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Tax Morale Development among MSMEs in Medan Perjuangan District in the Era of Digital Tax Administration: An Examination of Tax Fairness, Trust in Government, and Tax Awareness

Nathasya Christie[1*], Johnny Chandra[2], Grisellin Anggreani[3], Cindy Silviana Putri[4]
Accounting Study Program, Sekolah Tinggi Ilmu Ekonomi Eka Prasetya
Medan, Sumatera Utara, 20212, Indonesia[1,2]

Management Study Program, Sekolah Tinggi Ilmu Ekonomi Eka Prasetya
Medan, Sumatera Utara, 20212, Indonesia[3,4]

Email: nathasyatan2005@gmail.com

ABSTRACT

This study aims to analyze the effects of tax fairness, trust in government, and tax awareness on tax morale among Micro, Small, and Medium Enterprises (MSMEs) in Medan Perjuangan District in the era of tax administration digitalization. This study employs a quantitative approach using primary data with a saturated sample of 95 MSMEs. Data analysis consists of validity testing, reliability testing, descriptive statistics, classical assumption tests, multiple linear regression analysis, t-test, F-test, and the coefficient of determination (R^2). The results show that tax fairness ($t = 3.728$, $p < .001$), trust in government ($t = 4.437$, $p < .001$), and tax awareness ($t = 2.028$, $p = .045$) were positively associated with tax morale. The overall model was significant, $F(3, 91) = 32.368$, $p < .001$, and explained 51.6% of the variation in tax morale ($R^2 = .516$; adjusted $R^2 = .500$). The remaining 48.4% was unexplained by the model.

Keywords: MSMEs, Tax Awareness, Tax Fairness, Trust in Government, Tax Morale

INTRODUCTION

Taxation is one of the major sources of state revenue and plays a strategic role in supporting national development, including the financing of infrastructure, education, healthcare, public services, and various social welfare programs. To optimize tax revenue, the government continues to reform tax administration through the digitalization of the tax system to improve efficiency, transparency, and the quality of services provided to taxpayers. However, the effectiveness of the tax system depends not only on policies and technology but also on taxpayers' willingness to voluntarily fulfill their tax obligations. In this context, Tax Morale plays an important role because it reflects taxpayers' values, attitudes, and sense of responsibility to comply with tax regulations without coercion. The higher the level of Tax Morale, the greater taxpayers' willingness to fulfill their tax obligations honestly and on time, making Tax Morale one of the key factors in improving tax compliance in the era of tax administration digitalization (Dalimunthe & Silalahi, 2022).

Low Tax Morale remains one of the challenges within the Indonesian tax system, including among MSME operators in Medan Perjuangan District. Although MSMEs make a significant contribution to economic growth and state revenue, many business

operators still perceive taxes as a burden, resulting in compliance being driven more by supervision or the threat of penalties than by moral awareness. Based on preliminary observations, some MSME operators still feel that their business financial conditions are inadequate and are therefore reluctant to pay taxes, do not fully regard taxes as obligations that should be fulfilled voluntarily, have limited concern about providing tax information that does not accurately reflect their actual circumstances, and lack a strong willingness to pay taxes without external encouragement. These conditions indicate that the Tax Morale of MSME operators in Medan Perjuangan District still needs to be strengthened to ensure that tax obligations can be fulfilled more effectively in the era of tax administration digitalization.

One factor influencing Tax Morale is Tax Fairness, which refers to taxpayers' perceptions of whether tax collection is consistent with their economic capacity and the benefits they receive. Tax Fairness refers to the collection of taxes based on taxpayers' ability to pay and the level of income they earn (Rossa et al., 2024; Alfian et al., 2025). When the tax system is perceived as fair, taxpayers' trust and sense of moral responsibility tend to increase. However, based on preliminary observations of MSME operators in Medan Perjuangan District, various issues indicate that perceptions of Tax Fairness remain low, including the perception that tax treatment is not yet fully fair to all taxpayers, that the benefits of tax payments have not been optimally experienced, that tax regulations are still considered complicated, that tax rates are not fully aligned with taxpayers' economic capacity, and that some business operators continue to prioritize personal interests over fulfilling their tax obligations. These conditions indicate that perceptions of Tax Fairness need to be improved to encourage the development of stronger Tax Morale among MSME operators.

