
Tax Management, Tax Regulations, and Tax Literacy on Corporate Taxpayer Compliance: Mediation of Tax Restitution

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Abstract:

This study examines corporate tax obligations influenced by tax management, tax regulations, and tax literacy, with tax restitution as a mediating variable supported by Tax Compliance Theory and Behavioral Tax Theory. This study uses a quantitative research approach that specifically adopts a causal research design (explanatory), which explains how the diversity of independent and mediating variables affects corporate taxpayer compliance at the Jakarta Tebet Pratama Tax Office so that it can provide a strong framework for empirical analysis. Data were obtained through a questionnaire scale of 1 - 5. The population in this study refers to all corporate taxpayers registered at the Jakarta Tebet Pratama Tax Office (Kantor Pelayanan Pajak/KPP), totaling 14,845 taxpayers. Sampling was carried out using proportional random sampling so that a sample of at least 374 corporate taxpayers could be obtained as a unit of analysis. Data analysis used descriptive and inferential analysis using Partial Least Squares Structural Equation Modeling (PLS-SEM). The empirical research results prove that tax management, tax regulations, and tax literacy, with tax restitution as a mediator, can positively and significantly influence corporate tax obligations. These results provide substantive implications that in order to improve taxpayer compliance, attention needs to be given not only to improving tax literacy, tax system management, and clarity of tax rules but also to taxpayer experience in the tax restitution process. A transparent, fast, and fair restitution process can strengthen the relationship between these factors and tax compliance. In this case, a comprehensive and taxpayer-oriented tax policy can potentially increase state revenues by increasing taxpayer compliance (individuals and corporations).

Keywords: *Corporate Taxpayer Compliance, Tax Management, Tax Regulations, Tax Literacy, Tax Restitution*

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1. Introduction

Taxation plays a strategic role in the development of a country. As one of the largest sources of state revenue, taxes are used to fund various needs, ranging from infrastructure development and education to health services (Cahyadi, 2024). In Indonesia, taxes are the backbone of state finances, reflected in their contribution to the State Budget (*Anggaran Pendapatan dan Belanja Negara/APBN*) (Sari & Qibthiyyah, 2022). The government continues to encourage the optimization of tax revenues through various policies and programs, including modernizing the tax

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administration system and strengthening law enforcement (Nur, 2024). However, achieving tax targets still often faces challenges, one of which is the level of taxpayer compliance (Nasution et al., 2020; Rahman, 2017).

Tax compliance, both individuals and corporations, is a central issue in the taxation system. In the context of corporate taxpayers, compliance not only reflects responsibility for legal obligations but also plays an important role in creating a healthy business climate (Inasius, 2019). Compliant corporate taxpayers support the sustainability of tax revenues and positively contribute to the national economy. Conversely, non-compliance of corporate taxpayers, such as incorrect reporting, tax avoidance, or even tax evasion, can cause significant losses to the state and damage public trust in the taxation system (Hendayana et al., 2024; Purba et al., 2020).

The importance of taxpayer compliance cannot be separated from various fundamental reasons. Economically, tax compliance ensures the availability of public funds used to improve the welfare of society as a whole (Delgado-Rodríguez & Lucas-Santos, 2021). Socially, tax compliance reflects the company's contribution to the country's development and improves its reputation in the eyes of the public. However, tax non-compliance can have negative consequences, including administrative and criminal sanctions, which can potentially harm the sustainability of the taxpayer's business (Rosid et al., 2018).

The level of taxpayer compliance is influenced by various factors, both directly and indirectly, including in the context of tax management, tax regulations, tax literacy, and tax restitution (Delgado-Rodríguez & Lucas-Santos, 2021; Gerger et al., 2019; Inasius, 2019; Tilahun, 2019). In addition to the main factors above, several external elements influence compliance, such as trust in the government, sanctions and penalties, tax supervision or audits, and social influence (Asmara, 2017). Several studies also show that the support of tax professionals and technology, such as electronic reporting systems, can increase the level of taxpayer compliance (Arcos Holzinger & Biddle, 2016; Nasution et al., 2020; Rahmat et al., 2023; Rosid et al., 2018). Conceptually, tax management is related to the efficiency and strategy of corporate tax management and significantly affects tax compliance. Companies with a sound tax management system tend to be more compliant because the company can manage tax obligations optimally while still complying with applicable regulations. This includes preparing accurate reports and using legal tax incentives (Gerger et al., 2019; Tilahun, 2019),

When judging from tax regulations, the complexity or transparency of tax regulations plays an important role in the level of compliance. Taxpayers can be more compliant when regulations are transparent, fair, and easy to understand. Conversely, uncertainty or complicated interpretations can reduce compliance (Bimo et al., 2019). It basically shows that the current condition of tax regulations in Indonesia is still complex and requires continuous transparency and education efforts to improve tax compliance (Gerger et al., 2019). Tax Literacy is related to taxpayer knowledge regarding the tax system. High literacy helps taxpayers understand the obligations and benefits of

compliance. Lack of knowledge is often the main reason for non-compliance, either due to errors or ignorance (Blaufus et al., 2022).

