
Impact of Taxpayer Demographics, Digitalization of Tax Reporting and Fiscus Services in Increasing Individual Taxpayer Awareness and Compliance

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Abstract:

This research focuses on individual taxpayers, who are often overlooked in tax studies that focus more on companies. Thus, this research offers a new perspective in analyzing individual taxpayer compliance in the digital era. This study provides empirical testing of tax service quality and its relationship with taxpayer compliance, which previously may not have been explored in depth with quantitative methods and was linked to demographic variables and digitalization. The research was conducted on individual taxpayers at the Pratama Gianyar-Bali Tax Service Office (KPP). The number of respondents used as research samples was 180 people. The data collection technique uses a questionnaire. This research uses SEM (structural equation modeling) Partial Last Square (PLS) data analysis techniques with SmartPLS 4.0. The research results show that demographic factors do not significantly influence taxpayer awareness and compliance. Meanwhile, digitalization of tax reporting and tax authorities services has a positive and significant influence on taxpayer awareness and compliance. The results of this research also show that taxpayer awareness is able to partially mediate the influence of demographics and digitalization of tax reporting on taxpayer compliance.

Keywords: Demographics, digitalization, awareness and compliance.

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1. Introduction

Taxpayer compliance is the backbone of maintaining economic stability, where every citizen has the responsibility to comply with paying taxes to support development and provision of public services. Good taxpayer compliance is reflected in the awareness and responsibility of each individual or company to carry out tax obligations in a timely, accurate and transparent manner, thereby making a positive contribution to sustainable development. Taxes occupy a strategic position in state revenue. In fact, the contribution of taxation far exceeds non-tax sources of income (Roslita, Evy & Safitri, 2022). The success of the actualization of state revenue significantly depends on the performance of the tax sector. If revenue from taxes runs optimally, then the achievement of state revenue targets can also be achieved more effectively. Although paying taxes is an obligation regulated by law, there is a view that not everyone is willing to pay taxes sincerely (Yopukolo, Yosep & Erawati, 2019).

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Taxpayer awareness plays a crucial role in determining their level of compliance with tax obligations. The higher the level of awareness, the more likely it is for taxpayers to comply and carry out their tax obligations, creating a solid foundation for sustainable tax compliance. Taxpayer awareness has a significant and positive effect on taxpayer compliance (Pratiwi, Resi.Y & Sofya, 2023). However, there is a difference with the results of research conducted by Juardi & Khatimah, (2021). His research found that taxpayer awareness had no impact on individual taxpayers' compliance; This is because taxpayers' self-awareness is not the main factor in increasing taxpayer compliance.

The level of taxpayer compliance in Indonesia is relatively low. The compliance ratio of the public or taxpayers in reporting tax returns and paying taxes in 2022 reached 83.2%. This ratio is calculated by comparing the amount of annual income tax return (PPh) received in that tax year with the number of taxpayers registered for tax return at the beginning of the tax year (<https://databoks.katadata.co.id>). In more detail, taxpayer compliance in Indonesia from 2017-2022 is shown in the following graph.

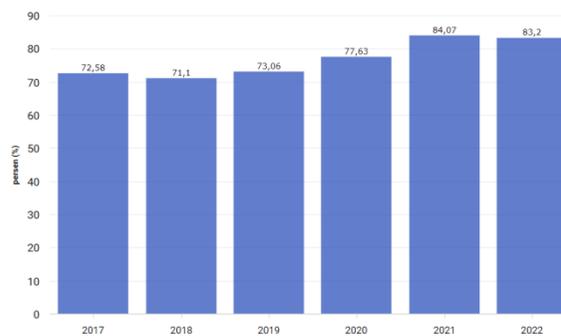


Figure 1. Tax Return Reporting Compliance Ratio (2017-2022)

Source: (<https://databoks.katadata.co.id>)