Trust in Government is another factor that influences the formation of Tax Morale. Trust in Government refers to an individual's willingness to trust a party perceived to possess reliability and integrity in carrying out its responsibilities (Nuridah et al., 2023). The higher the level of taxpayers' trust in the government, the stronger their belief that taxes are managed honestly, transparently, and responsibly, thereby encouraging the development of stronger Tax Morale. However, based on preliminary observations of MSME operators in Medan Perjuangan District, the level of Trust in Government remains suboptimal. Some business operators still question the honesty of tax officials, perceive transparency in tax services as inadequate, believe that protection of taxpayers' rights remains insufficient, question the accountability and professionalism of tax institutions, and do not fully trust that tax revenue is utilized effectively for the benefit of society. These conditions indicate that low Trust in Government remains one of the factors hindering the development of Tax Morale among MSME operators in Medan Perjuangan District.

Another factor influencing the formation of Tax Morale is Tax Awareness, which refers to taxpayers' understanding of the importance of fulfilling tax obligations as a form of responsibility toward the state. Tax awareness refers to a condition in which an individual knows and understands matters related to taxation (Arslan et al., 2025). The higher the level of Tax Awareness, the stronger the Tax Morale that develops to fulfill tax obligations honestly and responsibly. However, based on preliminary observations of MSME operators in Medan Perjuangan District, the level of Tax Awareness remains relatively low. Some business operators do not yet recognize that taxes constitute a major source of state revenue, do not fully understand the benefits of taxation for national development, continue to postpone tax payments, and do not fully fulfill their tax payment obligations in accordance with applicable regulations. These conditions indicate that low Tax Awareness remains one of the factors influencing the development of Tax Morale among MSME operators in Medan Perjuangan District.

This study examines the associations of Tax Fairness, Trust in Government, and Tax Awareness with Tax Morale among MSMEs in Medan Perjuangan District. It contributes to the taxation literature by providing empirical evidence from a local business setting, complementing previous research such as Maharani et al. (2025), which focused on university students rather than MSME operators. Digital tax administration serves as the contemporary background of this study and is not included as a research variable, measurement construct, or hypothesis. The findings are expected to provide practical insights for the government in developing policies to strengthen Tax Morale among MSMEs.

LITERATURE REVIEW

Tax Morale

According to Dalimunthe and Silalahi (2022), Tax Morale refers to the motivation that drives individuals to comply with the law and pay taxes, making it an important consideration in tax authority policy. Kasih and Ngadiman (2024) define Tax Morale as an individual's or taxpayer's awareness and initiative to fulfill tax obligations by paying taxes. Tax Morale also represents an individual's natural motivation to fulfill tax obligations as a form of moral responsibility and contribution to society through tax payments. According to Amanda et al. (2024), Tax Morale is an internal motivation that arises within individuals to fulfill tax obligations, such as concern about not paying taxes and fear of tax penalties. As an internal factor, Tax Morale plays an important role in increasing taxpayers' awareness of their tax obligations. According to Pristina et al. (2024), the indicators of Tax Morale are as follows:

1. Satisfaction with financial circumstances
2. Awareness that taxes constitute an obligation
3. Anxiety about providing inaccurate financial information
4. Desire to pay taxes

Tax Fairness

According to Rossa et al. (2024), Tax Fairness refers to tax collection carried out in accordance with taxpayers' ability to pay and their level of income. Mu'Arif and Lestari (2023) define Tax Fairness as the equalization of policies within the tax system according to taxpayers' actual circumstances. According to Cahyani and Triyono (2025), Tax Fairness is an objective achieved through the implementation of laws and fair tax collection. Tax collection is considered fair when it is applied generally and equitably while being adjusted to the ability of each taxpayer. The implementation of Tax Fairness is one of the challenges in tax collection because fairness has a broad perspective and may differ among individuals. According to Zulkifli (2022), the indicators of Tax Fairness are as follows:

1. General fairness
2. Government reciprocity
3. Special provisions
4. Tax rate structure
5. Self-interest

Trust in Government

According to Nuridah et al. (2023), trust in government refers to an individual's willingness to engage in an exchange with a party that is trusted because of its reliability and integrity. Maharani et al. (2025) state that Trust in Government reflects public confidence in the integrity and transparency of the government in managing taxation. According to Saniyyah and Rokhmania (2025), Trust in Government refers to the belief of individuals and social groups that the government performs its functions effectively. According to Puspitaningtyas and Purba (2025), the indicators of Trust in Government

are as follows:
1. Trust in the honesty of tax officials
2. Perception of service transparency
3. Protection of taxpayers' rights
4. Institutional accountability and professionalism
5. Trust that tax revenue is used responsibly

