Tax amnesty and taxpayer morality in predicting taxpayer compliance

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Abstract

This study examines how the implementation of tax amnesty affects the morality of taxpayers and how well they follow the rules, as well as how the morality of taxpayers affects those two things. This study is a quantitative study using a survey instrument distributed to tax officers at the West Java Regional Tax Service Office. Questionnaires were sent randomly to 1,354 account representatives in 38 tax service offices. Hypothesis testing was carried out using the structural equation modelling approach. The findings revealed that the implementation of a tax amnesty could improve taxpayer morale and compliance. Taxpayer morality can mediate a good relationship between the implementation of tax amnesty and taxpayer compliance. Other findings showed that the implementation of tax amnesties had a greater effect on taxpayer compliance than taxpayer morality. It is implied that taxpayers will see an increase in tax audit activities after the implementation of the tax amnesty to encourage taxpayer compliance in the future and calculate the amount of tax liability correctly. In addition, paying taxes has a positive influence on taxpayers, which becomes a moral aspect of increasing taxpayer compliance. The findings of this study can assist the tax authorities in coming up with a model to measure taxpayer compliance from the tax officer's perspective.

1. Introduction

Taxes are essential to the growth of state revenue. Taxes contribute to 80% of state revenues. In the 2020 state budget, tax revenue is estimated to contribute to 82.62 percent of state revenue, or Rp 1,404.51 trillion, which decreased by 9.11% from the realisation in 2019. This decline is a form of government response to maintaining financial system stability during the pandemic by continuing to optimise tax potential and increasing the level of compliance and awareness of taxpayers. To continue to increase tax revenues, the government, through the Directorate General of Taxes (DGT), optimises state revenues and reforms tax administration. This objective was stated in the 2015–2019 DGT Destination Statement (DJP, 2020), as shown in Table 1. This is not in line with the growth of the tax ratio, which did not increase significantly from 2015 to 2019, with an average growth of only below 1%. This phenomenon can be attributed to factors such as taxpayers' morality, the implementation of tax amnesty programs, and the level of taxpayer compliance. This

is reflected in the main performance indicators of the tax authorities. Despite the increased performance of tax authorities, there is still a large gap to be filled before they achieve optimal performance, and the increase is not significant. This condition becomes the focus of the tax authorities' efforts to continue improving tax performance in the future. In terms of taxpayer compliance, based on the results of the 2019 assessment, there was still a gap above 27% of the most expected condition.

According to previous studies, it was found that tax compliance was also influenced by the taxpayer's desire to participate in the tax amnesty programme. For example, Murweni (2018) explained that the tax amnesty programme is very effective in increasing taxpayer compliance. However, in practice, it can also have a negative impact on taxpayer compliance if it is carried out too often. Granting tax amnesty does not automatically increase taxpayer compliance. Thus, tax authorities need to continue to convince taxpayers that the implementation of taxpayer amnesty brings justice to all parties (Sudarma & Darmayasa, 2017).

Table 1. Taxpayer compliance data.

Indicator	Taxpayer compliance data	2017	2018	2019
Taxpayer compliance and morality	Percentage of compliance with corporate taxpayer and non-employee individuals	62.89%	60.00%	62.08%
	Percentage of compliance level with formal corporate taxpayer and non-employee individuals	62.89%	69.00%	72.52%
	Percentage of corporate taxpayers and non-employee individuals who make payments	-	51.00%	51.64%
Tax amnesty	Revocation of appeal/Lawsuit due to tax amnesty	51.00%	43.54%	40.54%

Source: 2019 tax performance report processed (DJP, 2020).

Aladejebi (2018) explained that the implementation of the tax amnesty programme in Nigeria could increase taxpayer compliance due to the certainty of incentives obtained by taxpayers. One form of such an incentive is providing education about tax obligations. According to other literature, a taxpayers' morality can also affect tax compliance. This is explained in the study by Luttmer and Singhal (2014), who found that tax compliance depends on taxpayer morality. Trust in the government and the law fosters compliance with the implementation of tax obligations, which in turn forms taxpayers' morality. In a study of tax morality, Dwenger, Kleven, Rasul, and Rincke (2016) found that churchgoers who attend church are more compliant with paying taxes than the residents. It means that the lower the morality of the taxpayer is, the higher the economic activity that is not declared in tax reporting is.