Regarding Tax Restitution, an efficient tax refund process can motivate taxpayers to be more compliant. When taxpayers feel the direct benefits of the tax system (such as fast and transparent refunds), the level of taxpayer trust and compliance increases (Natisation et al., 2021). It also reflects the tax system's fairness so taxpayers feel supported in fulfilling their obligations to report and pay taxes.

Based on several previous studies, tax management significantly influences taxpayer compliance, especially among corporate taxpayers. Effective tax management allows companies to fulfill tax obligations efficiently, such as by accurate reporting and utilization of tax incentives. This effective management directly increases compliance because companies can avoid sanctions or penalties due to violations of tax rules. In addition, tax management can also indirectly affect compliance through tax restitution. When companies feel the benefits of a transparent and efficient tax refund system, such as timely refunds, this increases trust in the tax authorities. Thus, the tax restitution process becomes a mediation that strengthens the relationship between good tax management and the level of corporate taxpayer compliance (Agusti & Rahman, 2023; Capasso et al., 2021; Judijanto, 2024).

Tax regulations play an important role in influencing the level of taxpayer compliance, including corporate taxpayers, both directly and through tax restitution as mediation. In Indonesia, transparent and fair regulations increase taxpayer motivation to fulfill obligations, while complex regulations often trigger non-compliance (Gerger et al., 2019; Tilahun, 2019). Globally, research shows that simple and transparent regulations can encourage compliance, as observed in OECD countries, where compliance increases through efficient refund systems (Koessler et al., 2019). In addition, in Malaysia, a study by Khan (2020) highlighted that tax regulatory reforms had a significant impact on corporate taxpayer compliance. Research in Nigeria also found that efficient refund implementation increased trust in the tax system (Mansor, 2016). These results support the importance of effective tax regulatory reforms in Indonesia.

Tax literacy is an important factor that influences taxpayer compliance. Research in various countries shows that increasing tax literacy can increase taxpayer compliance directly and through mediation, such as perceptions of fairness and trust in the government (Jimenez & Iyer, 2016). Moreover, Musimenta (2020) menemukan bahwa literasi pajak dapat mempertahankan kepatuhan meskipun terdapat kompleksitas dalam peraturan pajak. In Indonesia, Kusumadewi and Dyarini (2022) also found that tax literacy has a positive effect on taxpayer compliance, especially among non-employee taxpayers. In addition, Yuliati and Fauzi (2020) added that tax literacy and tax sanctions play an important role in increasing taxpayer compliance in Indonesia.

Tax restitution affects taxpayer compliance, both directly and through mediation for independent variables such as tax management, tax regulations, and tax literacy. Fast

and transparent tax refunds increase taxpayer trust in the tax system and encourage taxpayers to be more compliant. As a mediator, tax restitution can strengthen the relationship between good tax management and tax compliance by showing that the tax system directly benefits taxpayers (Natision et al., 2021). In addition, it is stated that efficient tax refunds and audits in Portugal increase the level of compliance (Araújo Marques et al., 2020). Meanwhile, Rashid et al., (2022) also found a significant positive impact of tax refunds in several developing and developed countries. Aryati (2016) noted that timely tax returns increase corporate taxpayer compliance in Indonesia.

The expected research novelty in this study is the integration of variables, namely that this study integrates three main variables (Tax Management, Tax Regulations, and Tax Literacy) that are rarely studied simultaneously in the context of tax restitution and corporate tax compliance. The focus on the mediating impact of tax restitution also provides a new perspective. Another novelty is that conducting a study at the Jakarta Tebet Pratama Tax Office, this study provides important local perceptions of how tax policies are implemented and accepted by corporate taxpayers in the area. This novelty is also related to the empirical and conceptual approaches. This study does not only rely on theory but also conducts in-depth empirical analysis to support the proposed hypotheses.

This study examines the relationship between tax management, tax regulations, tax literacy, tax restitution, and corporate taxpayer compliance at the tax office. In this model, restitution acts as a mediating variable that strengthens the influence of tax management, tax regulations, and tax literacy on corporate taxpayer compliance. The benefit of the study is that the results can strengthen the theory of how elements of the tax system affect the level of compliance, both directly and through mediation. This study provides strategic recommendations for tax authorities in Indonesia, especially in increasing the efficiency and transparency of the tax restitution process. These findings are also helpful for policymakers to simplify tax regulations and improve public tax literacy to encourage corporate taxpayer compliance.