Tax Awareness
According to Arslan et al. (2025), Tax Awareness refers to a condition in which an individual knows or understands matters related to taxation. Maulina et al. (2025) state that taxpayer awareness is associated with taxpayers' attitudes, behavior, willingness, and moral commitment to fulfilling their tax obligations. Theoretically, a high level of Tax Awareness can encourage greater compliance in paying taxes. According to Putri et al. (2023), Tax Awareness refers to a condition in which taxpayers know, understand, and correctly and voluntarily comply with tax regulations. The higher the level of Tax Awareness, the better taxpayers' understanding and fulfillment of their tax obligations, which may increase their willingness to pay taxes. According to Permana and Susilowati (2021), the indicators of Tax Awareness are as follows:
1. Taxes constitute the largest source of state revenue
2. Taxes paid can be used to support national development
3. Delaying tax payments can harm the state
4. Paying taxes at an amount lower than the amount that should be paid is highly detrimental to the state

The indicators of Tax Morale reflect different aspects of taxpayers' attitudes toward fulfilling their tax obligations. Satisfaction with financial circumstances represents the economic context that may influence taxpayers' ability to pay taxes but does not directly measure intrinsic moral motivation. Awareness that taxes constitute an obligation reflects the internalization of tax responsibilities, while anxiety about providing inaccurate financial information may reflect concern about compliance but can also arise from fear of penalties or external enforcement. The desire to pay taxes most directly represents willingness to fulfill tax obligations and may reflect intrinsic motivation when driven by personal conviction and moral responsibility. These indicators are measured using the questionnaire items administered in this study, which are retained without modification. Tax Awareness (X3) refers to taxpayers' understanding of taxation, their tax obligations, and the public role of tax revenue, whereas Tax Morale (Y) concerns their willingness and moral motivation to fulfill those obligations. Nevertheless, potential conceptual overlap between awareness of tax obligations and Tax Awareness, as well as between anxiety about inaccurate reporting and externally motivated compliance, is acknowledged as a limitation of the study's measurement.

Accordingly, the conceptual framework employed in this study is presented in the following figure:

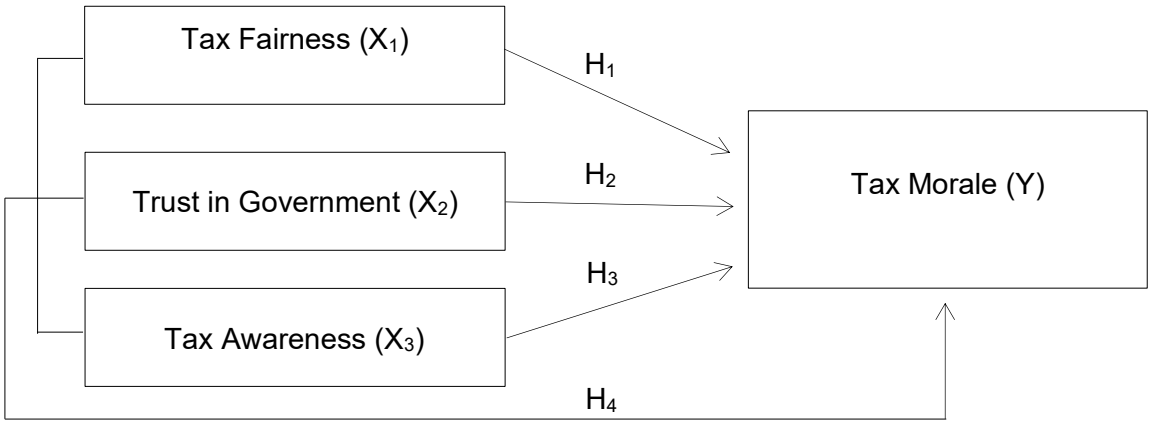


Figure 1. Conceptual Framework

Based on the explanation of the conceptual framework, the hypotheses of this study are as follows:

H_1: Tax Fairness has an effect on Tax Morale among MSME operators in Medan Perjuangan District in the era of tax administration digitalization.

H_2: Trust in Government has an effect on Tax Morale among MSME operators in Medan Perjuangan District in the era of tax administration digitalization.

H_3: Tax Awareness has an effect on Tax Morale among MSME operators in Medan Perjuangan District in the era of tax administration digitalization.

H_4: Tax Fairness, Trust in Government, and Tax Awareness simultaneously have an effect on Tax Morale among MSME operators in Medan Perjuangan District in the era of tax administration digitalization.