Theoretically, there is still a gap in the literature about the factors that affect taxpayer compliance. Several previous studies still looked at taxpayer compliance with different findings, like the studies of Aladejebi (2018), Murweni (2018), Sudarma and Darmayasa (2017), Gerger (2012), and Ipek, Öksüz, and Özkaya (2012), which only see from the perspective that tax amnesty can improve taxpayer compliance. Meanwhile, the literature (Brink & Porcano, 2016; Di Gioacchino & Fichera, 2020; Luttmer & Singhal, 2014; Stark & Kirchler, 2017; Williams & Horodnic, 2015; Windebank & Horodnic, 2017) focuses on explaining how taxpayer morality will strongly influence taxpayer compliance. Unfortunately, studies that analyse more deeply the combined effect of implementing tax amnesty and taxpayer morality on taxpayer compliance by mediating the effects of taxpayer morality in a model are still rare. Therefore, there should be an alternative model for measuring taxpayer compliance from the tax officer's perspective. The next section, Section 2, provides a literature review of this study. Section 3 follows, which presents the hypothesis development. Section 4 explains the research methodology, while Section 5 provides the results and discussion. The last section concludes this study.

2. Literature Review

2.1. Tax Amnesty

Sawyer (2005) explained that tax amnesty is a chance for people who haven't paid their taxes in the past to pay back taxes on income they didn't report without being punished or prosecuted. Tax amnesty is a government policy aimed at accelerating economic growth and restructuring to increase tax revenues, which, among other things, will be used to finance various government programmes (Murweni, 2018). According to Awaeh, Lambey, and Pinatik (2017), tax amnesty is a form of abolition of tax liabilities without being subject to tax administration sanctions or criminal sanctions. Its main purpose is to repatriate unreported assets from taxpayers, restructure tax obligations, and minimise the possibility of taxpayers hiding their assets outside the sovereign territory of a country. Bayer, Oberhofer, and Winner (2015) defined tax amnesty as a government programme providing an opportunity for taxpayers who are in arrears to pay back all or part of their unpaid tax obligations without being subject to prosecution and punishment.

From the literature discussion, tax amnesty in this research is synthesised as a government policy programme that provides a limited opportunity to voluntarily pay off previous tax liabilities without being penalised to improve taxpayer compliance, expand the tax base, and increase state revenues. This study assessed the implementation of tax amnesty through the utilisation of two dimensions and eight indicators.

The first dimension is taxpayer perception, with indicators of fairness, period, benefits, propaganda, and willingness. The second is sanctioning with indicators of fear, a future tax audit, and future penalties.

2.2. Taxpayer Morality

Pukeliene and Kažemekaityte (2016) defined taxpayer morality as a taxpayer's approach to tax regulations that determines the extent to which the taxpayer does not avoid or evade taxes. Taxpayer morale is closely related to his psychological condition because taxes distribute assets and become a component of welfare costs (Congdon, Kling, & Mullainathan, 2011). From the institutionalist perspective, Horodnic (2018) explains that taxpayer morality is an intrinsic motivation to pay taxes as a result of the taxpayer's formal and informal interactions. Taxpayers with good behaviour do not try to avoid their tax obligations because they do not want to do so. Taxpayers with bad behaviour are tax evaders, who usually have bad morals and compare the advantages of avoiding taxes or just playing with the state. Luttmer and Singhal (2014) define taxpayer morality as the non-material motivation of taxpayers to pay taxes so that they feel guilty or ashamed if they do not comply.

According to the aforementioned definitions of tax morality, tax morality is the non-material intrinsic motivation of taxpayers' to fulfil their tax obligations. It develops through self-characteristics and responses to circumstances so that taxpayers' feel guilty, have a moral burden, or feel shame if they do not fulfil their tax obligations. Taxpayer morality in this study was measured using two dimensions and eight indicators. The first is the dimension of taxpayer characteristics, with the indicators of employment status, financial satisfaction, patriotism, social responsibility, and social influence. The second is the dimension of taxpayer confidence, with the indicators of confidence in government, confidence in the tax authority, and confidence in parliament.