2. Theoretical Background

Tax Management and Corporate Taxpayer Compliance

Tax management refers to strategies and practices adopted by businesses to fulfill their tax obligations efficiently while minimizing tax liabilities within legal frameworks. Effective tax management enhances compliance by ensuring accurate tax reporting, reducing errors, and improving financial planning (Blaufus et al., 2022). Proper tax management also mitigates tax misperceptions and fosters voluntary compliance (Hartmann, Mueller, & Kirchler, 2020). Businesses with robust internal tax control mechanisms and professional tax planning are more likely to comply with tax obligations, reducing risks of audits and penalties (Bimo, Prasetyo, & Susilandari, 2019). Moreover, companies implementing tax management strategies can optimize

cash flow and financial stability, further reinforcing their compliance behavior (Asmara, 2017).

Tax Regulations and Corporate Taxpayer Compliance

The regulatory environment plays a critical role in determining corporate tax compliance. Clear, transparent, and fair tax regulations encourage businesses to comply with tax obligations (Capasso et al., 2021). Conversely, complex tax rules and frequent regulatory changes can increase non-compliance due to confusion or unintentional errors (Musimenta, 2020). Studies suggest that countries with simplified and fair tax laws experience higher compliance rates (Araújo Marques, Sousa, & Teixeira, 2020). In Indonesia, inconsistencies in tax regulation enforcement and policy changes create challenges for businesses in maintaining compliance (Rahman, 2017). Well-structured regulatory frameworks and improved enforcement mechanisms help reduce tax evasion and increase voluntary compliance (Nasution et al., 2020). Furthermore, integrating digital tax administration systems has been shown to enhance compliance by simplifying processes and reducing bureaucratic inefficiencies (Purba, Sarpingah, & Nugroho, 2020).

Tax Literacy and Corporate Taxpayer Compliance

Tax literacy involves understanding tax policies, filing processes, and legal obligations. Higher tax literacy levels lead to improved compliance as taxpayers become more aware of their responsibilities and rights (Gerger, Türegün, & Gerçek, 2019). In Indonesia, tax literacy significantly impacts SME tax compliance, as informed taxpayers are less likely to engage in tax evasion (Agusti & Rahman, 2023). Research highlights that taxpayer education programs and public awareness campaigns can significantly enhance tax compliance levels (Hofmann et al., 2017). Companies with well-informed financial personnel exhibit higher compliance rates, as they can navigate tax obligations more efficiently (Kusumadewi & Dyarini, 2022). Additionally, digitalization and online tax learning platforms have improved tax knowledge accessibility, further promoting corporate tax compliance (Delgado-Rodríguez & Lucas-Santos, 2021).

In the context of the research model on the influence of tax management, tax regulations, and tax literacy on corporate taxpayer compliance, there are several research gaps, both empirically and theoretically, that can be identified. There are at least several empirical gaps related to (1) limitations of previous research, (2) mediating variables that have not been widely studied, and (3) specific geographic and sector contexts. The relationship between these variables can be modeled as follows.

Research Framework

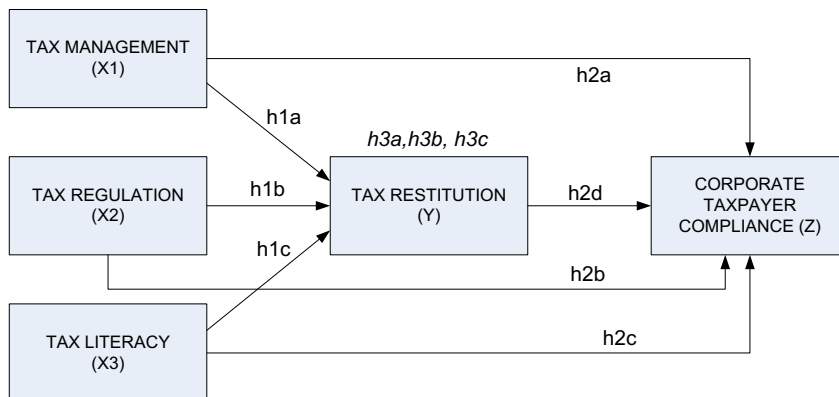


Figure 1. Theoretical Framework

Based on the theoretical framework, we developed the following hypotheses (three main hypotheses and 10 sub-hypotheses).