RESEARCH METHOD

This study employed a quantitative approach using primary data collected through questionnaires administered to MSME owners in Medan Perjuangan District from June to September 2026. According to Tiara & Wahyuni (2023), quantitative data consist of numerical information obtained from respondents' questionnaire answers. Wahyuni (2025) defines a population as the entire group of objects or subjects possessing specific characteristics determined by the researcher for investigation. The study population comprised 95 MSMEs listed in the population data attributed to Statistics Indonesia (Badan Pusat Statistik [BPS], September 2026). The study employed a census of this defined list, using a saturated sampling technique in which all 95 listed MSMEs were included in the intended study coverage. One owner from each business was designated as the respondent. All distributed questionnaires were included in the analysis, with no questionnaires excluded. The study examined three independent variables, namely Tax Fairness (X_1), Trust in Government (X_2), and Tax Awareness (X_3), and one dependent variable, namely Tax Morale (Y). Data were collected using a five-point Likert-scale questionnaire. The main survey was preceded by a pilot test involving 30 participants who were separate from the 95 MSMEs included in the main study. Data analysis and statistical testing consisted of:

1. Validity Test
2. Reliability Test
3. Descriptive Statistics
4. Classical Assumption Tests:
   a. Normality Test
   b. Heteroscedasticity Test
   c. Multicollinearity Test
5. Multiple Linear Regression Analysis

6. Hypothesis Testing:
   a. t-Test
   b. F-Test
   c. Coefficient of Determination (R^2)

RESULT

Validity Test

The validity test was conducted using a pilot sample consisting of 30 respondents who were not included in the research sample. The results of the validity test are presented below:

Table 1.
Validity Test Results

Statement	r_{hitung}	r_{table}	Criteria	Information
		Tax Fairness		
1	0.847	0.361	$r_{hitung} > r_{table}$	Valid
2	0.746	0.361	$r_{hitung} > r_{table}$	Valid
3	0.682	0.361	$r_{hitung} > r_{table}$	Valid
4	0.683	0.361	$r_{hitung} > r_{table}$	Valid
5	0.725	0.361	$r_{hitung} > r_{table}$	Valid
6	0.583	0.361	$r_{hitung} > r_{table}$	Valid
7	0.756	0.361	$r_{hitung} > r_{table}$	Valid
8	0.691	0.361	$r_{hitung} > r_{table}$	Valid
9	0.707	0.361	$r_{hitung} > r_{table}$	Valid
10	0.785	0.361	$r_{hitung} > r_{table}$	Valid
		Trust in Government		
1	0.806	0.361	$r_{hitung} > r_{table}$	Valid
2	0.711	0.361	$r_{hitung} > r_{table}$	Valid
3	0.836	0.361	$r_{hitung} > r_{table}$	Valid
4	0.657	0.361	$r_{hitung} > r_{table}$	Valid
5	0.761	0.361	$r_{hitung} > r_{table}$	Valid
6	0.664	0.361	$r_{hitung} > r_{table}$	Valid
7	0.724	0.361	$r_{hitung} > r_{table}$	Valid
8	0.750	0.361	$r_{hitung} > r_{table}$	Valid
9	0.744	0.361	$r_{hitung} > r_{table}$	Valid
10	0.776	0.361	$r_{hitung} > r_{table}$	Valid
		Tax Awareness		
1	0.734	0.361	$r_{hitung} > r_{table}$	Valid
2	0.712	0.361	$r_{hitung} > r_{table}$	Valid
3	0.814	0.361	$r_{hitung} > r_{table}$	Valid
4	0.632	0.361	$r_{hitung} > r_{table}$	Valid
5	0.603	0.361	$r_{hitung} > r_{table}$	Valid
6	0.692	0.361	$r_{hitung} > r_{table}$	Valid
7	0.678	0.361	$r_{hitung} > r_{table}$	Valid
8	0.768	0.361	$r_{hitung} > r_{table}$	Valid
		Tax Morale		
1	0.775	0.361	$r_{hitung} > r_{table}$	Valid
2	0.603	0.361	$r_{hitung} > r_{table}$	Valid
3	0.584	0.361	$r_{hitung} > r_{table}$	Valid
4	0.701	0.361	$r_{hitung} > r_{table}$	Valid
5	0.762	0.361	$r_{hitung} > r_{table}$	Valid
6	0.686	0.361	$r_{hitung} > r_{table}$	Valid
7	0.670	0.361	$r_{hitung} > r_{table}$	Valid
8	0.520	0.361	$r_{hitung} > r_{table}$	Valid

Source: Processed Research Data, 2026

Based on the table above, the validity test results show that the Pearson item–total correlations values for all variables are greater than the r-table value of 0.361. Therefore, all questionnaire items for the variables are declared valid and can be used in the study.

Reliability Test

The reliability test was conducted on a pilot sample consisting of thirty respondents who were not included in the research sample (Wahyuni, 2025). The results of the reliability test are presented below:

Table 2.
Reliability Test Results

Variable	Cronbach's Alpha	N of Items
Tax Fairness	0.896	10
Trust in Government	0.908	10
Tax Awareness	0.852	8
Tax Morale	0.816	8

Source: Processed Research Data, 2026

Based on the table above, it can be seen that the Cronbach's Alpha value for the Tax Fairness variable is 0.896, Trust in Government is 0.908, Tax Awareness is 0.852, and Tax Morale is 0.816. All of these values are greater than 0.60. Therefore, it can be concluded that all research variables have reliable instruments and can be used in the study.

