

Determinants of Taxpayers' Compliance among MSMEs in Thamrin City, Jakarta, Indonesia

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ABSTRACT

This study aims to determine the effect of public trust, self-assessment system, and value of religiosity of taxpayer compliance, either partially or simultaneously. This study was conducted in Thamrin City in Central Jakarta. The number of the respondents comprised 95 respondents, and this number was obtained from MSMEs that have a TIN through the distribution of questionnaires using non-probability sampling. SEM Partial Least Square (SmartPLS 3.0) was used as a data analysis tool. The results of this study indicate that: (1) public trust has a positive and significant effect on the taxpayer compliance; (2) self-assessment system has a positive and significant effect on the taxpayers' compliance; (3) value of religiosity has a positive and significant effect on the taxpayer compliance. This study was conducted only for MSMEs that have a TIN at a mining site located in Thamrin City, Central Jakarta. This study was undertaken amid the COVID-19 pandemic, causing researchers to encounter difficulties and various obstacles in terms of licensing. Researchers only tested three independent variables on taxpayer compliance. For the Directorate General of Taxes, the results of this study are expected to improve the MSME taxpayer compliance so that they can be used as material for consideration and evaluation in formulating policies regarding taxpayer compliance.

Keywords: Public Trust, Self-Assessment System, Value of Religiosity, Taxpayer Compliance.

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INTRODUCTION

Micro, Small, and Medium-scale Enterprises (MSMEs) has reached 64.2 million, in which its contribution to Gross Domestic Product comprised 61.07 percent, or it is equal to Rp 8,573.89 trillion. MSMEs are capable of absorbing 97% of the total workforce and collecting up to 60.42% of the total investments (kemenkopukm.go.id, 2022). The MSMEs are likely to provide new business opportunities that involve producers and consumers since the population in Indonesia is massive (Putri, 2020). The economic growth achieved by a region will give a positive impact on the economic growth. In other words, MSMEs that exist in a region will influence the society's

economy (Sarfiyah et al., 2019). It can definitely give a new opportunity for the new taxpayers in terms of economic activities. The increasing number of MSMEs will be followed by the increasing number of new taxpayers in which they are capable of paying their taxes (Riswanto et al., 2017).

The MSME sector has the potential for tax compliance. This is indicated by the fact that most of the economy in Indonesia is dominated by the MSME sector (Putra & bin Osman, 2019). Putra (2020), mentioned in the research he conducted by stating that taxpayers will have a tendency to comply with the tax regulations since the level of tax compliance provides good direction and synergy between the government (DGT) and taxpayers encouraging the taxpayers to fulfill their tax obligations, namely paying their taxes. Excellent services provided by the government, particularly the Director General of Taxes can also encourage taxpayers to comply with their obligations by consistently attempting to optimize the services the government provides (Fania et al., 2021). It is in line with the slippery slope theory related to taxpayer compliance, in which the concept of this theory elaborates that taxpayers are obedient in paying their taxes due to the existence of the power owned by the government or due to the taxpayer's awareness to fulfill their obligations, namely paying their taxes.

The phenomenon related to the level of taxpayers' compliance in Indonesia broadly increased in 2020. The compliance ratio comprised 73.06% in 2019, and it was accounted for 77.63% in 2020. Compliance ratio is interpreted as a comparison between the number of annual income tax returns received in a certain tax year and the number of the registered taxpayers of the tax return at the beginning of the year. Despite the increasing number of the compliance ratio, the compliance towards MSMEs is still at the low level (Direktorat Jenderal Pajak, 2020). One of the crucial factors affecting tax compliance is the awareness or motivation of the taxpayers themselves. Motivation emerges as a pillar that encourages an individual to act (Cimberly et al., 2018). High motivation is influenced by a person's positive perception on something (Abdullah & Nainggolan, 2018) asserted that motivation encouraging taxpayers to pay their taxes is pivotal since it may provide a vivid depiction on the actual phenomena that occur in society (Amalia, 2021).

