773

Source: Primary Data Processed, 2024

Table 6 shows that the magnitude of the R-Square value of the Taxpayer Compliance variable is 73.3%. This shows that 73.3% of the taxpayer compliance variable can be explained by the three independent variables, namely the variables of tax awareness, tax understanding, and tax morale, while the remaining 26.7% is explained by other variables outside the model.

Image 1. Combined Structural Model



Hypothesis testing in PLS is used to measure the probability of a data using the path coefficients menu. The rule of thumbs for supporting a research hypothesis is: if the coefficient or direction of the variable relationship (indicated by the original sample value) is in line with what is hypothesized, and if the t-statistic value > 1.64 (two tailed) or > 1.96 (one tailed) can be said to be significant and the probability value (p-value) < 0.01; < 0.05; < 0.10 can be said to be significant.

Table 7. Comparison of Path Coefficient Values and P-Values Male, Female and Combined Data

Variable	Male		Female		Combined	
	Path Coefficient	P-Values	Path Coefficient	P-Values	Path Coefficient	P-Values
Tax awareness (X1) → Tax Compliance (Y)	0.225	0.001	0.624	0.000	0.451	0.000
Tax knowledge (X2) → Tax Compliance (Y)	0.193	0.014	0.153	0.007	0.221	0.000
Tax Morale (X3) → Tax Compliance (Y)	0.537	0.000	0.212	0.004	0.327	0.000

Source: Primary Data Processed, 2024

From the table above, we can see that there is a difference in the effect of X to Y on men and women, with the following details:

H1: In combination and gender, it is known that taxpayer awareness affects tax compliance so that hypothesis 1 is accepted, but based on the significance value, it is known that the awareness of female taxpayers has a more significant effect on tax compliance than male taxpayers.

The results of this study are in line with Riadita and Saryadi (2019) who state that taxpayer awareness has a positive and significant effect on taxpayer compliance. Taxpayer awareness needs to be increased in taxpayers. From this study it is known that Women's Tax Awareness has a more significant effect on Tax Compliance compared to Men. This means that female MSME taxpayers in the Tanah Abang market have a better level of tax awareness when compared to men. This difference in behaviour is inseparable from Gender theory which explains the differentiation of roles, positions, responsibilities, and division of labour between men and women determined by society based on the nature of women and men who are considered appropriate according to the norms, customs, beliefs or habits of society (BPS, 2024). Women tend to be more honest and consider their guilt more when they do not pay their obligations in accordance with the specified time, inversely proportional to men tend to be more compliant in fulfilling their tax obligations, for reasons of fear of sanctions imposed (Abung and Damayanti, 2023). However, because the research conducted by researchers is only based on statistical data and interviews with only three MSME taxpayers in Tanah Abang Market, research bias regarding the influence of taxpayer awareness may occur. Based on the results of the researcher's interviews with three MSME taxpayers in the Tanah Abang Market, the researcher found out that the MSME taxpayers heard the words "tax" already scared and panicked. These MSME taxpayers consider taxes a scary thing, inversely proportional to the statistical results which state that MSME tax awareness in the Tanah Abang Market has a significant effect or it can be said that MSME tax awareness in the Tanah Abang Market is good. Referring to the Map of Consciousness theory developed by David R. Hawkins regarding the level of tax awareness, the researcher concludes that the tax awareness of MSME taxpayers in the Tanah Abang Market is at the survival paradigm level, which means that taxpayers are aware and comply with taxes only because of mere formality, or fear of sanctions and penalties.

H2: In combination and gender, it is known that taxpayer understanding affects tax compliance so that hypothesis 2 is accepted, but based on the significance value, it is known that the understanding of female taxpayers has a more significant effect on tax compliance than male taxpayers.

The results of this study are in line with Fauzi et al (2024) which states that tax understanding has a significant positive effect on taxpayer compliance. According to research by Lubis & Sinaga (in Fauzi et al, 2024), the problem that occurs in the understanding of taxpayers is the lack of knowledge about the importance of paying taxes, because many people think that paying taxes is a burden that makes taxpayers disobedient to applicable tax compliance. According to Saraswati (in Fauzi et al, 2024), the lack of taxpayer awareness is due to the absence of more education provided by the government on tax regulations. Researchers also conducted interview sessions with several MSME players in the Tanah Abang Market. At first, these MSME players were afraid to be interviewed about taxation. Hearing the words tax or tax office, MSME players immediately feel afraid and panic. However, after the researcher explained the purpose of the research conducted, MSME actors were willing to be interviewed. From the results of the interview, it turns out that MSME actors still have very little literacy regarding taxation. However, MSME players agree that if taxpayers understand what taxes are, taxpayer awareness will increase, tax moral values will be embedded in taxpayers and taxpayer compliance can increase.