The validity of the questionnaire was assessed using data from a 30-person pilot test, with a correlation threshold of 0.361 applied as the minimum criterion for item validity. This threshold corresponds approximately to the critical Pearson correlation value for a two-tailed test at the 5% significance level with 28 degrees of freedom (n − 2 = 28). Items were considered valid if their calculated correlation coefficients exceeded 0.361, consistent with the screening criterion applied in the validity table. The reliability analysis yielded Cronbach's alpha values of 0.896 for Tax Fairness, 0.908 for Trust in Government, 0.852 for Tax Awareness, and 0.816 for Tax Morale, indicating acceptable to high internal consistency. However, these reliability coefficients alone do not establish discriminant validity or confirm that the four constructs are empirically distinct.

Descriptive Statistics

The results of the descriptive statistics test are presented in the following table:

Table 3.
Descriptive Statistics

Descriptive Statistics

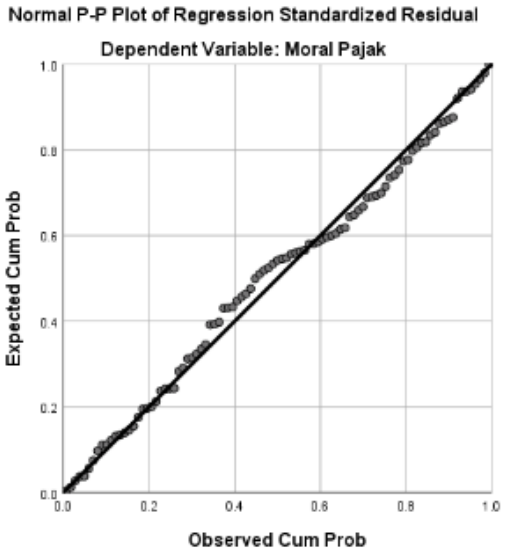
	N	Minimum	Maximum	Mean	Std. Deviation
Tax Fairness	95	19	45	32.40	5.886
Trust in Government	95	20	45	31.54	5.735
Tax Awareness	95	17	37	27.36	4.312
Tax Morale	95	15	37	26.37	5.147
Valid N (listwise)	95				

Source: Processed Research Data, 2026

Based on the table above, the analysis results show that the data consist of 95 MSME respondents in Medan Perjuangan District. The Tax Fairness variable has a minimum value of 19 and a maximum value of 45, with a mean of 32.40 and a standard deviation of 5.886. The Trust in Government variable has a minimum value of 20 and a maximum value of 45, with a mean of 31.54 and a standard deviation of 5.735. The Tax Awareness variable has a minimum value of 17 and a maximum value of 37, with a mean of 27.36 and a standard deviation of 4.312. The Tax Morale variable has a minimum value of 15 and a maximum value of 37, with a mean of 26.37 and a standard deviation of 5.147.

Normality Test

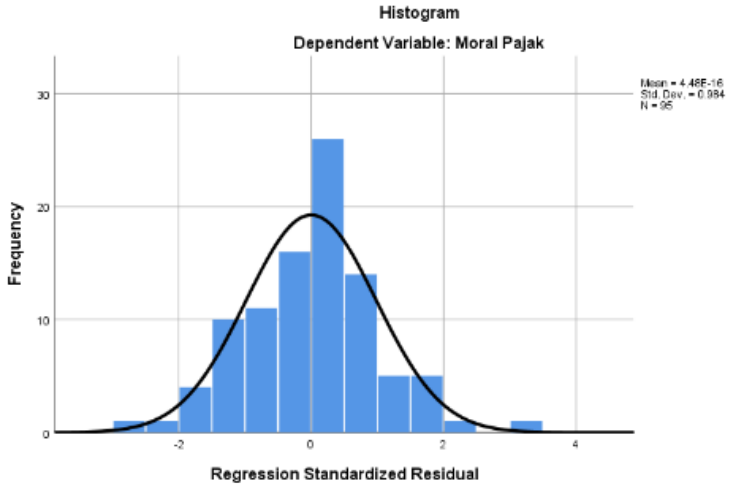
The normality test was conducted to determine whether the residuals are normally distributed. According to Tiara & Wahyuni (2023), normality can be assessed using a Histogram, Normal Probability Plot, and One-Sample Kolmogorov-Smirnov Test. The results of the normality test using a Histogram are presented below:



Source: Processed Research Data, 2026

Figure 2. Normal Probability Plot Regression Graph

Based on the figure, the points are distributed around and follow the diagonal line. Therefore, the residuals of the regression model can be considered normally distributed and are deemed to satisfy the normality assumption.