Dewi & Diatmika (2020), conveyed that taxpayer compliance and the level of trust emerge as the factor that affects the level of taxpayer compliance. The implementation of the state power in the context of fulfilling the interests of the state is based upon trust in the government system and tax law among the state institutions so that the welfare of the society can be achieved. Atmadja & Saputra (2018); Purnamasari (2017); Zelmiyanti (2021); Ibrahim & Syahribulan (2021), asserted that public trust, self-assessment system, and religiosity have significant roles in convincing the taxpayers to accomplish their tax obligations. The self-assessment system gives full trust to taxpayers and demands an active role from the community in fulfilling their tax obligations (Susena et al., 2018). The study conducted by Nurlaela (2018) indicated that the self-assessment system had a significant effect on the taxpayer's tax compliance. In other words, by implementing the self-assessment system, taxpayers are required to be active in registering themselves, calculating, filling in tax returns, paying, and self-reporting the amount of the indebted tax. Nurachmi & Hidayatulloh (2021) mentioned that individuals having strong religious beliefs will be capable of preventing themselves from misbehaving.

Having religiosity or religious values will influence a person in terms of his or her compliance to pay taxes. In addition, religiosity adopted by the community is expectedly able to preclude them from having negative attitude. It is also expected to encourage them to have positive attitude in their everyday life (Krisna & Kurnia, 2021). Grounded on the background of this study, this study emerges as a modification of the previous study. The current researcher focused on estimating and testing determinants of taxpayers' compliance among MSMEs in

Thamrin City, Jakarta, Indonesia serving as the most enormous textile trade in Southeast Asia, in which this study aimed to investigate whether public trust, self-assessment system, and value of religiosity affect MSME taxpayers' compliance.

LITERATURE REVIEW

Slippery Slope Theory

Tax compliance can be examined by utilizing slippery slope theory, in which this theory was conveyed by (Kirchler et al., 2008). The concept of this theory mentions that the underlying reason why taxpayers are willing to pay their taxes is due to the emergence of the government's power or due to the taxpayers' awareness to fulfill their compliance in paying taxes. Government that has a role as the policy maker holds power. For instance, the power the government owns is related to stipulating tax rate, tax penalty, and administrative sanction. Unlike the government's power, the taxpayers' awareness to pay their taxes emerges as one of the factors increasing tax compliance. Slippery slope theory explains that social-psychological factor gives an effect on voluntary tax compliance. The proper approach which is likely to be applied to measure voluntary tax compliance is the public trust towards tax authorities (Zelmiyanti, 2021).

Taxpayers' Compliance

Following the Decision of Minister of Finance no. 544/KMK.04/2000, tax compliance refers to taxpayers' behavior in fulfilling their tax obligation according to the regulatory legislation and tax law applied within a country (Decision of Minister of Finance of the Republic of Indonesia no. 544/KMK.04/ 2000, 2000). Taxpayers' compliance could be divided into two types: (1) formal compliance, i.e., taxpayers' compliance in fulfilling their formal tax-related obligation, and (2) material compliance, i.e., taxpayers' compliance in fulfilling their substantive, fundamental tax-related obligations according to the tax law. When taxpayers fill their tax return honestly, and according to the Tax Law, they have met the material compliance (Susyanti & Anwar, 2020). There are a range of factors, namely internal and external factors that affect taxpayers' compliance.

The former involves factors emerging from taxpayers, while the latter involves those from taxpayers' surroundings. Among the various factors affecting taxpayers' compliance include tax understanding, supervision, tax socialization, tax sanction, tax officers' service quality, taxpayers' compliance cost, taxpayers' perception of the implementation of Governmental Regulation no. 46 of 2013, and educational background (Yurti et al., 2022).

Micro, Small, and Medium-Scale Enterprises

Article 1 of Law no. 20 of 2008 defines micro, small, and medium-scale enterprises as follows:

1. A micro-scale enterprise is a productive business unit owned by an individual and/or business entity that meets the criteria of micro-scale enterprises stipulated in the law.
2. A Small-scale enterprise is a stand-alone productive economic entity, run by an individual or a business entity that does not belong to a subsidiary or a branch of a company owned, controlled, or being a part, either directly or indirectly, of a medium- or large-scale company, that meets the criteria of small-scale enterprises stipulated in the law.
3. A medium-scale enterprise is a stand-alone productive economic entity, run by an individual or a business entity that does not belong to a subsidiary or a branch of a company owned, controlled, or being a part, either directly or indirectly, of a small- or

large-scale company, with net worth or annual sales of equals to the stipulation in the law (Prasetyo et al., 2020).