From this study it is known that Women's Tax Understanding has a more significant effect on Tax Compliance compared to Men. This means that female MSME taxpayers in the Tanah Abang market have a better level of understanding of taxes when compared to men. This is in line with research conducted by Abung and Damayanti (2023) which states that having relevant tax knowledge about tax laws significantly affects companies led by women in terms of tax compliance. "This difference in behaviour is inseparable from Gender theory which explains the differentiation of roles, positions, responsibilities, and division of labour between men and women determined by society based on the nature of women and men who are considered appropriate according to the norms, customs, beliefs or habits of society" (BPS, 2024). In psychology, gender is a description of the nature, attitudes, and behaviour of men and women. Thus, gender can influence a person's attitude in making decisions that will be taken based on individual characteristics (Nugraha, 2019). However, because the research conducted by researchers is only based on statistical data and interviews with only three MSME taxpayers in Tanah Abang Market, research bias regarding the influence of tax understanding may occur. Referring to the Map of Consciousness theory developed by David R. Hawkins regarding the level of tax understanding, the researcher concludes that the tax understanding of MSME taxpayers in the Tanah Abang Market is at the survival paradigm level, which means that taxpayers understand and comply with taxes only because of mere formality, or fear of sanctions and penalties.

H3: In combination and gender, it is known that taxpayer morals affect tax compliance so that hypothesis 3 is accepted, but based on the significance value, it is known that the morals of male taxpayers have a more significant effect on tax compliance than female taxpayers.

The results of this study are in line with Sari et al (2024) which states that tax morale has a significant positive effect on taxpayer compliance. The related tax moral theory is the theory of moral reasoning, in the tax context stating that the main factor influencing moral decisions is the treatment of sanctions. Thus, individuals who have low moral reasoning, appreciate justice at a moderate level, and issue justice at the highest level. Therefore, taxpayers who use more morals in making tax payment decisions will be more compliant than other taxpayers. So that the higher the tax morale, the higher the tax payment compliance (Hidayatulloh et al in Sari et al, 2024). From this study, it is known that Male Tax Morale has a more significant effect on Tax Compliance than Female. This means that male MSME taxpayers in the Tanah Abang market have a better level of tax morals when compared to women. The OECD (2019) explains that *"While at the global level women have higher tax morale than men, in Africa they are found to have lower tax morale. The reasons for this are unclear and the findings highlight a need for further research on gender and taxation (not just tax morale), including on aspects such as how unpaid care is addressed in the tax system and differences in taxation between female- and male-dominated sectors. Such research is currently hampered by a lack of sex-disaggregated data"*. "This difference in behaviour is inseparable from Gender theory which explains the differentiation of roles, positions, responsibilities, and division of labour between men and women determined by society based on the nature of women and men who are considered appropriate according to the norms, customs, beliefs or habits of the community" (BPS, 2024). However, because the research conducted by researchers is only based on statistical data and interviews with only three MSME taxpayers in Tanah Abang Market, research bias regarding the influence of taxpayer morale may occur. Based on the results of the researcher's interviews with three MSME taxpayers in the Tanah Abang Market, the researcher found out that the MSME taxpayers heard the words "tax" already scared and panicked. These MSME taxpayers consider taxes a scary thing, inversely proportional to the statistical results which state that the MSME tax morale in the Tanah Abang Market has a significant effect or it can be said that the MSME tax morale in the Tanah Abang Market is good. Referring to the Map of

Consciousness theory developed by David R. Hawkins regarding the level of tax morale, the researcher concludes that the tax morale of MSME taxpayers in the Tanah Abang Market is at the survival paradigm level, which means that taxpayers comply with taxes only because of mere formality, or fear of sanctions and penalties.

4. CONCLUSION

Tax awareness and tax understanding has a positive effect on tax compliance, if taxpayers have a high level of tax awareness and tax understanding, the level of tax compliance will also be high. In the gender analysis, it is known that the tax awareness and tax understanding of female MSME players is more significant in influencing tax compliance than the tax awareness and tax understanding of male MSME players. Tax morale significantly also has a positive effect on tax compliance, if taxpayers have a high tax moral value, the level of tax compliance will also be high. In the gender analysis, it is known that the tax morale of male MSME actors is more significant in influencing tax compliance than the tax morale of female MSME actors.

Suggestion. The results of this study indicate that Tax Understanding is the variable with the lowest path coefficient value compared to other variables, which is 0.221. Apart from that, tax awareness is the most influential variable in this study, so the government as a regulator is expected to use this research as a reference to increase taxpayer compliance, especially MSMEs in the Tanah Abang market. In this study, researchers only made gender as a differentiating control for the effect of research, so bias in the results of this statistical study could have occurred. Researchers hope that future researchers will make gender an independent variable including conducting interviews with research subjects to minimize research bias and strengthen hypothesis results.

Disclaimer (Artificial intelligence)

Option 1:

Author(s) hereby declare that NO generative AI technologies such as Large Language Models (ChatGPT, COPILOT, etc) and text-to-image generators have been used during writing or editing of manuscripts.

Option 2:

Author(s) hereby declare that generative AI technologies such as Large Language Models, etc have been used during writing or editing of manuscripts. This explanation will include the name, version, model, and source of the generative AI technology and as well as all input prompts provided to the generative AI technology

Details of the AI usage are given below:

- 1.
- 2.
- 3.

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