Source: Processed Research Data, 2026

Figure 3. Histogram Graph

Based on the figure, the curve appears bell-shaped and is not skewed to either the left or the right. Therefore, the residuals of the regression model can be considered normally distributed and are deemed to satisfy the normality assumption.

The results of the normality test using the One-Sample Kolmogorov-Smirnov Test are presented below:

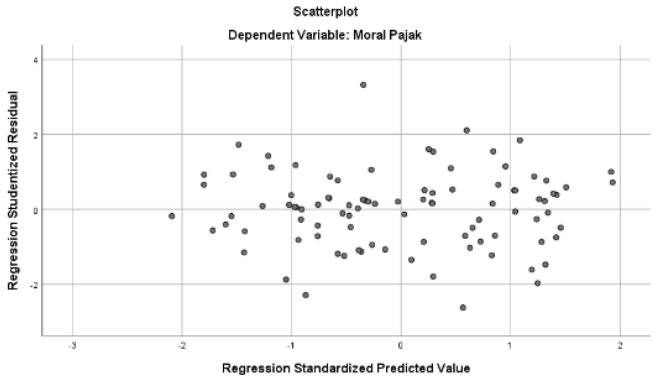
Table 4.
One-Sample Kolmogorov Smirnov Test

		Unstandardized Residual
N		95
Normal Parameters[a,b]	Mean	.0000000
	Std. Deviation	3.57986898
Most Extreme Differences	Absolute	.061
	Positive	.045
	Negative	-.061
Test Statistic		.061
Asymp. Sig. (2-tailed)		.200[c,d]

a. Test distribution is Normal.
b. Calculated from data.
c. Lilliefors Significance Correction.
d. This is a lower bound of the true significance.
Source: Processed Research Data, 2026

Based on the table above, the results of the Kolmogorov-Smirnov normality test show that the significance value is greater than 0.05, namely 0.200. Therefore, it can be concluded that the residual plots and Kolmogorov–Smirnov result provided no clear evidence against residual normality.

Heteroscedasticity Test
The heteroscedasticity test aims to determine whether the variance of the residuals in the regression model is constant. A good regression model satisfies the assumption of homoscedasticity, whereas non-constant residual variance indicates the presence of heteroscedasticity (Tiara & Wahyuni, 2023). The results of the heteroscedasticity test are presented in the following table.



Source: Processed Research Data, 2026
Figure 4. Scatterplot Graph

Based on the scatterplot, the residual points are randomly distributed above and below zero on the Y-axis, with no obvious pattern. This suggests that there is no clear visual evidence of heteroscedasticity in the regression model. However, the scatterplot alone does not conclusively establish constant error variance or confirm the predictive accuracy of the model.

Multicollinearity Test
The multicollinearity test was conducted to determine whether there is a strong linear relationship among the independent variables in the regression model (Tiara & Wahyuni, 2023). The results of the multicollinearity test are presented in the following table.

Table 5.
Multicollinearity Test Results

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Tax Fairness	.641	1.561
	Trust in Government	.678	1.475
	Tax Awareness	.869	1.150

a. Dependent Variable: Tax Morale
Source: Processed Research Data, 2026

Based on the table above, all variables have tolerance values greater than 0.10 and VIF values less than 10. Therefore, it can be concluded that there are no multicollinearity problems in the regression model.

Multiple Linear Regression Analysis
Multiple linear regression analysis is used to determine the relationship between and the effects of the independent variables on the dependent variable, as well as to predict the value of the dependent variable based on the independent variables used (Siallagan et al., 2023). The results of the multiple linear regression analysis are presented in the following table.

Table 6.
Multiple Linear Regression Analysis

Model		Unstandardized Coefficients		Standardized Coefficients
		B	Std. Error	Beta
1	(Constant)	.447	2.899	
	Tax Fairness	.297	.080	.340
	Trust in Government	.353	.079	.393
	Tax Awareness	.189	.093	.159

a. Dependent Variable: Tax Morale
Source: Processed Research Data, 2026

Tax Morale = 0,447 + 0,297 Tax Fairness + 0,353 Trust in Government + 0,189 Tax Awareness + e

Holding the other predictors constant, a one-point higher tax-fairness score was associated with a .297-point higher tax-morale score. The corresponding associations were .353 points for trust in government and .189 points for tax awareness. The intercept (.447) is a model constant with limited substantive meaning because zero is outside the questionnaire score ranges.

Partial Hypothesis Test (t-Test)
The partial test is used to determine the effect of each independent variable on the dependent variable. The test is conducted by examining the t-value at a 5% significance level (Siallagan et al., 2023; Wahyuni, 2018). The results of the partial hypothesis testing are presented in the following table.