Taxpayer awareness and compliance are influenced by several complex factors, including community demographics. Differences in demographic characteristics such as education level, age, and income level can have a significant impact on taxpayers' understanding and readiness to fulfill their tax obligations. The compliance of different taxpayers is influenced by variables such as socioeconomic status, occupation, and gender (Ardiyanto, 2023). The results of other studies found that age, gender, and education level had a significant effect on mandatory compliance, but income level, type of employment and marital status did not have a significant effect on taxpayer compliance (Thalib, 2023). Factors such as age, gender, and income greatly affect taxpayer compliance. Female taxpayers tend to be more obedient in paying taxes compared to male taxpayers, and taxpayers with higher incomes tend to be more obedient (Listyowati & dkk, 2018). However, different results were found by Nugrahani (2023), demographic factors in terms of knowledge have no effect on taxpayers' compliance.

In addition to being influenced by demographic factors, taxpayer awareness and compliance are also influenced by the development of digitalization in financial reporting. Increasing transparency, making reporting easier, and increasing taxpayers'

awareness of their tax obligations are all the results of advances in information technology (Pratiwi, Resi.Y & Sofya, 2023). The increase in taxpayer awareness and compliance is not only related to demographic factors, but also influenced by digital transformation in financial reporting. The adoption of modern technology has created a more efficient and transparent environment, facilitating taxpayers to more easily understand and meet their tax obligations. The Directorate General of Taxes has started the digitization of the electronic tax system with the aim of improving tax services and revenues through the work and performance of its professional apparatus with the support of good Information and Technology Systems, as well as increasing taxpayers' awareness and compliance (Yosefin, & Anjelika, 2022).

The results of the above research are not in line with the results of research conducted by Ardika (2023). The results of his research found that tax digitization has various effects on taxpayer awareness and compliance. Studies show that tax digitization systems increase taxpayer compliance but are not significant. In addition to demographic factors and tax digitalization, the level of taxpayer awareness and compliance is also influenced by the quality of service from the fiskus. Effective, informative, and responsive services can shape a positive perception of taxpayers, encouraging active participation in the fulfillment of their tax obligations ((Ernita, D., & Harahap, 2023). Fiscal services have a vital role in shaping taxpayer awareness and compliance, apart from the influence of demographics and digitalization. Good service efforts, such as the provision of clear information, efficient guidance, and quick response to taxpayers' needs, can motivate them to be compliant in paying taxes voluntarily (Nugrahani, 2023).

The results of the above study contradict the results of research conducted by Syahputra, O., Lubis, I. T., Batubara, S., Kaur, M., & Safira (2022). The results of the study show that fiscal services do not affect taxpayer compliance. This shows that, although the service of the tax authorities is good, it will not necessarily increase taxpayer compliance. This means that, although fiscal services are an important aspect of tax administration, there are situations where the quality of these services does not have a significant influence on the level of taxpayer compliance.

2. Theoretical Background

The Influence of Demographic Factors on Taxpayer Awareness

The level of taxpayer awareness is often influenced by demographic factors such as education, where people with higher levels of education have a more qualified understanding of their tax obligations. Additionally, demographic factors such as age can also affect taxpayer awareness, with older age groups likely to have higher levels of awareness due to accumulated tax experience and knowledge over time (Rahayu, Y. N., Setiawan, M., & Troena, 2017). Another study in developing countries found that demographic characteristics such as gender, age, marital status, education level, employment status, and income level can moderate factors that influence taxpayers' attitudes towards tax evasion. These findings show that demographic factors can affect taxpayers' awareness and attitudes towards tax compliance (Rashid, 2020).

H1: Demographic factors have a positive effect on taxpayer awareness

The Effect Of Digitization of Tax Reporting on Taxpayer Awareness

Digitalization has a strategic role in increasing taxpayer awareness by facilitating access to tax-related information through online platforms, thus allowing people to understand their obligations and rights more quickly and easily. Digital transformation can also increase the transparency of the tax process, allowing taxpayers to access and monitor their financial data in real-time, which in turn can motivate taxpayers' awareness to better comply with tax rules. Digitalization has a positive effect on taxpayer awareness (Amzuică, B. F., Mititelu, R. A., & Nişulescu, 2023). The digitization of tax reporting in the form of e-filing has a significant and positive impact on taxpayer awareness (Dewi at al, 2022).