1. **Hypothesis 1:** Direct Effect of X1, X2, and X3 on Y (Tax Restitution)
 - a. Sub-hypothesis H1a: Tax Management (X1) has a positive effect on Tax Restitution (Y).
 - b. Sub-hypothesis H1b: Tax regulations (X2) have a positive effect on Tax Restitution (Y).
 - c. Sub-hypothesis H1c: Tax Literacy (X3) has a positive effect on Tax Restitution (Y).
2. **Hypothesis 2:** Direct Influence of X1, X2, X3, and Y on Z (Taxpayer Compliance)
 - a. Sub-hypothesis H2a: Tax Management (X1) has a positive effect on Taxpayer Compliance (Z).
 - b. Sub-hypothesis H2b: Tax Regulations (X2) have a positive effect on Taxpayer Compliance (Z).
 - c. Sub-hypothesis H2c: Tax Literacy (X3) has a positive effect on Taxpayer Compliance (Z).
 - d. Sub-hypothesis H2d: Tax Restitution (Y) has a positive effect on Taxpayer Compliance (Z).
3. **Hypothesis 3:** The Mediation Effect of Y in the Influence of X1, X2, and X3 on Z
 - a. Sub-hypothesis 3a: Tax Restitution (Y) mediates the effect of Tax Management (X1) on Taxpayer Compliance (Z).
 - b. Sub-hypothesis 3b: Tax Restitution (Y) mediates the effect of Tax Regulations (X2) on Taxpayer Compliance (Z).
 - c. Sub-hypothesis 3c: Tax Restitution (Y) mediates the effect of Tax Literacy (X3) on Taxpayer Compliance (Z).

3. Methodology

This study uses a quantitative research approach that specifically adopts a causal research design (explanatory). This design is very suitable for the purpose of the study because it aims to establish a causal relationship between the independent variables (Tax Management, Tax Regulations, and Tax Literacy), the mediating variable (Tax Restitution), and the dependent variable (Taxpayer Compliance). Through this approach, this study can explain how the diversity of independent and mediating variables affects the compliance of corporate taxpayers at the Jakarta Tebet Pratama Tax Office so that it can provide a strong framework for empirical analysis. By using a causal research design, the study can test the hypotheses developed from the literature review using statistical techniques such as Structural Equation Modeling (SEM) analysis with the Partial Least Square (PLS) technique to measure the impact of independent variables on the dependent variable, with the moderating variables involved. The measurement of variables in this study can be explained in Table 1.

Tabel 1. Measurement of Variables and Dimensions

Variables	Dimension
Tax Management (X1)	Tax Planning (X11)
	Tax Organizing (X12)
	Tax Leading (X13)
	Tax Controlling (X14)
Taxation Regulation (X2)	Clarity of Tax Rules (X21)
	Legal Certainty (X22)
	Tax Justice (X23)
	Socialization of Tax Rules (X24)
Tax Literacy (X3)	Basic Tax Knowledge (X31)
	Ability to Calculate Taxes (X32)
	Understanding Tax Regulations (X33)
	Awareness of Rights and Obligations (X34)
Tax Restitution (Y)	Restitution Application Process (Y1)
	Certainty of Restitution (Y2)
	Process Transparency (Y3)
	Trust in Authority (Y4)
Corporate Taxpayer Compliance (Z)	Formal Compliance (Z1)
	Material Compliance (Z2)
	Compliance Consistency (Z3)
	Compliance Motivation (Z4)

Data analysis uses descriptive and inferential analysis, namely using Structural Equation Modeling with Partial Least Squares (SEM-PLS) technique. The results of the descriptive study here describe the calculation of each variable and its dimensions, which are seen from the achievement score, ideal score, average achievement (with a scale of 1-5), average percentage of achievement, and category. The results of this inferential study (hypothesis testing) using PLS are divided into two main parts: measurement model (analysis of the relationship between variable constructs and their dimensions or manifest) and structural model (estimation of the relationship between variables).

4. Empirical Findings/Result

Evaluation of the measurement model includes construct reliability, convergent reliability, and discriminant validity. This measurement also uses loading factors to evaluate each dimension. The output of construct reliability can be seen from Cronbach's Alpha (CA), Composite Reliability (CR), and Average Variance Extracted (AVE) criteria.

Table 2. Construct Reliability

Variables	CA	CR	AVE
Tax Management (X1)	0.756	0.845	0.577
Tax Regulations (X2)	0.752	0.843	0.573
Tax Literacy (X3)	0.796	0.867	0.620
Tax Restitution (Y)	0.779	0.858	0.601
Taxpayer Compliance (Z)	0.772	0.854	0.594

Note: CA = Cronbach's Alpha (CA); CR = Composite Reliability (CR); AVE = Average Variance Extracted (AVE)

Based on Table 2, Cronbach's Alpha (CA), Composite Reliability (CR), and Average Variance Extracted (AVE) values indicate good construct reliability for all variables in this study. CA and CR values greater than 0.7 (for example, for the Tax Management variable of 0.756 and 0.845) indicate that the measuring instrument has adequate internal consistency. In addition, AVE values above 0.5 (such as for the Tax Literacy variable with an AVE value of 0.620) indicate that these variables have good validity convergence. These results indicate that the measurement model for all variables in this study can be considered reliable and valid for next analysis purposes (see Table 3).