Public Trust

In terms of tax compliance, trust is associated with a taxpayer placing his or her trust in the government that is in charge of managing taxes. A citizen who also has a role as a taxpayer expects the government to manage the process of taxes as effective as possible and allocate it as the source of financing the national development (Chong & Arunachalam, 2018). Public trust emerges as a factor utilized to increase tax compliance (Sarfiah et al., 2019). Public trust also serves as a prominent variable to generate good government. Additionally, trust will result in public legitimacy that is likely to create social capital for the government, functioning as an instrument to attain political or social supports in the government activities. In other words, trust signifies a crucial factor which possibly has a role in resolving crises and hindrances between organizations and services (Ibrahim & Syahribulan, 2021).

Self-Assessment System

As conveyed by Lasmaya & Fitriani (2017), compliance with voluntary tax obligations emerges as fundamental strength of the self-assessment system (Asrinanda, 2018). Self-assessment System is interpreted as a tax collection system that authorizes taxpayers to determine the amount of the indebted tax that they should fulfill. Self-assessment system is implemented based on the trust of the tax authorities to the taxpayers (Zelmiyanti, 2021) in which the public or taxpayers have an authority in calculating, filling, and reporting taxation. The system followed in Indonesia is self-assessment system, indicating that taxpayers are entrusted with calculating the amount of their indebted tax, the amount of the tax they have paid, and self-reporting their tax obligations. In Indonesia, self-assessment system is used where taxpayers are entrusted with calculating the amount of tax owed, the amount of tax paid, and self-reporting their tax obligations. The level of tax compliance in Indonesia, however, is still relatively low (Simanjuntak & Sucipto, 2018).

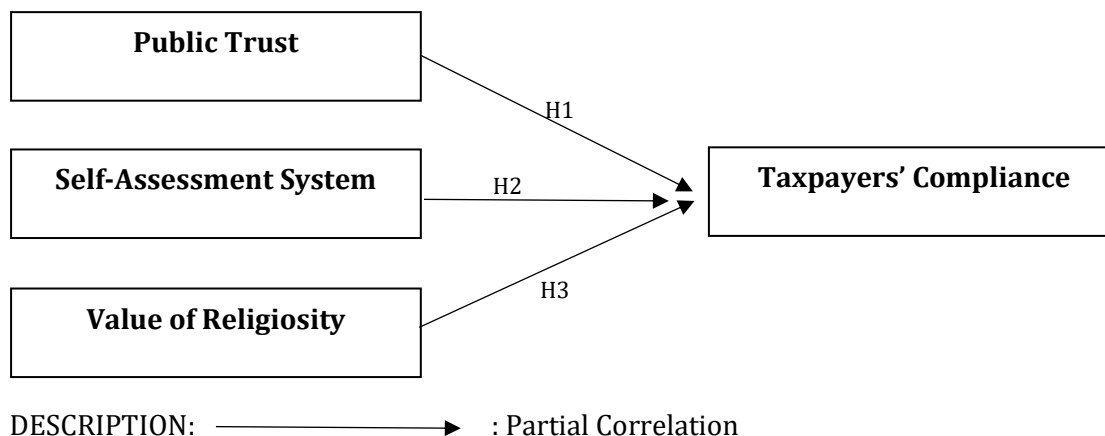
Value of Religiosity

Safitri (2018), conveyed that religiosity is interpreted as the whole functions of one's soul leading them consciously and earnestly to their religious teachings. One of obligations that taxpayers must accomplish is to fulfill their tax obligations, namely paying and reporting their taxes. Religious taxpayers will always attempt to obey stipulated norms (Krisna & Kurnia, 2021). An individual who truly comprehends regulations and tax procedures is obviously an obedient taxpayer. Principally, the understanding on taxes is still perceived as low level, in which it results in the low level of tax compliance. Religiosity is depicted as belief to God followed by one's commitment to adhere to the principles from God (Randiansyah et al., 2021).