H2: Digitization of tax reporting has a positive effect on taxpayer awareness

The Influence of Fiscal Services on Taxpayer Awareness

The quality of good fiscal services, such as quick responses to taxpayers' inquiries and the provision of clear information, can significantly increase taxpayers' awareness of their tax obligations. Tax services, including tax authorities and the quality of tax services, play an important role in increasing taxpayer awareness and compliance (Setiawati, E., Triwidatin, Y., & Melani, 2023). Efficient and friendly fiscal services can also form a positive perception of tax institutions, motivating taxpayers to be more active and aware in carrying out their tax obligations. On the other hand, inadequate or slow fiscal services can lower the level of taxpayer awareness, trigger dissatisfaction, and can even result in a lack of compliance with tax regulations. Fiscal services have a significant effect on taxpayer awareness (Syahputra, O., Lubis, I. T., Batubara, S., Kaur, M., & Safira, 2022). Taxpayer awareness is positively influenced by tax services (Dewi, T. I. A. L. A., Kawisana, P. G. W. P., & Yoga, 2022).

H3: Fiscal services have a positive effect on taxpayer awareness

The Influence of Demographic Factors on Taxpayer Compliance

Demographic factors, such as age, gender and income, can affect the level of taxpayer compliance, where people with higher levels of education and income tend to have better awareness and compliance capabilities with their tax obligations (Thalib, 2023), (Seventeen, W. L., & Fitriano, 2023). Age can also be a significant demographic factor in taxpayer compliance, as older age groups may have higher levels of compliance due to life experience and a better understanding of the importance of complying with tax rules (Floriantina, 2021). In addition, other demographic factors such as income can also play a role in shaping taxpayers' compliance behavior, illustrating the complexity of the interaction between demographic characteristics and the level of compliance with the tax system (Indriyasari, W. V., & Maryono, 2022), (Henriette, G., & Erasashanti, 2023).

H4: Demographic factors have a positive effect on taxpayer compliance

The Effect Of Digitization of Tax Reporting on Taxpayer Compliance

The digitization of tax reporting has a positive impact on taxpayer compliance, by providing an efficient and easy-to-use platform, thereby minimizing human error and improving reporting accuracy. Ease of access and transparency of information through digitization can help taxpayers better understand their tax obligations, increase awareness of tax rules, and ultimately, encourage better compliance (Tambun, S., & Ananda, 2022). The digitization of tax reporting has a positive impact on taxpayer compliance, by providing an efficient and easy-to-use platform, thereby minimizing human error and improving reporting accuracy. Ease of access and transparency of information through digitization can help taxpayers better understand their tax obligations, increase awareness of tax rules, and ultimately, encourage better compliance (Tambun, S., & Ananda, 2022).

H5: Digitization of tax reporting has a positive effect on taxpayer compliance

The Effect of Fiscal Services on Taxpayer Compliance

The quality of efficient and responsive fiscal services can be an important driver in improving taxpayer compliance, because good interaction and quick assistance can help people better understand their tax obligations and rights. Friendly and transparent fiscal services can build trust between taxpayers and tax institutions, creating a positive environment that encourages voluntary compliance with tax rules. Conversely, fiscal services that are less effective or slow in responding to taxpayers' needs can reduce compliance levels, increase the risk of non-compliance, and create dissatisfaction that can affect the relationship between taxpayers and tax authorities (Ariani, M., & Biettant, 2018). Tax officers must be capable in following up on public complaints, be quick to respond in helping to solve problems faced by taxpayers related to taxes, and provide the best service in providing ease of tax services. This shows that the better the fiscal service, the higher the taxpayer's compliance. On the other hand, the worse the fiscal service, the worse the taxpayer's compliance (Cevin, 2020).