2.3. Taxpayer Compliance

James and Alley (2002) defined taxpayer compliance as taxpayer awareness to take actions under taxation regulations voluntarily. From the operational perspective, tax compliance is the activity of reporting all income and tax payments under the laws, regulations, and court decisions (Alm, 2019). Tax compliance can also be interpreted as providing tax information timely, fulfilling taxpayer obligations voluntarily, paying taxes on time without sanctions, and, in general, carrying out the mandate of the tax law properly (Ipek et al., 2012). Tax compliance may be described as the state in which the taxpayer fulfils all of their tax duties and exercises their rights in relation to taxes (Pratami, Sulindawati, & Wahyuni, 2017). According to Internal Revenue Services (2007), tax compliance may be described as the capacity and inclination of taxpayers to adhere to tax-related rules, accurately record their income annually, and promptly pay the appropriate amount of tax. According to Palil (2010), tax compliance may be described as the voluntary adherence of taxpayers to taxation regulations, which involves accurately reporting income, availing of tax deductions, exemptions, and refunds, and timely payment of all tax obligations.

Within the framework of this study, taxpayer compliance refers to the capacity and inclination of taxpayers to adhere to tax regulations, accurately compute all financial transactions, disclose income, assets, and tax liabilities, and promptly fulfil all tax responsibilities. This is predicated upon many delineations of taxpayer compliance. In this study, the measurement of taxpayer compliance involved the utilisation of two dimensions and nine indicators. The first dimension pertained to submission and reporting, encompassing indicators such as timely submission, submission knowledge, income declaration, simplicity of tax administration, and third-party reporting. The second dimension focused on the social economy, incorporating indicators such as complaints, awareness, an effective competition law, and high economic freedom.

3. Hypothesis Development

Alm and Torgler (2011) conducted a study related to the government's strategy on taxpayer compliance and morality. The findings showed that, if the tax amnesty is done repeatedly, it can cause the morale and level of trust of taxpayers in the government to decrease. This happens because the public perception is shifting that tax evasion is an act that can be forgiven in the future. In order to uphold taxpayer ethics, it is imperative to complement tax amnesty initiatives with rigorous tax audits and effective law enforcement measures. Williams (2014) researched government policies for minimising informal economic activities that are not included in the state revenue data in Bulgaria, Croatia, and Macedonia. The results of his research indicate that, for citizens who have not considered taxes as something that violates the law, the government needs to provide a tax amnesty policy that increases the moral burden on citizens to pay taxes. Furthermore, Abd Hamid and Hilmi (2018) explain in their study the various advantages of the tax amnesty's implementation in Malaysia. The results showed that there was a slight increase in taxpayer morale when the tax amnesty was implemented. According to Kapon (2020), there needs to be a deterrent effect for tax evaders who do not participate in the tax amnesty programme so that there is an increase in trust, taxpayer morality, and the benefits that are felt when taxpayers comply with their tax obligations. Thus, the following hypothesis is proposed:

H₁: The implementation of tax amnesty has a positive effect on taxpayer morality.

Murweni (2018) did a study on how well corporate taxpayers followed the rules when the tax amnesty programme was put into place from 2016 to 2017. It was found that the tax amnesty programme was generally successful at getting people to pay their taxes. However, the implementation of a tax amnesty can also have a negative impact on taxpayer compliance if it is carried out too often. Gerger (2012) explained this in a study in Turkey that concluded that the implementation of tax amnesty had a negative impact on taxpayer compliance if it was carried out too often and repeatedly. The negative impact is because taxpayers who expect an amnesty tend to commit tax evasion. Sudarma and Darmayasa (2017) concluded that the provision of tax amnesty did not necessarily increase taxpayer compliance, as taxpayers wanted to be excluded from tax audits and their trust in the government was still low. Tax authorities need to continue to convince taxpayers that the implementation of taxpayer amnesty brings justice for all. Emmiryzan (2017) argued that the government expects tax amnesties to improve tax compliance. However, this can be perceived as unfair by compliant taxpayers. Thus, the following hypothesis is proposed:

H₂: The implementation of tax amnesty has a positive effect on taxpayer compliance.