Conceptual Framework

Based on the previous studies, literature review, and the purpose of the study, the conceptual framework on the effects of public trust (X1), self-assessment system (X2), and the value of religiosity (X3) is illustrated below.

Figure 1. Conceptual Framework



Hypotheses Development

The Effect of Public Trust on the Taxpayer's Compliance

Trust signifies a belief or positive expectation from one party to another party grounded on integrity, in which it will expectantly preclude them from inherent risks in a relation involving trust, and it will also generate positive results for the trusted party (Zelmiyanti, 2021). The emergence of public trust towards the government affects the taxpayers' perspectives on taxes leading them to take action that gives an effect on their willingness to fulfill their tax obligations (Dewi & Diatmika, 2020). If the taxpayers are capable of fulfilling their (Anugrah et al., 2020). Slippery slope theory supports the taxpayer's compliance mentioning that tax compliance is affected by social-psychological factor emerging from trust in authorities. This aspect is likely to increase the tax compliance by generating trust coming from the internal community towards tax authorities so that voluntary tax compliance can be achieved (Zelmiyanti, 2021). The previous study connecting the effect of public trust on the taxpayer's compliance was accomplished by (Ahmad et al., 2021; Rahma, 2019; Zulfihiikmayanti & Ibrahim Akmal Muh, 2020; Haniv, 2020; Dewi & Diatmika, 2020). The prominent focus of public trust is the current relation situation between a state and its citizens. If the society shows appreciation by perceiving that its country is trustworthy, it will increase the taxpayers' trust, and vice versa. Hence, a state should be capable of retaining its relation with the society by performing positive action. Grounded on this explanation, the hypothesis that can be proposed is asserted below.

H1: Public trust has a positive effect on the taxpayer's compliance.

The Effect of Self-Assessment System on Taxpayer's Compliance

Self-assessment system is implemented grounded on the tax authority's trust in taxpayers in which the taxpayers have their independence in calculating, filling, and reporting taxation (Lasmaya & Fitriani, 2017). In the implementation of the self-assessment system, it demands compliance from the taxpayers. Hence, the effect of the self-assessment system on the taxpayer's compliance is essential due to the fact that if the system is implemented properly, it can have positive impact on the taxpayer's compliance in accordance with the tax regulations (Lasmaya & Fitriani, 2017). Slippery slope theory serves as a supporting theory of the self-assessment system in which tax compliance is influenced by psychological factor resulted from one's trust in the system, and it occurs due to the taxpayer's awareness in fulfilling tax obligations (Fauziah &

Tidajoh, 2018). The previous study conducted by Wulantari & Putra (2020) gave an explanation by mentioning that self-assessment system significantly affects taxpayer's compliance. Self-assessment system is implemented due to the emergence of the taxpayers' trust in authorities, in which they are freely allowed to fulfill their tax obligations. Based on the previous study, the present researchers proposed the following hypothesis.

H2: Self-assessment system has a positive effect on the taxpayer's compliance.

The Effect of Religiosity Value on Taxpayer's Compliance

Religiosity is assessed from the level of knowledge, belief, practice of worship, and religious rules that a person accomplishes in his or her life. As a result, the attitudes or behaviors shown by an individual reflect the value of religiosity. Individuals who have strong level of religious belief can encourage them to have better attitudes by complying, paying, depositing, and reporting their own taxes (Nurachmi & Hidayatulloh, 2021). Slippery slope theory supported the religiosity variable taken from voluntary tax compliance that emerges due to the taxpayers' awareness in fulfilling their tax obligations (Fauziah & Tidajoh, 2018). Religious values are expected to have a pivotal role to preclude an individual from misbehaving, and the values are expectedly able to encourage a person to perform good attitudes in accordance with the religious teachings he or she has followed, such as having an intention to adhere to tax regulations and being honest in terms of fulfilling tax obligations (Zelmiyanti, 2021).

The study supporting the effect of religiosity on taxpayer's compliance was conducted by Saragih et al (2020), (Zelmiyanti, 2021), and (Fikri et al., 2021). The result that they attained indicated that the value of religiosity significantly affected taxpayer's compliance. Hence, the present researchers proposed the third hypothesis below.