Table 7.
Partial Hypothesis Testing

Model		t	Sig.
1	(Constant)	.154	.878
	Tax Fairness	3.728	<.001
	Trust in Government	4.437	<.001
	Tax Awareness	2.028	.045

a. Dependent Variable: Tax Morale
Source: Processed Research Data, 2026

The t-table value for 95 respondents at α = 0.05 using a two-tailed test is 1.986. This value was obtained using the degrees of freedom (df) formula, namely the number of observations (N) minus the number of independent variables (k) minus 1, resulting in df = 95 - 3 - 1 = 91. Based on the analysis results, Tax Fairness has a calculated t-value of 3.728 > t-table value of 1.986, with a significance value of <0.001 < 0.05. Therefore, it can be concluded that Tax Fairness has a significant effect on Tax Morale among MSMEs in Medan Perjuangan District. Trust in Government has a calculated t-value of 4.437 > t-table value of 1.986, with a significance value of <0.001 < 0.05. Therefore, it can be concluded that Trust in Government has a significant effect on Tax Morale among MSMEs in Medan Perjuangan District. Tax Awareness has a calculated t-value of 2.028 > t-table value of 1.986, with a significance value of 0.045 < 0.05. Therefore, it can also be concluded that Tax Awareness has a significant effect on Tax Morale among MSMEs in Medan Perjuangan District.

Simultaneous Hypothesis Test (F-Test)

The F-test is used to determine the simultaneous effect of all independent variables on the dependent variable. This test is conducted to determine whether the independent variables in the model have a simultaneous effect on the dependent variable (Siallagan et al., 2023; Wahyuni, 2021). The results of the F-test are presented below.

Table 8.
Simultaneous Hypothesis Testing

Model		F	Sig.
1	Regression	32.368	.000[b]
	Residual		
	Total		

a. Dependent Variable: Tax Morale
b. Predictors: (Constant), Tax Awareness, Trust in Government, Tax Fairness
Source: Processed Research Data, 2026

The F-table value for 95 respondents at α = 0.05 is 2.705, which was obtained using the degrees of freedom formula, where df1 = number of independent variables = 3 and df2 = N - k - 1 = 95 - 3 - 1 = 91. The analysis results show that the calculated F-value is 32.368 > F-table value of 2.705, with a significance value of 0.000 < α (0.05). Therefore, it can be concluded that Tax Fairness, Trust in Government, and Tax Awareness have a significant effect on Tax Morale among MSMEs in Medan Perjuangan District.

Coefficient of Determination

The coefficient of determination is used to measure the ability of the independent variables to explain variation in the dependent variable. Its value ranges from 0 to 1, with a value closer to 1 indicating greater explanatory power of the model (Situmorang & Wahyuni, 2023; Wahyuni, 2025). The results of the coefficient of determination test are presented in the following table.

Table 9.
Coefficient of Determination Test Results

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.718[a]	.516	.500	3.638

a. Predictors: (Constant), Tax Awareness, Trust in Government, Tax Fairness
b. Dependent Variable: Tax Morale
Source: Processed Research Data, 2026

Based on the table above, the R^2 value of 0.516 indicates that the three independent variables explain 51.6% of the variation in Tax Morale, while the Adjusted R^2 value of 0.500 indicates that the model explains 50.0% of the variation in Tax Morale after adjusting for the number of predictors. The remaining 48.4% of the variation in Tax Morale is not explained by the variables included in the model and may be attributable to other factors outside the research model.

Variable Contribution

The contribution analysis aims to determine the extent to which the independent variables influence the dependent variable. The R Square value can be used as one of the bases for assessing the magnitude of this contribution.

Table 10.
Variable Contribution Test Results

Variable	Standardized Coefficents Beta	Coefficent Correlation
Tax Fairness (X_1)	0.340	0.616
Trust in Government (X_2)	0.393	0.626
Tax Awareness (X_3)	0.159	0.383

Source: Processed Research Data, 2026

Based on the formula, the calculations are as follows:

1. Tax Fairness contribution = 0.340 × 0.616 = 0.209
2. Trust in Government contribution = 0.393 × 0.626 = 0.246
3. Tax Awareness contribution = 0.159 × 0.383 = 0.061
4. Simultaneous contribution = 0.209 + 0.246 + 0.061 = 0.516

Based on these calculations, the contribution of Tax Fairness to Tax Morale is 20.9%, Trust in Government is 24.6%, and Tax Awareness is 6.1%. Together, the three variables account for 51.6% of the variation in Tax Morale, while the remaining 48.4% is unexplained by the model.