Luttmer and Singhal (2014) examined tax compliance from the taxpayer's point of view. It demonstrated how faith in the rule of law and the government formed taxpayer morality. Brink and Porcano (2016) conducted research on how cultural customs affected the possibility of taxpayers engaging in tax evasion. It concluded that cultural customs were the elements that formed taxpayer morality. Bad taxpayer morality has a positive effect on taxpayer non-compliance. Williams and Horodnic (2015) researched the effect of unwritten social laws on illicit economic activities, such as black-market transactions and undeclared work on tax returns, in the Baltic countries. Their results show that the lower the morality of the taxpayer is, the higher the tax evasion will be. Di Gioacchino and Fichera (2020), in their study on the impact of taxpayer morality and social norms on tax evasion, which is also associated with tax law enforcement and one's social reputation, concluded that there was a positive relationship between taxpayer morality and a high social reputation and tax compliance. Furthermore, Stark and Kirchler (2017) investigated the relevance of the value principles adopted by taxpayers to their compliance and behaviour in two countries with similar customs, namely Austria and Germany. The results of their research showed that the value principles and socio-psychological variables of taxpayers affected taxpayer compliance, but the ambition aspect had no effect. Thus, the following hypothesis is proposed:

H₃: Taxpayer amnesty has a positive effect on taxpayer morality.

According to the findings of Murweni (2018), the tax amnesty programme has been determined to be generally successful in enhancing taxpayer compliance, provided that it is not too frequent and is accompanied by rigorous law enforcement measures. According to the findings of Alm and Torgler (2011), in order to preserve taxpayer morality, it is essential to complement the introduction of tax amnesty programmes with rigorous tax audits and robust law enforcement measures. According to the Aladejebi (2018) study, the introduction of the tax amnesty programme resulted in a rise in taxpayer compliance. This was attributed to the assurance of incentives received by taxpayers and an improvement in their comprehension of their tax responsibilities. According to the study conducted by Ritsema, Thomas, and Ferrier (2003), the introduction of a tax amnesty scheme was found to enhance the moral values, sense of relief, and nationalistic sentiments among taxpayers with low tax obligations. Thus, the following hypothesis is proposed:

H₄: The implementation of tax amnesty has a positive effect on taxpayer compliance through taxpayer morality.

From the results of this hypothesis development, the conceptual model built in this study is shown in Figure 1.
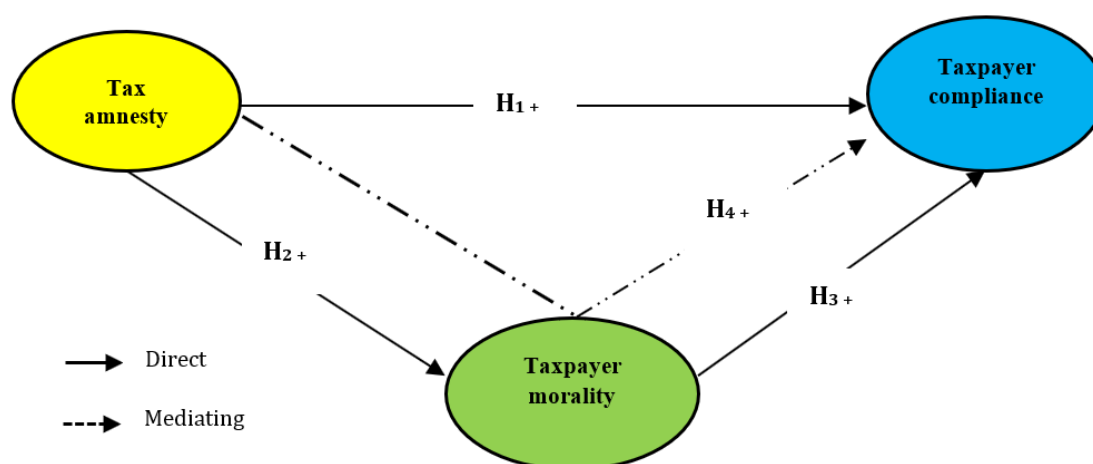

Figure 1. Conceptual model.