H3: The value of religiosity has a positive effect on the taxpayer's compliance.

METHODS

This quantitative survey study collected primary data from MSMEs with tax identification numbers in Thamrin City, Central Jakarta. Ninety-five respondents were recruited using non-probability sampling technique. The data were analyzed using Partial Least Square by utilizing SmartPLS 3.0. SmartPLS is helpful in analyzing the effect of independent variables (public trust, self-assessment system, and religiosity) on the dependent variable (tax compliance). The data were garnered using an online questionnaire, designed using Google Form, and distributed to MSMEs. A 5-point Likert scale was employed, ranging from 1 (strongly disagree) to 5 (strongly agree).

The non-probability sampling technique was performed using saturation sampling due to the fact that the total members of the population were unknown. Slovin's formula was applied (Ratno, 2019).

$$n = \frac{2000}{1 + 2000 \cdot (0,1)^2} = 95$$

Operational variable

The operational variables used in this study were presented in table 1.

Variable	Indicators
Public Trust (Ibrahim & Syahribulan, 2021)	<ul style="list-style-type: none"> • Trust in the tax system • Reliability • Trust in the government
Self-assessment System (Nurlaela, 2018)	<ul style="list-style-type: none"> • Registering to tax service office • Calculating tax payment • Paying tax on one's own • Filling the tax return
Religiosity (Saragih et al., 2020)	<ul style="list-style-type: none"> • Belief • Honesty • Appreciation
Taxpayers' Compliance (Bio, 2021)	<ul style="list-style-type: none"> • Calculating the amount of tax that should be paid • Paying tax according to the amount of tax that should be paid • Filling the annual tax return on time • Complying with the prevailing tax regulation

Source: Data processing, Author, 2022

The data were analyzed using Partial Least Square (PLS), which was performed using SmartPLS 3.0.

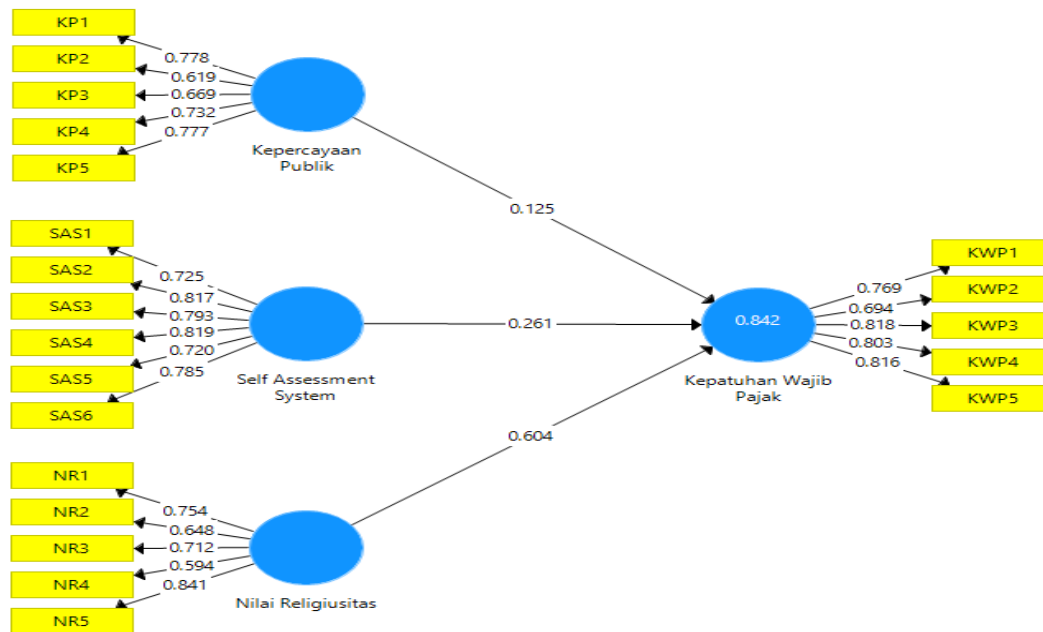
1. The outer model measurement was performed to specify the relationships among latent variables, in which it was accomplished by examining a) convergent validity, b) discriminant validity, c) composite reliability, and d) Cronbach's Alpha
2. Meanwhile, the structural model was measured by viewing the R square as the goodness of fit of the model and hypothesis test.