Table 3. Discriminant Validity

Fornell-Larcker Criterion	X1	X2	X3	Y	Z
Tax Management (X1)	0.760				
Tax Regulations (X2)	0.611	0.757			
Tax Literacy (X3)	0.548	0.586	0.787		
Tax Restitution (Y)	0.614	0.651	0.653	0.776	
Taxpayer Compliance (Z)	0.634	0.651	0.645	0.678	0.771

Description: Square root AVE in diagonal

Source: SmartPLS Output (2024)

Based on Table 3, which uses the Fornell-Larcker criterion for discriminant validity, it can be seen that the square root value of AVE (diagonal) for each variable is greater than the correlation value between the variable and other variables. In this model, the square root value of AVE for Tax Management (X1) is 0.760, which is greater than the correlation value between X1 and other variables such as Tax Regulation (0.611) and Taxpayer Compliance (0.634). The same applies to other variables, where the square root of AVE is each greater than the correlation between variables. This output shows that each construct in this model has good discriminant validity, meaning each variable is measured well and is not mixed with other variables.

Next is the output of the loading factor values for each variable and each dimension, as presented in Table 4.

Table 4. Loading Factors

	X1	X2	X3	Y	Z
X11	0.774				
X12	0.739				
X13	0.739				
X14	0.786				
X21		0,741			
X22		0,732			
X23		0,788			
X24		0,765			
X31			0,800		
X32			0,814		
X33			0,767		
X34			0,767		
Y1				0.760	
Y2				0.815	
Y3				0.753	
Y4				0.772	
Z1					0.797
Z2					0.773
Z3					0.722
Z4					0.789

Based on Table 4, the loading factors for most indicators in each variable show quite high values, with many of them exceeding the threshold of 0.7, which is considered a sign of a valid and significant construct. For example, indicator X11 (Tax Management) has a loading factor of 0.774, which indicates a significant contribution to the variable. Likewise, other indicators such as X12 (0.739) and X14 (0.786) also show loading factors above the threshold, indicating that these indicators are valid and can represent the intended construct well.

In addition, other variables such as Tax Regulations (X2), Tax Literacy (X3), Tax Restitution (Y), and Taxpayer Compliance (Z) also show loading factors of more than 0.7 on most of their indicators, which further strengthens the validity of the construct. Here, indicators on Tax Literacy (X3), such as X31 (0.800) and X34 (0.767), have outstanding loading factor values. Likewise, indicators on the Taxpayer Compliance variable (Z) such as Z1 (0.797) and Z4 (0.789), also show significant contributions. Basically, these results indicate that the measurement model used in this study is indeed reliable and valid to describe the constructs (variables) studied.

Overall, this PLS model can be described as follows, which shows the loading values and direct path coefficient values.

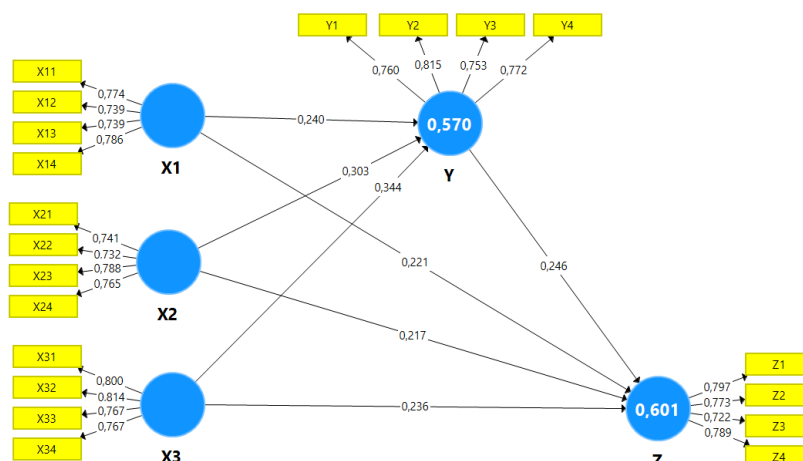


Figure 2. Overall Model

Source: SmartPLS Output (2024)

In calculating the structural model, first of all, the value of each inter-construct correlation or correlation between variables can be seen, as shown in Table 5.