4. Research Methodology

This study was survey research using descriptive and causal-explanatory methods. This study explains the causal relationship between variables through hypothesis testing to reach a conclusion. The data were collected using questionnaires. This survey was conducted to collect facts through questions as a source of information on the implementation of the e-taxation system, tax amnesty, taxpayer morality, taxpayer satisfaction, and taxpayer compliance. The population was 1,354 tax account representatives (AR-Tax) at 38 tax service offices in West Java regional offices 1, 2, and 3.

The minimum sample was calculated using Slovin's formula, resulting in 309 samples selected randomly. The collected data were processed in three stages: cleansing and editing, tabulation, and data interpretation. The data were analysed using a verification approach with the Structural Equation Modelling (SEM) method. The analysis was carried out in four stages: grouping data based on indicators, tabulating data based on indicators and respondents, presenting the data, and calculating the results to test the research hypothesis.

Data collection was carried out for 180 calendar days, from January 20 to July 20, 2021. The tax research and development unit had to approve the distribution of the questionnaire, which followed the rules for the tax office. From the distributed questionnaires, after being selected, 1,354 AR-Tax samples can be used. A total of 309 sets of questionnaires were returned and filled out completely, which met the minimum sample requirements for the population so that the questionnaire data could be analysed. In addition, the entirety of gathered data was subjected to tabulation, processing, and analysis through the utilisation of descriptive and verification techniques employing the SEM approach.

5. Results and Discussion

5.1. Respondents' Profile

Based on gender, the distribution of respondents is quite even. No significant difference between the number of male and female respondents was noted. The number of male respondents was 158 (51%), while the number of female respondents amounted to 151 (49%). Based on the years of work, most respondents (196 respondents, or 63%) have worked as AR for less than five years. The number of respondents who have worked as AR for 6 to 10 years is 96 (31%). The other 17 respondents (6%) have worked as ARs for over 10 years. Based on the level of education, most respondents (180 respondents, or 58%) have S1/D4 education (bachelor's degree), 72 respondents (24%) have D3 education (diploma 3), 38 respondents (12%) have S2 education (master's degree), and only 19 respondents (6%) have D1 education (diploma 1).

5.2. Structural Model Testing

According to Hair, Hult, Ringle, and Sarstedt (2014), it is recommended to first assess the goodness of fit index prior to doing the structural model test. The findings from the model feasibility test shown in Figure 2 indicate that the degree of freedom was 41. Additionally, the minimal fit function Chi-Square value was 0.00 (P = 1.00), and the normal theory weighted least squares Chi-Square value was also 0.00 (P = 1.00). These results suggest that the fit of the research model is optimal. After that, the structural model test was done to look into how the exogenous latent constructs were conducted. This test is to prove the hypothesis with the results shown in Table 2.

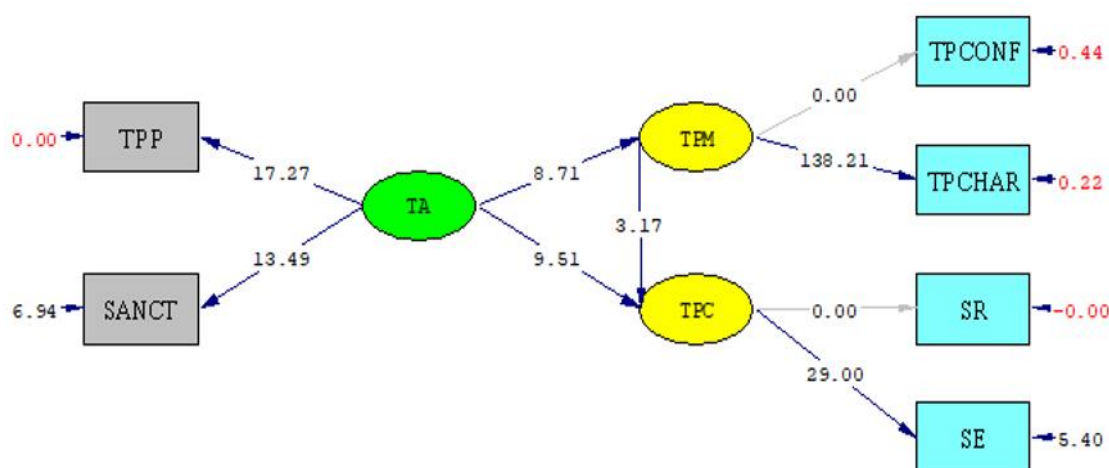

Figure 2. Structural equation model results of all variables in the study.