Resampling bootstrap method was applied to test the hypothesis, following Geiser and Stone. The hypothesis test was performed by comparing t-statistics to t-table. It was undertaken with 90% confidence interval with error rate (α) of 10% and t-table value of 1.66.

RESULTS

Data Analysis Result

The convergent validity test result indicates that the taxpayers' compliance determinants, measured using tax fairness, public trust, self-assessment system, and religiosity, exhibited the value of higher than 0.50, demonstrating that the outer model has met the convergent validity criteria. In other words, each indicator used in this study, i.e., tax fairness, public trust, self-assessment system, and religiosity, was valid.



Source: Processed using SMARTPLS, 2022.

Discriminant Validity (Outer Model)

The latent variables in this study exhibited a good discriminant validity value. A high discriminant validity value indicates that a construct is unique and capable of explaining the phenomenon being measured.

Table 2 Average Variance Extracted (AVE)

	AVE
Taxpayers' Compliance	0.611
Religiosity	0.511
Public Trust	0.515
Self-Assessment System	0.605

Source: Output SmartPLS 3.0, 2022

As denoted in Table 2, the AVE value was higher than 0.5, indicating that the indicators used in this study were valid to measure the variables in this study.

Composite Reliability (Outer Model)

Table 3 Composite Reliability and Cronbach's Alpha

Variable	Composite Reliability	Cronbach's Alpha	Description
Public Trust	0.840	0.764	Reliable
Self-Assessment System	0.902	0.870	Reliable
Religiosity	0.837	0.759	Reliable
Taxpayers' Compliance	0.887	0.840	Reliable

Source: Output SmartPLS 3.0, 2022

Table 3 above demonstrated that the composite reliability value of public trust, self-assessment system, religiosity, and taxpayers' compliance comprised 0.840, 0.902, 0.837, and 0.887, respectively. These values indicated that the four variables were reliable as their values

were higher than 0.60. Meanwhile, the Cronbach's alpha of public trust, self-assessment system, religiosity value, and taxpayers' compliance was also found to meet the minimum criteria (i.e., 0.764, 0.870, 0.759, and 0.840, respectively). Hence, these four variables were considered reliable as they met the composite reliability and Cronbach's alpha criteria.

Variance Inflation Factor

Table 4 Variance Inflation Factor (VIF)

	Taxpayers' Compliance
Public Trust	2.640
Taxpayers' Compliance	
Self-Assessment System	2.853
Religiosity	2.594

Source: Output SmartPLS 3.0, 2022

As denoted in Table 4, the VIF value of public trust, self-assessment system, and religiosity comprised 2.640, 2.853, and 2.594, respectively. Since the values of all independent variables were less than 5, it could be concluded that there was no collinearity among the constructs of the study.

Structural Model Measurement (Inner Model)

Table 5 R-Square

	R-Square	Adjusted R Square
Taxpayers' Compliance	0.842	0.837

Source: Output SmartPLS 3.0, 2022

Table 5 above indicated that the r-square value of endogenous variable (i.e., taxpayers' compliance) comprised 0.842 (84.2%). The value demonstrated that it was affected by public trust, self-assessment system, and religiosity by 84.2%, and affected by other factors outside the proposed model by 15.8%.

Table 6 Hypothesis Test (Inner Model)

	Original sample (O)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
Public Trust → Taxpayers' Compliance	0.125	0.062	2.031	0.039
Self-Assessment System → Taxpayers' compliance	0.261	0.071	3.672	0.000
Religiosity → Taxpayers' compliance	0.604	0.063	9.530	0.000

Source: Output SmartPLS 3.0, 2022

The study applied a 95% confidence interval with an error rate (α) of 5% and a t-table value of 1.66. The p-value of ≤ 0.1 (alpha 5%) implies a significant result, and a p-value of ≥ 0.1 (alpha 5%) indicates an insignificant result. Table 6 demonstrates that public trust positively and significantly affects taxpayers' compliance, as indicated by the p-value comprising 0.039 (<0.05). A self-assessment system was also found to positively and significantly affect taxpayers' compliance (p-value of 0.000 (<0.05)). Lastly, the religiosity value was found to positively affect taxpayers' compliance (p-value of 0.000 (<0.05)).