H6: Fiscal services have a positive effect on taxpayer compliance

The Effect of Taxpayer Awareness on Taxpayer Compliance

Taxpayers' awareness levels positively correlate with compliance levels, as a good understanding of tax obligations encourages taxpayers to voluntarily comply with the rules and report income correctly (Ernita, D., & Harahap, 2023). High taxpayer awareness can result in better compliance with tax rules, as people who are aware of their tax responsibilities tend to be more proactive in carrying out their obligations (Nugrahani, 2023). Increasing taxpayer awareness can also create a culture of compliance in society, where individuals feel responsible for paying taxes correctly, nourishing an environment where compliance with tax regulations is valued and upheld (Pratiwi, Resi.Y & Sofya, 2023).

H7: Taxpayer awareness has a positive effect on taxpayer compliance

The Role of Taxpayer Awareness In Mediating The Influence of Demographic Factors on Taxpayer Compliance

Taxpayer awareness plays an important role in mediating the influence of demographic factors on compliance, where individuals with a high level of awareness can more effectively manage the impact of demographic factors such as age, gender and income on their compliance levels (Helen, H., & Purba, 2023). Taxpayer awareness levels can serve as a link between demographic characteristics and taxpayer compliance, with more conscious individuals having a greater likelihood of understanding their tax obligations, independent of factors such as age, gender or income. Taxpayer awareness levels can serve as a link between demographic characteristics and taxpayer compliance, with more conscious individuals having a greater likelihood of understanding their tax obligations, regardless of factors such as age or income (Devianti, 2023). Taxpayer awareness can provide an additional dimension in understanding variability in compliance with tax regulations among various demographic groups, creating opportunities for the development of more targeted education and information strategies to improve compliance levels across the spectrum of society (Parso, P., & Darmawan, 2023).

H8: Taxpayer awareness is able to mediate the influence of demographic factors on taxpayer compliance

The Role of Taxpayer Awareness in Mediating The Influence of Digitization of Tax Reporting on Taxpayer Compliance

Taxpayer awareness can serve as an important mediator in connecting the effects of digitization of tax reporting with compliance levels, as conscious individuals are more likely to utilize and understand new technologies in fulfilling their tax obligations. Taxpayer awareness plays an important role in mediating the effects of digitizing tax reporting on compliance levels. Savvy individuals are more likely to utilize and understand new technology in fulfilling their taxpayer obligations (Widhiatmoko, H., & Mahardhika, 2023). Taxpayer awareness levels can influence how individuals respond to changes in the tax reporting process caused by digitalization, with high awareness likely to result in faster adaptation and a better understanding of electronic taxation procedures. The level of taxpayer awareness can indeed affect individual responses to changes in the tax reporting process caused by digitalization. Increased awareness can lead to faster adaptation and a better understanding of electronic taxation regulations. Research has shown that taxpayer awareness has a significant positive effect on taxpayer compliance (Dwipasari, M. S., Putra, I. M. W., & Kawisana, 2023).

H9: Taxpayer awareness is able to mediate the influence of digitization of tax reporting on taxpayer compliance

The Role of Taxpayer Awareness In Mediating The Influence of Fiscal Services on Taxpayer Compliance

Taxpayer awareness plays a significant role as a mediator in aligning the impact of fiscal services on compliance levels, where a high level of awareness can increase

positive responses to services and motivate taxpayers to be more compliant with tax rules. Increasing taxpayer awareness can mediate the effects of fiscal services by creating a better understanding of tax rights and obligations, thus forming a solid basis for voluntary compliance with tax rules (Aditya, M. R., & Budiman, 2022). Taxpayer awareness can serve as a factor that strengthens the relationship between quality fiscal services and compliance, creating an environment where effective services can stimulate awareness and motivate taxpayers to behave in compliance with tax regulations (Anam, M. C., Andini, R., & Hartono, 2018).