Note: Model fit indices: Chi-Square = 0.00, df = 6, P-value = 1.00000, RMSEA= 0.000.

TPP: Taxpayer perception, TA: Tax amnesty, TPCONF: Taxpayer confidence, TPCHAR: Taxpayer characteristics, SR: Submission and reporting, SE: Social economy, SANCT: Sanctioning, TPM: Taxpayer morality, TPC: Taxpayer compliance.

Table 2. Hypothesis testing results.

No.	Path	Path coefficient	Critical value	Direct	Indirect	Result
1	TA → TPM	8.71	1.64	0.62	-	Accepted
2	TA → TPC	9.61	1.64	0.69	-	Accepted
3	TPM → TPC	3.17	1.64	0.19		Accepted
4	TA → TPM → TPC	4.57	1.64	0.69	0.73	Accepted

Note: N = 309; p < 0.05; one tailed test.

From the data above with a significance level of 5%, the first hypothesis is accepted because the path coefficient value of 8.71 is greater than the critical value of 1.64 with a large influence of 62%. In the second hypothesis, the path coefficient value of 9.61 is also greater than the critical value of 1.64, with a large influence of 69%, so the second hypothesis is accepted. In the third hypothesis, the path coefficient value of 3.17 is greater than 1.64 with a large influence of 19%, so this hypothesis is accepted. In the fourth hypothesis, the path coefficient value of 3.17 is greater than 1.64, and the mediation effect is 73%, so it is accepted. Of the four hypotheses tested, the results were the same as those of previous studies.

The findings of the hypothesis test indicate that the introduction of tax amnesty yields a statistically significant increase of 62% in taxpayer morale. The present study's findings provide support for the outcomes reported by Abd Hamid and Hilmi (2018) on the advantages associated with the adoption of the tax amnesty scheme in Malaysia. The findings of their study revealed a modest improvement in taxpayer morale after the implementation of the tax amnesty, but without substantial statistical significance. The present study's findings are consistent with those of Kapon (2020), who also concluded that the effective implementation of the government's tax amnesty policy in the United States should include measures that discourage tax evaders from abstaining from participation in the tax amnesty programme. The perceived impact of this deterrent effect is seen to have the potential to enhance trust, boost morale, and improve perceived advantages for taxpayers who adhere to their tax responsibilities. The present study's findings corroborate the assertions made by Nar (2015) regarding the tax amnesty policy's implications on the economic and psychological behaviour of taxpayers. Nar posits that this policy offers advantages by affording individuals a renewed opportunity to exhibit conscientiousness as responsible citizens, thereby fulfilling their tax obligations.

The effect of the implementation of the tax amnesty programme on increasing taxpayer morale can be explained by the indicator of fairness. It shows that the implementation of tax amnesty can provide tax justice for taxpayers in Indonesia, which can be an intrinsic impetus for increasing the morale of taxpayers. The government should continue to create justice for all taxpayers by implementing consistent and fair tax regulations. Consequently, the law will establish equitable treatment for both major and minor taxpayers. The tax amnesty policy aims to eliminate the bad behaviour of taxpayers by first improving their morale. The government should cooperate with the community and religious leaders to instil the idea that carrying out tax obligations is the same as carrying out religious obligations.

The period indicator demonstrates yet another benefit of tax amnesties on raising taxpayer morale. The periodic implementation of the tax amnesty programme is one way to improve taxpayer morale. After this tax amnesty programme is implemented, it is hoped that the morality of taxpayers in carrying out their tax obligations will improve. The morality of taxpayers is improving. On the tax subject, the refunds of Indonesian citizens abroad have increased. From the tax object side, there is an increase in the number of taxpayers who are aware and compliant in carrying out their taxpayer obligations.