DISCUSSION

The Effect of Public Trust on Taxpayers' Compliance

The first hypothesis test result is presented in Table 6, indicating that public trust positively and significantly affects taxpayers' compliance. A proper tax system may positively affect micro, small, and medium-scale entrepreneurs' trust in the fiscus, precluding them from being afraid or apathetic to pay the tax, as supported by previous studies' findings (e.g., Rahma, 2019; Haning et al., 2019; Haniv, 2020; Dewi & Diatmika, 2020). This result indicated that public trust would be likely to improve taxpayers' compliance in the Thamrin City shopping center. Zelmianti (2021) viewed trust as one's belief and expectation towards others based on integrity, perception of being free of risks within a relationship that involves trust and brings positive results for the trustee. Public trust indicates taxpayers' positive response to the system, eventually improving their tax compliance.

Micro, small, and medium-scale entrepreneurs in Thamrin City exhibited tax compliance as they perceived a fair tax system. In addition, the tax imposed on taxpayers in this study equals fit ability to pay. This finding is consistent with the previous studies (Rahma, 2019; Haning et al., 2019; Haniv, 2020; Dewi & Diatmika, 2020) finding that public trust positively and significantly affects taxpayer's compliance. Previous studies demonstrated that when public appreciates its government, taxpayers' trust in the government will increase. Hence, it is necessary for the government to maintain good relations with its people.

The Effect of Self-Assessment System on Taxpayer's Compliance

The second hypothesis test result, as shown in table 6, indicates that the self-assessment system positively and significantly affects taxpayers' compliance. Applying this system, taxpayers are given trust and responsibility to report their tax returns as stipulated in the tax law. The hypothesis test result supports previous studies conducted by Listiyowati et al (2021); Nurlaela (2018); Wulantari & Putra (2020); and Wulantari & Putra (2020). This finding demonstrated that if taxpayers actively fulfill their tax obligation, the tax compliance in Thamrin City shopping center will increase.

This study found that the self-assessment system significantly affected taxpayers' compliance among MSMEs, both with and without tax identification numbers. Most MSMEs that already owned tax identification numbers argued that they believe more in the self-assessment system. This system heavily relies on taxpayers' awareness. (Susena et al., 2018) asserted that taxpayers should be responsible for their tax payable to ensure good implementation of the self-assessment system. The Slippery Slope theory is relevant to the self-assessment system, on how an individual performs their tax obligation autonomously. Compliant taxpayers are aware of their responsibility to pay taxes, and failure to perform such obligation may lead to consequences, such as administrative sanctions for income tax (Suyanto & Pratama, 2018). This study is consistent with Nurlaela (2018); Wulantari & Putra (2020); Wulantari & Putra (2020), found that self-assessment system positively and significantly affects taxpayers' compliance. In the self-assessment system, taxpayers are demanded to report any required information honestly, from identity, business activity, to the total wealth related to taxation.

The Effect of Religiosity Value on Taxpayer's Compliance

The result of the third hypothesis test was denoted in Table 6, indicating that the income of the taxpayers positively and significantly affected taxpayers' compliance. Those who run MSMEs and are religious have a higher tendency to optimize their business, and it encourages them to fulfill their tax obligations. It is in line with the third hypothesis purposed in this study, and it is supported by the study conducted by (Saragih et al., 2020; Zelmianti, 2021; Fikri et al, 2021). Additionally, it demonstrates that if the value of religiosity owned by MSME actors increases, it will be followed by the increasing level of taxpayers' compliance in Thamrin City shopping center. Grounded on the results of the study conducted in Thamrin City, the current researchers found that one of the salient considerations giving an implication for a person to fulfill tax obligation is the value of religiosity.