H10: Taxpayer awareness is able to mediate the influence of fiscal services on taxpayer compliance

3. Methodology

The design of this study uses a quantitative approach. The research respondents were 180 Individual Taxpayers at the Gianyar-Bali KPP. Data collection uses a questionnaire questionnaire with a symantic differential scale used as a measuring tool. Data analysis using the Partial Least Squares (PLS. This method was chosen because the model estimation obtained by SEM-PLS essentially shows a greater level of statistical strength and produces comparable results when estimating path coefficients and statistical significance (Filho et al., 2020). Structural Equation Modeling is a method to develop and test statistical models that are mostly in the form of cause and effect (Sarwono, 2018). Because it supports models with formative and reflective indicators, SEM-PLS has its own advantages in terms of modeling (Sarwono, 2018).

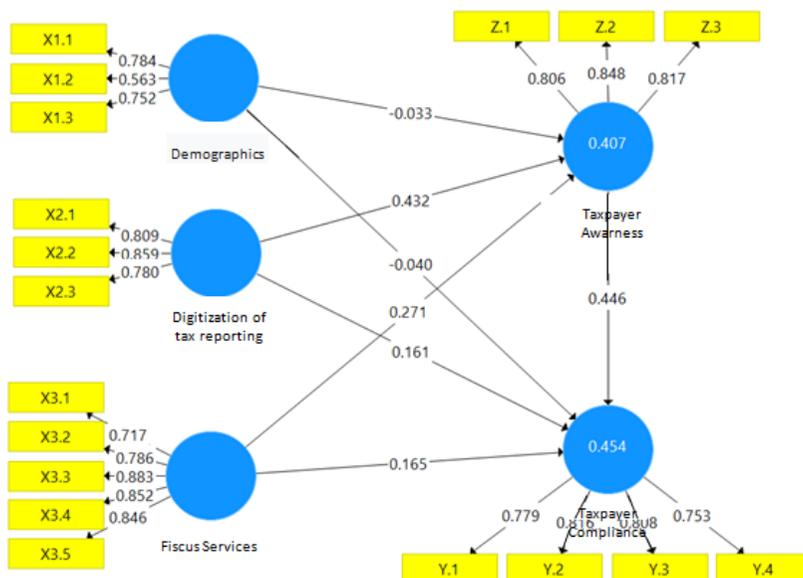


Figure 2. Outer Model Results

The figure above shows that all indicators have an outer loading value above 0.7, so all valid indicators form their latent variables. In addition, the four variables have an AVE value above 0.50 and all variables have an AVE root value higher than the correlation coefficient between one variable and another so that it can be said that the data has good discriminant validity. The results of the outer model also show that it meets composite reliability because the value is above the recommended number, which is above 0.7 which already meets the reliable criteria. Based on the results of the overall evaluation, both convergent. Discriminant validity, composite reliability, which has been described above, it can be concluded that indicators as a measure of latent variables are valid and reliable measures.

4. Empirical Findings/Result and Discussion

Demographic Influence on Taxpayer Awareness

The results of the analysis show that demographic factors have a negative and insignificant influence on tax awareness. These results show that tax awareness is more influenced by other factors such as policies, law enforcement, and individual attitudes and perceptions, compared to their demographic characteristics. Therefore, increasing tax awareness should be focused on education, tax campaigns, and service improvement rather than just looking at demographic aspects. Younger taxpayers may tend to care less about taxes because they feel their income is not significant or do not understand the importance of taxes. In addition, taxpayers with low incomes may feel that taxes are not a priority because other necessities of life are more urgent.

The results of this study are in line with the results of research conducted by (Primasari, 2023) which found that gender has no effect on taxpayer compliance behavior. These results can be interpreted that female and male taxpayers have different levels of tax compliance. Likewise with the results of the research conducted (Mulyani, S., Budiman, N. A., & Sakinah, 2020). A low income level will make taxpayers more compliant in terms of taxation because it is considered that low-income taxpayers are more afraid of being subject to more burdensome sanctions.