The findings of the hypothesis test indicate that a significant majority, namely 69%, of taxpayers exhibit a higher propensity to fulfil their tax obligations when tax amnesty policies are implemented. The present study's findings provide support for the conclusions provided by Murweni (2018) on the efficacy of the tax amnesty scheme in enhancing taxpayer compliance. Nevertheless, frequent deployment of tax amnesty measures may adversely affect taxpayer compliance. The aforementioned study by Gerger (2012) supports the idea that frequent and repetitive tax amnesty implementation in Turkey has a negative impact on taxpayer compliance. The adverse consequences arise from the tendency of taxpayers who anticipate amnesty to engage in tax evasion. The findings of the current study support Ipek et al. (2012) argument that tax amnesty measures have a positive impact on taxpayer adherence. The results of this study are similar to what Sudarma and Darmayasa (2017) found, which is that giving tax amnesty can make people more likely to pay their taxes if they trust the government more. This means that it is a difficult task and a challenge for the DGT to continue to convince taxpayers that the implementation of taxpayer amnesty brings justice to all. The results of this study are not different from the findings of Aladejebi (2018), who found that taxpayer compliance of small and medium enterprises in Nigeria increases along with the successful implementation of the tax amnesty programme because it provides certainty about incentives for taxpayers and further increases their understanding of tax obligations. The findings of this study are like the conclusions of Emmiryzan (2017), which explain that the tax amnesty programme can improve tax compliance by increasing tax databases, expanding rewards for taxpayers, and carrying out strict prosecution of tax violations over the long term. The present study examines the correlation between the implementation of tax amnesty and the subsequent increase in taxpayer compliance, with a particular focus on the indicator of fear. This means that the level of

fear and guilt felt by taxpayers if they do not participate in the current tax amnesty programme is very high, which increases taxpayer compliance.

Tax authorities are advised to take strategic steps to increase awareness and feelings of guilt for taxpayers if they do not participate in the tax amnesty programme. These feelings emerge when they do not report tax returns or calculate taxes correctly, and not paying properly makes taxpayers more compliant in carrying out their tax obligations. Thus, participating in this tax amnesty programme allows taxpayers to make up for their mistakes in calculating and paying taxes to the government so that, in the future, they will become more compliant. The future tax audit indicator, which explains that tax audit activities after the implementation of the tax amnesty encourage taxpayer compliance to accurately calculate the amount of tax liability in the future, is another influence. DGT can use the tax amnesty programme as a trigger to reduce the number of taxpayers who are caught or punished for not reporting and paying their taxes according to their actual liability. DGT is expected to create a tax amnesty programme to increase taxpayers' awareness of their obligations under the applicable laws and regulations.

The results of the test of the hypothesis show that a taxpayer's morality has a 19% positive effect on their willingness to follow the law. The findings support Luttmer and Singhal (2014) study's findings that morality among taxpayers, developed through faith in the rule of law and the government, can increase compliance with tax obligations. The research findings are in line with the conclusions of the study by Dwenger et al. (2016), that churchgoers who diligently come to church or have good morals will be more compliant in paying taxes than residents who are not more diligent in going to church. This supports the results of the study by Brink and Porcano (2016) which concludes that customs are an element that forms good taxpayer morality and has a positive effect on taxpayer compliance.

The findings of this study can confirm the research of Williams and Horodnic (2015), who explain that the lower the morality of the taxpayer, the higher the economic activity that is not declared in tax reporting will be. This is in line with the opinion of Di Gioacchino and Fichera (2020) that there is an impact of taxpayer morality and social norms on tax evasion, which is also associated with tax law enforcement and a person's social reputation, which is strongly correlated with taxpayer compliance. The results of this study are also in line with the opinion of Stark and Kirchler (2017) that the value principle adopted by taxpayers is relevant to taxpayer compliance and behaviour. Although law enforcement and strict tax audits do not significantly improve taxpayer compliance, the higher the morality of taxpayers, the fewer citizens practise tax evasion.