The value of the religiosity of MSME actors gives the effect of a higher level of compliance. For MSME actors in Thamrin City who tend to have a high level of religiosity in their business activities, it can be their encouragement to have compliance fulfilling their obligations in paying taxes. Zelmianti (2021), conveyed that the role of religious values is expectantly able to preclude a person from misbehaving, and it may encourage them to perform good behavior according to the religious teachings they follow, such as the intention to adhere to the tax regulations and being honest in fulfilling their tax obligations. In short, it is in line with the Slippery Slope theory. This study is relevant to the previous study conducted by Saragih et al (2020); Zelmianti (2021); Fikri et al (2021) conveying that the value of religiosity positively and significantly affected taxpayers' compliance. The explanation of the results of numerous studies indicated that the higher value of religiosity that one owns will be followed by the increasing level of taxpayers' compliance due to the fact that taxpayers will not be burdened and they will not feel guilty in terms of fulfilling their tax obligations.

CONCLUSION, LIMITATION, AND RECOMMENDATION

Determinants of Taxpayers' Compliance among MSMEs in Thamrin City, Jakarta, Indonesia emerge as the most enormous textile trade in Southeast Asia, in which this study aimed to determine whether the variables of public trust, self-assessment system, and the value of religiosity affected taxpayers' compliance among MSMEs. By viewing the results of the present study, there are several conclusions attained in this study, namely:

1. The finding obtained in this study has proven that public trust empirically has a positive and significant effect on taxpayers' compliance. It demonstrates that public trust significantly and positively affects taxpayers' compliance, and it indicates that it is necessary to attain public trust in fulfilling rights and tax obligations in accordance with the regulations stipulated in the tax law. Taxpayers will adhere to fulfill their tax obligations if they believe that the tax system implemented by the government will not cause any disadvantages for both the government and taxpayers.
2. The results attained in this study indicated that self-assessment system empirically has a positive and significant effect on taxpayers' compliance. It demonstrates that taxpayers' compliance is affected by self-assessment system. In other words, this finding explains that this system provides an authority for taxpayers to fulfill their tax obligations independently, so that the taxpayers will perform it voluntarily. Additionally, they will be aware of their tax obligations that should be fulfilled without being imposed since they realize that taxes serve as the contribution that the taxpayers contribute to their state

aiming to increase the state's revenue which is functioned to finance the state's infrastructure. If the taxpayers are not willing to comply with their tax obligations, they inevitably have to get ready to face the consequences or sanctions stipulated in tax law.

3. The evidence attained in this study is in line with the hypothesis proposed in this study, in which this finding demonstrates that the value of religiosity empirically has a positive and significant effect on taxpayers' compliance. It indicates that taxpayers' compliance is significantly and positively affected by the value of religiosity. Therefore, those running MSMEs and having religiosity values can be a part of determinant factors encouraging them to increase their compliance in fulfilling tax obligations. If the value of religiosity that one owns increases, it will give an impact, namely the taxpayers' compliance in paying their taxes will increase since they will feel guilty if they do not fulfill their tax obligations.

Limitation

The respondents who are willing to take part in this study are those residing in Thamrin City, in which their status could be employees either with or without having Taxpayer Identification Number (TIN), but they are not the business owners. The present researchers merely viewed the presence of the available respondents. Due to being conducted during COVID-19 pandemic, the researchers encountered some obstacles in terms of asking for permission to the shopping center which became the target of the researchers. In addition, this study only tested three independent variables regarding the taxpayer compliance factor. Hence, there is a possibility in which the researchers have not identified some other factors that are likely to influence taxpayers' compliance. Besides, there might be a bias that emerged in this study due to the fact that this study utilized questionnaires as the research instrument. In other words, there was a possibility that the respondents did not answer the questionnaires seriously.

Recommendation

By viewing the limitation of this study, there are several recommendations that can be conveyed for the future researchers in order to conduct better research. First of all, the analysis performed in the present study is only grounded on the answers given by the respondents in the questionnaires. Therefore, they could not be controlled thoroughly. Additionally, the future researchers are expected to be able to select a proper method that enables them to deal with their respondents, so that a more concrete depiction on the determinants of taxpayers' compliance among MSMEs can be attained, namely by conducting experimental research. This study is likely to be developed by adding independent variables with the broader models that affect taxpayers' compliance, so that a better research can be accomplished. Furthermore, the future researchers are expected to be able to utilize a different taxpayer object, aiming to provide a more extensive depiction on the taxpayers' compliance.

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