The Effect of Digitization of Tax Reporting on Taxpayer Awareness

The results of the study show that the digitization of tax reporting has a positive and significant impact on taxpayer awareness. The digitization of tax reporting has a significant effect on taxpayer awareness because it makes it easier to access, increases transparency, and provides better information for taxpayers. With the convenience offered by digitalization, taxpayers become more aware of the importance of their tax obligations and be more compliant in reporting and paying taxes. However, to ensure the impact is evenly distributed, the government needs to continue to educate the public and increase access to the technology.

With a digital-based tax reporting system, taxpayers no longer need to take care of administration manually or visit the tax office. This process has become faster, easier, and can be done anytime and anywhere. This makes taxpayers more involved and understands the importance of timely tax reporting. This is in line with the results of

a study (Amzuiică, B. F., Mititelu, R. A., & Nişulescu, 2023) which found that digital transformation can also increase the transparency of the tax process, allowing taxpayers to access and monitor their financial data in real-time, which in turn can motivate taxpayers' awareness to better comply with tax rules. Digitalization has a positive effect on taxpayer awareness. The digitization of tax reporting in the form of e-filing has a significant and positive impact on taxpayer awareness (Dewi, T. I. A. L. A., Kawisana, P. G. W. P., & Yoga, 2022).

The Influence of Fiscal Services on Taxpayer Awareness

Fiscal services have a positive and significant effect on taxpayer awareness. These results show that good fiscal services are directly related to increasing taxpayer awareness. Studies in various countries reveal that when tax authorities provide adequate services, taxpayers tend to have a better understanding of their obligations, as well as show a higher awareness of the role and importance of taxes. Good fiscal services play an important role in increasing taxpayer awareness. Through effective education, easy access to information, positive interactions, and quick solutions, fiscal can help taxpayers understand the importance of the role of taxes and encourage them to be more aware and compliant with tax obligations. Improving the quality of fiscal services, especially by utilizing technology, is a strategic step to strengthen tax awareness and compliance in the community.

The results of this study are in line with the research conducted (Setiawati, E., Triwidatin, Y., & Melani, 2023), namely that the quality of fiscal services, such as quick responses to taxpayers' questions and the provision of clear information, can significantly increase taxpayers' awareness of their tax obligations. Tax services, including tax authorities and tax service quality, play an important role in increasing taxpayer awareness and compliance. Efficient and friendly fiscal services can also form a positive perception of tax institutions, motivating taxpayers to be more active and aware in carrying out their tax obligations. On the other hand, inadequate or slow fiscal services can lower the level of taxpayer awareness, trigger dissatisfaction, and can even result in a lack of compliance with tax regulations. Fiscal services have a significant effect on taxpayer awareness (Syahputra, O., Lubis, I. T., Batubara, S., Kaur, M., & Safira, 2022). Taxpayer awareness is positively influenced by tax services (Dewi, T. I. A. L. A., Kawisana, P. G. W. P., & Yoga, 2022).

Demographic Influence on Taxpayer Compliance

The results of the study showed that demographics did not have a significant effect on taxpayer compliance. Demographic factors have no effect on taxpayer compliance because of uniform tax policies, equal access to information, and equal law enforcement for all community groups. Tax compliance is more influenced by other factors such as perception of the government, knowledge of taxation, and ease of tax reporting and payment processes. Therefore, in improving tax compliance, a more effective approach is through education, better services, and strengthening law enforcement rather than focusing only on demographic aspects. This is in line with the research of Nugrahani (2023), which found that demographic factors in terms of knowledge have no effect on taxpayer integrity. Likewise, research conducted

(Thalib, 2023) found that income level, type of work and marital status did not have a significant effect on taxpayer compliance.