DISCUSSION

Tax Fairness on Tax Morale

Based on the partial test of the effect of Tax Fairness, the calculation results show a calculated t-value of 3.728 > t-table value of 1.986, with a significance level of 0.000 < 0.05. This indicates that Tax Fairness has a significant effect on Tax Morale among MSMEs in Medan Perjuangan District. Therefore, H_1 is accepted. These findings are consistent with the study conducted by Maharani et al. (2025), which found that Tax Fairness affects taxpayers' tax morale.

Trust in Government on Tax Morale

Based on the partial test of the effect of Trust in Government, the calculation results show a calculated t-value of 4.437 > t-table value of 1.986, with a significance level of 0.000 < 0.05. This indicates that Trust in Government has a significant effect on Tax Morale among MSMEs in Medan Perjuangan District. Therefore, H_2 is accepted. These findings are consistent with the study conducted by Maharani et al. (2025), which found that trust in government can increase the public's willingness to fulfill their tax obligations.

Tax Awareness on Tax Morale

Based on the partial test of the effect of Tax Awareness, the calculation results show a calculated t-value of 2.028 > t-table value of 1.986, with a significance level of 0.045 < 0.05. This indicates that Tax Awareness has a significant effect on Tax Morale among MSMEs in Medan Perjuangan District. Therefore, H_3 is accepted. These findings are consistent with the study conducted by Salsabila et al. (2023), which stated that taxpayer

awareness represents a form of moral attitude reflected in contributing to the state and complying with applicable tax regulations.

Tax Fairness, Trust in Government, and Tax Awareness on Tax Morale

Based on the simultaneous test results indicate that Tax Fairness, Trust in Government, and Tax Awareness jointly have a statistically significant association with Tax Morale among MSMEs in Medan Perjuangan District ($F = 32.368$, $p < .001$), supporting H_4. The model explains 51.6% of the variation in Tax Morale ($R^2 = 0.516$; adjusted $R^2 = 0.500$), while the remaining 48.4% is not explained by the three predictors included in the model. The individual coefficients show that higher Tax Fairness, Trust in Government, and Tax Awareness scores were associated with higher Tax Morale scores. Trust in Government had the largest standardized coefficient ($\beta = 0.393$), followed by Tax Fairness ($\beta = 0.340$) and Tax Awareness ($\beta = 0.159$), although these differences were not formally tested. Tax Awareness also had the weakest statistical evidence ($p = 0.045$), so its association should be interpreted cautiously. These findings are broadly consistent with previous research, including Maharani et al. (2025) and Salsabila et al. (2023), while noting that Maharani et al. examined university students rather than MSME operators. Possible explanations include perceptions of fair treatment, confidence in government institutions, and an understanding of tax responsibilities, although these mechanisms were not directly tested. Digitalization of tax administration remains the broader context of this study rather than a variable examined in the regression model.

CONCLUSION

Based on the research findings, Tax Fairness, Trust in Government, and Tax Awareness were each found to have a positive and statistically significant association with Tax Morale among the 95 surveyed MSMEs in Medan Perjuangan District. The simultaneous test also showed that the three independent variables were jointly significantly associated with Tax Morale, as indicated by an F-value of 32.368 and a significance level of $p < 0.001$. Among the three predictors, Trust in Government had the largest standardized coefficient ($\beta = 0.393$), followed by Tax Fairness ($\beta = 0.340$) and Tax Awareness ($\beta = 0.159$). However, these differences in coefficient magnitude were not formally tested, and the association between Tax Awareness and Tax Morale should be interpreted cautiously because its significance level was $p = 0.045$. The coefficient of determination ($R^2 = 0.516$) indicates that the three independent variables jointly explained 51.6% of the observed variation in Tax Morale, while the adjusted R^2 of 0.500 indicates an adjusted explanatory proportion of 50.0%. The remaining 48.4% of the variation was not explained by the variables included in the model and may be associated with other factors beyond the scope of this study. These findings are research based on self-reported questionnaire responses from MSMEs in one local setting and therefore indicate statistical associations rather than causal relationships. Tax administration digitalization provides the broader context of this research but was not measured or tested as a research variable. The findings may provide practical insights for tax authorities when considering policies to strengthen perceptions of tax fairness, public trust, and tax awareness among MSMEs as potential approaches to supporting Tax Morale.

RECOMMENDATIONS

Based on the research findings, MSME operators in Medan Perjuangan District are encouraged to increase their awareness of fulfilling tax obligations and to understand the importance of fairness in the tax system and trust in government. The government and tax authorities are expected to improve transparency, tax services, and tax-related

outreach to strengthen the trust and Tax Morale of MSME operators. Future researchers are encouraged to include other variables beyond those examined in this study that may influence Tax Morale, as well as to expand the research objects and geographical scope so that future findings can provide a broader perspective.

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