Table 5. Inter-Construct Correlations

	X1	X2	X3	Y	Z
X1	1				
X2	0.611	1			
X3	0.548	0.586	1		
Y	0.614	0.651	0.653	1	
Z	0.634	0.651	0.645	0.678	1

Source: SmartPLS Output (2024)

Table 5 (inter-construct correlations) shows the relationship between variables in the research model. The numbers listed in the table illustrate the extent to which the two constructs are correlated. For example, the correlation between Tax Management (X1) and Tax Regulation (X2) is 0.611, indicating a moderate positive relationship between the two. The correlation between other variables, such as X1 and Tax Literacy (X3), which is 0.548, indicates a lower but still positive relationship.

Further observation, the correlation between variables in this model ranges from 0.5 to 0.7, indicating a fairly strong but not too high relationship so that each construct can still be distinguished from each other. For example, the relationship between Tax Restitution (Y) and Taxpayer Compliance (Z) of 0.678 shows a significant but not too high relationship, indicating that although the two are interrelated, they still have clear differences in terms of construct measurement. Overall, this shows that the constructs in this study are interrelated but still have different identities.

Next, to estimate the path coefficients (direct and indirect effects), as well as the coefficient of determination (R^2) and effect size measurement (f^2), the output results from the inner model can be referred to, as presented in Figure 3.

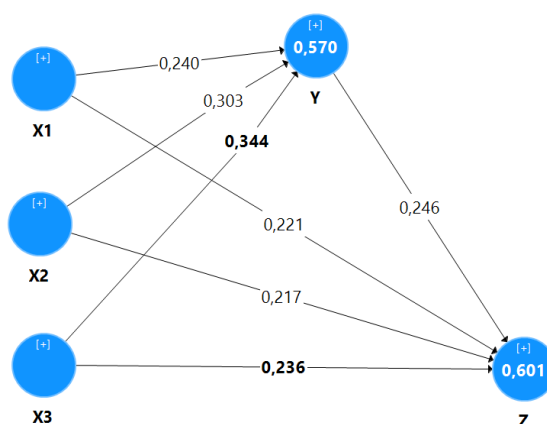


Figure 3. Inner Model

The inner model shows the direct path from each independent variable (also mediator) to the dependent variable. Explanations regarding the output of direct and indirect effect estimation can be explained in Table 6 related to direct and indirect effects, path coefficient values (coef.), bootstrapping (resampling-based statistical testing used to evaluate the significance of estimated parameters in structural or measurement models), standard deviation (SD), t-statistic value (t-stat), p-value, and determination of acceptance/rejection of the hypothesis. A summary of hypothesis testing can be presented as follows.

Table 6. Hypothesis Testing

Path (Direct Effect)	Coeff.	Bootstrap	SD	t-stat	p-value	Hypotheses
H1a: X1 → Y	0,240	0,244	0,059	4,039	0,000	Accepted
H1b: X2 → Y	0,303	0,299	0,052	5,840	0,000	Accepted
H1c: X3 → Y	0,344	0,345	0,055	6,241	0,000	Accepted
H2a: X1 → Z	0,221	0,225	0,053	4,155	0,000	Accepted
H2b: X2 → Z	0,217	0,217	0,054	4,054	0,000	Accepted
H2c: X3 → Z	0,236	0,234	0,062	3,791	0,000	Accepted
H2d: Y → Z	0,246	0,246	0,051	4,779	0,000	Accepted
H3a: X1 → Y → Z	0,059	0,060	0,020	3,023	0,001	Mediated
H3b: X2 → Y → Z	0,075	0,074	0,021	3,568	0,000	Mediated
H3c: X3 → Y → Z	0,085	0,085	0,023	3,615	0,000	Mediated

Source: SmartPLS Output (2024)

Menurut perhitungan, didapatkan persamaan struktural sebagai berikut:

$Y = 0,240 \cdot X1 + 0,303 \cdot X2 + 0,344 \cdot X3$, dengan $R^2 = 0,570$ dan $e = 0,430$

$Z = 0,221 \cdot X1 + 0,217 \cdot X2 + 0,236 \cdot X3 + 0,246 \cdot Y$, dengan $R^2 = 0,601$ dan $e = 399$

Based on the first equation, it can be interpreted that the independent variables of Tax Management, Tax Regulations, and Tax Literacy together can explain 57% of the variability in the dependent variable Y (Tax Restitution). The coefficient of each variable shows a direct influence, where Tax Literacy (X3) provides the most significant contribution (0.344) to Tax Restitution, followed by Tax Regulations

(0.303) and Tax Management (0.240). The remaining 43% ($e=0.430$) is explained by other factors not included in the model.