The Effect of Digitization of Tax Reporting on Taxpayer Compliance

The results of the study show that the digitization system of tax reporting has a significant and positive impact on taxpayer compliance. The better the tax digitalization system, the higher the taxpayer's compliance. Digitization of tax reporting refers to the use of information and communication technology in the tax reporting process. This includes an online system that allows taxpayers to file tax returns online, report income, access tax information, and pay taxes without having to physically visit the tax office. An example in Indonesia is the implementation of the e-Filing and e-Billing systems.

The results of this study are in line with research conducted (Tambun, S., & Ananda, 2022) which found that digitization of tax reporting has a positive impact on taxpayer compliance, by providing an efficient and easy-to-use platform, thereby minimizing human error and improving reporting accuracy. Ease of access and transparency of information through digitization can help taxpayers better understand their tax obligations, increase awareness of tax rules, and ultimately, encourage better compliance. In addition, the use of technology in tax reporting can also increase the speed of the data processing process, provide quick feedback to taxpayers, and help create a more structured environment to facilitate better compliance with tax regulations. Digitalization has a positive and significant effect on Taxpayer Compliance. The higher the Taxpayer's understanding of digitalization, the higher the Taxpayer's Compliance in fulfilling their obligations due to the convenience thanks to the advancement of digitalization in the field of tax services (Henriette, G., & Erasashanti, 2023).

The Effect of Fiscal Services on Taxpayer Compliance

The results of the study show that good fiscal services have an impact on increasing taxpayer compliance. Positive experiences in interacting with the fiskus, such as fast, friendly, and professional service, can increase taxpayers' perception of tax authorities. When taxpayers feel well served, they tend to be more aware of the importance of taxes and are more willing to meet their obligations. Thus, it can be said that good fiscal services play an important role in increasing taxpayer awareness. Through effective education, easy access to information, positive interactions, and quick solutions, fiscal can help taxpayers understand the importance of the role of taxes and encourage them to be more aware and compliant with tax obligations. Improving the quality of fiscal services, especially by utilizing technology, is a strategic step to strengthen tax compliance in the community.

The results of this study are in line with (Ariani, M., & Biettant, 2018) which found that friendly and transparent fiscal services can build trust between taxpayers and tax institutions, creating a positive environment that encourages voluntary compliance with tax rules. Conversely, fiscal services that are less effective or slow in responding to taxpayers' needs can reduce compliance levels, increase the risk of non-compliance, and create dissatisfaction that can affect the relationship between taxpayers and tax

authorities. Tax officers must be capable in following up on public complaints, be quick to respond in helping to solve problems faced by taxpayers related to taxes, and provide the best service in providing ease of tax services. This shows that the better the fiscal service, the higher the taxpayer's compliance. On the other hand, the worse the fiscal service, the worse the taxpayer's compliance (Cevin, 2020).

The Effect of Taxpayer Awareness on Taxpayer Compliance

Taxpayers' awareness of their obligations has a significant impact on taxpayer compliance. This means that the higher the taxpayer's awareness, the higher the compliance with taxation. This result means that taxpayers who are aware of the importance of taxes tend to be more compliant in reporting and paying their taxes. Therefore, efforts to increase tax awareness, through education, campaigns, and increased transparency, are an important step in increasing the level of tax compliance in the community.

The results of this study are in line with the results of a study (Ernita, D., & Harahap, 2023) which found that the level of taxpayer awareness was positively correlated with the level of compliance, because a good understanding of tax obligations encourages taxpayers to voluntarily comply with the rules and report income correctly. High taxpayer awareness can result in better compliance with tax rules, as people who are aware of their tax responsibilities tend to be more proactive in carrying out their obligations (Nugrahani, 2023). Increasing taxpayer awareness can also create a culture of compliance in society, where individuals feel responsible for paying taxes correctly, nourishing an environment where compliance with tax regulations is valued and upheld (Pratiwi, Resi.Y & Sofya, 2023).