In this study, the indicator of interactivity shows how the morality of taxpayers affects the number of taxpayers who follow the rules. Taxpayers who have a great spirit of nationalism and morals will keep paying taxes. The government must continue to foster nationalism in the community as a reflection of the morale of taxpayers who want to become tax heroes. Taxpayers who are proud to be good Indonesian citizens will be responsible for carrying out their tax obligations because they believe they can play a role in the development of this nation. Another effect is shown by the social influence indicator, which explains that the influence of other individuals on taxpayers to pay taxes is a moral aspect of increasing taxpayer compliance. Thus, the government should optimise the role of individuals and the role of community leaders as role models for taxpayer compliance. The government needs to show appreciation or reward for the best taxpayers, and it is necessary to increase the number of tax ambassadors who can invite other taxpayers to obey by paying taxes as an example of good taxpayer morality.

The results of the hypothesis test show that 73% of taxpayers are more likely to pay their taxes when tax amnesty is in place. This is because of the morality of taxpayers. The findings support the results of the Murweni (2018), which concluded that the implementation of the tax amnesty programme is generally effective in increasing taxpayer compliance because of the good morals of taxpayers. The tax amnesty programme is advised not to be carried out too frequently to maintain the morality and level of taxpayer compliance, and one of the efforts to encourage taxpayer morality is by practising strict law enforcement.

The findings of this study are consistent with those of Alm and Torgler (2011) research, which contends that the introduction of tax amnesty policies calls for stringent tax audits and the enforcement of laws in order to uphold taxpayers' ethical behavior. This approach is crucial for ensuring a favourable impact on enhancing taxpayer compliance. The findings of this research support the findings of Aladejebi (2018), which suggest that the introduction of a tax amnesty programme may enhance taxpayer compliance by fostering taxpayer happiness via the provision of clear incentives and improving their comprehension of tax responsibilities. The present study's findings provide more support for the conclusions drawn by Ritsema et al. (2003), which posit that the introduction of a tax amnesty scheme has a positive impact on taxpayer morale and serves as a catalyst for compliance.

Further tax audits, which show that an increase in tax audits after tax amnesty makes taxpayers more likely to follow the rules when it comes to tax administration, can explain the impact of taxpayer morality on the relationship between tax amnesty and mandatory compliance in this study. They may be caught in the future if they do not disclose their taxes during the implementation of the tax amnesty. It can be mitigated by improving the morality of taxpayers. DGT is expected to continue to provide a strong understanding to taxpayers about the tax amnesty programme as a trigger to improve the morale and compliance of taxpayers in reporting and paying taxes under the applicable regulations. DGT can use tax amnesty to increase taxpayer compliance in implementing tax regulations and taxpayer morale.

6. Conclusion

The implementation of tax amnesties significantly affects taxpayer compliance. It increases taxpayer morale. According to tax officers, the implementation of tax amnesty can provide tax justice for taxpayers in Indonesia, which can be an intrinsic impetus for improving taxpayer morality. To create justice for all taxpayers, the application of consistent and fair tax regulations is the pillar of achieving complete taxpayer compliance. An interesting finding from this study is that the level of fear and guilt among taxpayers if they do not participate in the current tax amnesty programme is very high, which increases taxpayer compliance.

Tax authorities are expected to take strategic steps to increase awareness and feelings of guilt for taxpayers if they do not participate in the tax amnesty programme. These feelings emerge when they do not report tax returns or calculate taxes correctly, and not paying properly makes taxpayers more compliant in carrying out their tax obligations. The influence of one taxpayer on the others in paying taxes can be part of the moral aspect of improving taxpayer compliance. Thus, the government should optimise the role of individuals and the role of community leaders as role models for taxpayer compliance. The government needs to show appreciation or reward for the best taxpayers, and it is necessary to increase the number of tax ambassadors who can invite other taxpayers to obey by paying taxes as an example of good taxpayer morality. Furthermore, other findings indicate that the increase in tax audit activities after the enactment of tax amnesty encourages taxpayers to be more compliant in carrying out their tax administration. Tax authorities are expected to continue to provide a strong understanding to taxpayers about the tax amnesty programme as a trigger to improve the morality and compliance of taxpayers in reporting and paying taxes under the applicable regulations. They can use tax amnesty to increase taxpayer compliance in implementing tax regulations and taxpayer morale.

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