In the second equation, all independent variables (including mediation) simultaneously can explain 60.1% of the variability in the dependent variable Z (Taxpayer Compliance). The most considerable influence is given by Tax Restitution (Y) with a coefficient of 0.246, which shows that efforts to increase tax restitution play an important role in increasing taxpayer compliance. Other variables outside the model explain the remaining 39.9% ($e=0.399$). This calculation shows that the model is strong enough to explain the relationship between variables, with the mediating variable Y providing additional or reinforcing influence on Z.

Finally, to see the contribution of each independent variable to the dependent variable, the f-square test (f^2) is used in Table 7

Table 7. f-square test

Path (Direct Effect)	f-square	Interpretation
X1 → Y	0.076	Weak Effect
X2 → Y	0.114	Weak Effect
X3 → Y	0.165	Moderate Effect
X1 → Z	0.065	Weak Effect
X2 → Z	0.057	Weak Effect
X3 → Z	0.072	Weak Effect
Y → Z	0.065	Weak Effect

Source: Output SmartPLS (2024)

Based on the f-square test in Table 4.11, the direct influence of the independent variables on the dependent variables has various levels of effect strength. For the paths X1 → Y, X2 → Y, and X3 → Y, it was found that X3 (Tax Literacy) has a moderate effect on Y (Tax Restitution) with a value of $f^2 = 0.165$, while X1 (Tax Management) and X2 (Tax Regulations) only show a weak effect, each with a value of $f^2 = 0.076$ and $f^2 = 0.114$. This shows that Tax Literacy has a more significant contribution than other variables in influencing Tax Restitution. Meanwhile, for the path to Z (Taxpayer Compliance), both the direct influence of X1, X2, X3, and mediation through Y all have weak effects with f^2 values ranging from 0.057 to 0.072. Regardless, despite the weak effects, these four paths still contribute to increasing Taxpayer Compliance, with Tax Literacy (X3) slightly superior to other variables. Overall, these results indicate that Tax Literacy is more dominant than Tax Management and Regulations in influencing the final results of the model.

5. Discussion

The results of hypothesis testing in this study indicate that all hypotheses proposed, both for direct effects *and* indirect effects, are accepted based on the path coefficient, *t*-statistics, and *p*-value. In general, these results provide empirical evidence that supports the formulated research model. For direct influence, the variables Tax Management (X1), Tax Regulation (X2), and Tax Literacy (X3) have a positive and significant influence on Tax Restitution (Y) with coefficient values of 0.240, 0.303,

and 0.344, respectively. In addition, the three variables also have a positive and significant influence on Taxpayer Compliance (Z) with coefficient values of 0.221, 0.217, and 0.236, respectively. These positive coefficients indicate that improvements in tax management, tax regulations, and tax literacy can increase tax restitution and taxpayer compliance. This finding emphasizes the importance of these factors in building an effective tax system.

Furthermore, the direct effect of Tax Restitution (Y) on Taxpayer Compliance (Z) is also significant with a coefficient of 0.246. This shows that the better the process and results of tax restitution, the higher the level of taxpayer compliance. This finding supports the argument that positive experiences of taxpayers in the restitution process can strengthen their motivation to fulfill tax obligations better. For the indirect effect, the mediation path through Tax Restitution (Y) between the independent variables (X1, X2, X3) and the Taxpayer Compliance variable (Z) is also significant. The mediation coefficient values are 0.059 for $X1 \rightarrow Y \rightarrow Z$, 0.075 for $X2 \rightarrow Y \rightarrow Z$, and 0.085 for $X3 \rightarrow Y \rightarrow Z$, respectively. This finding indicates that the effects of tax management, tax regulations, and tax literacy on taxpayer compliance are not only direct but also through an increase in tax restitution. Thus, tax restitution acts as a partial mediator in this relationship.

The results of this study are in line with the findings of several previous studies that examined the influence of tax management, tax regulations, and tax literacy on taxpayer compliance. A study conducted by Agusti & Rahman (2023) showed that good tax literacy significantly increases the level of taxpayer compliance, especially in the context of a complex tax system. This study supports this theory, where Tax Literacy (X3) was found to have the greatest influence on Tax Compliance Taxpayers (Z) either directly or through the mediation of Tax Restitution (Y). This equation shows that increasing tax literacy remains an important aspect in encouraging tax compliance, both in this study and in previous research.

In addition, the findings regarding the positive and significant influence of Tax Regulations (X2) on taxpayer compliance are also consistent with the results of research by Alm et al. (2023), which highlights the importance of clarity and fairness of tax rules in building taxpayer trust in tax authorities. In this study, dimensions such as Legal Certainty and Tax Fairness are perceived as high and contribute significantly to the Tax Restitution variable (Y). This shows that the suitability between theory and empirical findings is still relevant in explaining taxpayer behavior.