The Role of Taxpayer Awareness in Mediating The Influence of Demographics on Taxpayer Compliance

The results of the study show that the variable of taxpayer awareness is not a mediator of demographic influence on taxpayer compliance. Taxpayer awareness does not mediate the influence of demographics on taxpayer compliance. This is due to the direct influence of demographic factors on insignificant compliance, as well as other variables that are more dominant in determining tax compliance. Therefore, an effective policy strategy must consider a variety of factors, not only focusing on raising awareness, but also on other efforts such as law enforcement and simplification of the tax system to improve overall taxpayer compliance. In some cases, tax awareness is not significantly affected by demographic factors. For example, a person with a certain demographic background such as gender, age and income may have high tax awareness through informal education or personal experience, so demographics do not affect their awareness.

The Role of Taxpayer Awareness in Mediating The Influence of Digitization of Tax Reporting on Taxpayer Compliance

The results of the study show that taxpayer awareness significantly mediates the influence of digitization of tax reporting on taxpayer compliance. This result has the meaning that the digitization of tax reporting is able to directly affect taxpayer compliance, even though taxpayer awareness is low. This is in line with the results of

research (Maryani, 2019) which states that taxpayers' high awareness of digital innovation can form a positive attitude towards the use of technology in tax reporting, contributing positively to the level of compliance by creating an environment where individuals are more likely to comply with tax rules implemented through digital platforms.

The Role of Taxpayer Awareness in Mediating The Influence of Fiscal Services on Taxpayer Compliance

The results of the study show that taxpayer awareness significantly mediates the influence of fiscal services on taxpayer compliance. This result means that fiscal services are able to directly affect taxpayer compliance, even though taxpayer awareness is low. Taxpayer compliance is a key factor in the success of a country's tax system. To achieve a high level of compliance, the government not only relies on regulations and sanctions, but also pays attention to the quality of services provided by the fiscal (tax officers). Good fiscal services can create a positive experience for taxpayers, which in turn has the potential to improve their compliance. However, the relationship between fiscal services and taxpayer compliance is often influenced by the awareness of taxpayers themselves. In this context, taxpayer awareness can act as a partial mediation that affects the extent to which fiscal services have an impact on taxpayer compliance. Good fiscal services are one of the important factors in increasing taxpayer compliance. However, the influence of these services on compliance is not always direct, but is influenced by the level of taxpayer awareness. Taxpayer awareness plays a role as a partial mediation that strengthens the relationship between fiscal services and taxpayer compliance. Thus, to achieve an optimal level of compliance, the government not only needs to improve the quality of fiscal services but also must focus on efforts to increase taxpayer awareness.

The results of this study are in line with the results of research (Aditya, M. R., & Budiman, 2022) which found that increasing taxpayer awareness can mediate the effects of fiscal services by creating a better understanding of tax rights and obligations, thus forming a solid basis for voluntary compliance with tax rules. Taxpayer awareness can serve as a factor that strengthens the relationship between quality fiscal services and compliance, creating an environment where effective services can stimulate awareness and motivate taxpayers to behave in compliance with tax regulations (Anam, M. C., Andini, R., & Hartono, 2018).

5. Conclusions

This study found that taxpayer awareness is able to mediate the relationship between fiscal services and taxpayer compliance, as well as the relationship between digitization of tax reporting and taxpayer compliance. Meanwhile, taxpayer awareness is not able to mediate the relationship between demographic variables and taxpayer compliance. In addition to examining the mediation relationship between variables, it was also found that there was a significant positive relationship between taxpayer awareness and taxpayer compliance. Likewise, fiscal services on taxpayer compliance and taxpayer awareness, digitization of tax reporting on taxpayer compliance and

taxpayer awareness. Meanwhile, there is an insignificant influence between demographics on taxpayer compliance and a negative influence between demographics on taxpayer awareness. So, taxpayer awareness, fiscal services, and digitization of tax reporting are important factors that have an impact on taxpayer compliance.

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