However, there is an interesting difference related to the role of Tax Management (X1). Previous studies, such as those conducted by Hofmann et al. (2017), emphasized that tax management in several developing countries is often considered a strategic tool to optimize tax obligations, which may have positive or negative implications for compliance. In this study, tax management was found to have a positive effect on Taxpayer Compliance (Z), with a greater contribution through the mediation channel of Tax Restitution (Y). This difference may be due to the different research contexts, where this study focuses on the context of corporate taxpayers in

Indonesia, which may be more affected by the efficiency of tax management in the restitution process than other contexts.

Furthermore, this study also extends previous findings by showing a significant mediating role of Tax Restitution (Y) in the relationship between independent variables and taxpayer compliance. This adds new understanding to the tax compliance theory proposed by Hartmann et al. (2020) , which places more emphasis on psychological and behavioral factors of taxpayers, compared to the direct influence of tax administration processes such as restitution. Thus, this finding underscores the importance of focusing on taxpayers' experiences in the tax process to improve compliance.

This study also shows conformity with previous theories and findings in explaining the main factors that influence taxpayer compliance, by adding novelty related to the role of tax restitution as a mediator. The resulting policy implications also provide new directions for tax authorities to improve transparency and efficiency of the tax process in strengthening the positive relationship between tax literacy, tax management, tax regulations, and taxpayer compliance, as proposed in this research model.

This study also supports the Tax Compliance Theory which emphasizes that taxpayer compliance is influenced by a combination of regulatory factors, tax systems, and taxpayer behavior (Alm et al., 2023). The findings show that Tax Regulations (X2), which include clarity of rules, legal certainty, and fairness, have a significant effect on tax compliance directly and through the mediation of Tax Restitution (Y). This is in line with the theoretical view that compliance can be improved if the tax system provides a sense of fairness, clarity, and consistency for taxpayers. Tax restitution, which illustrates transparency and trust in the tax authorities, acts as an important mechanism in ensuring that the tax system is seen as credible and encourages compliant behavior.

In relation to the Theory of Tax Behavior , the findings of this study show how cognitive, affective, and behavioral factors influence tax compliance (Arham & Firmansyah, 2021). The Tax Literacy variable (X3), which includes basic knowledge, calculation skills, and understanding of regulations, makes a major contribution to tax compliance, both directly and through restitution mediation. This supports the theory that tax behavior is not only influenced by legal sanctions but also by individuals' understanding and awareness of their rights and obligations. In addition, the influence of Tax Management (X1) shows that strategic practices in managing tax obligations can increase compliance when carried out transparently and in accordance with the rules. This illustrates the rational dimension of taxpayer behavior, where the decision to comply is taken based on understanding and trust in the tax authorities.

6. Conclusion

This study shows Tax Management, Tax Regulations, Tax Literacy, Tax Restitution, and Corporate Taxpayer Compliance at KPP Pratama Jakarta Tebet. The results of the study indicate that all of these factors are in the high category, which means that Corporate Taxpayers at KPP Pratama Jakarta Tebet have managed their taxes well, understand tax regulations, have high tax literacy, provide a positive response to the tax restitution process, and relatively comply with their tax obligations. The Effect of Tax Management, Tax Regulations, and Tax Literacy on Tax Restitution: The findings of the study indicate that tax management, tax regulations, and tax literacy have a positive and significant effect on tax restitution. The Effect of Tax Management, Tax Regulations, Tax Literacy, and Tax Restitution on Corporate Taxpayer Compliance: The results of the study also indicate that tax management, tax regulations, tax literacy, and tax restitution all have a positive and significant effect on corporate taxpayer compliance. The Mediating Role of Tax Restitution here is proven to mediate the influence of tax management, tax regulations, and tax literacy on corporate taxpayer compliance, which means that tax restitution strengthens the relationship between these factors and tax compliance.

Theoretically, this study provides an important picture of the relationship between tax management, tax regulations, and tax literacy on tax restitution and corporate taxpayer compliance. However, there are still many aspects that can be explored further, especially concerning the influence of psychological factors, such as perceptions of fairness or individual motivation in the context of taxation. Future research can explore other variables that may influence tax compliance, such as organizational culture or external factors, and expand the study to a wider area to see differences in the tax context between regions or sectors. In terms of practice, the results of this study can be a basis for the authorities at the Jakarta Tebet Pratama Tax Office to improve strategies in improving tax compliance, with a focus on strengthening tax management, increasing tax literacy, and improving the tax restitution system. More intensive counseling or training related to tax literacy and the tax restitution process can be carried out to improve understanding and simplify the tax claim process. In addition, more transparent and fairer policies in tax regulations can also strengthen taxpayer trust in the tax system and encourage higher levels of compliance.

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