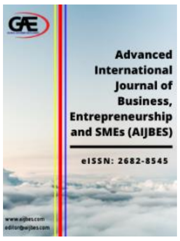
Advanced International Journal of Business, Entrepreneurship and SME's
EISSN: 2682-8545
AIJBES
Volume 7 Issue 23 (March 2025) PP. 41-54
DOI 10.35631/AIJBES.723004



ADVANCED INTERNATIONAL JOURNAL OF BUSINESS, ENTREPRENEURSHIP AND SMES (AIJBES)
www.aijbes.com

GLOBAL ACADEMIC EXCELLENCE

SERVICE TAX COMPLIANCE IN MALAYSIA: A PROPOSED OF CONCEPTUAL FRAMEWORK

Maryani Jamian[1*], Zainol Bidin[2], Saliza Abdul Aziz[3]

[1] Tunku Puteri Intan Safinaz School of Accountancy, Universiti Utara Malaysia (UUM), Malaysia
Email: maryanijamian@gmail.com
[2] Tunku Puteri Intan Safinaz School of Accountancy, Universiti Utara Malaysia (UUM), Malaysia
Email: b.zainol@uum.edu.my
[3] Tunku Puteri Intan Safinaz School of Accountancy, Universiti Utara Malaysia (UUM), Malaysia
Email: saliza@uum.edu.my
[*] Corresponding Author

Article Info:

Article history:
Received date: 26.12.2024
Revised date: 14.01.2025
Accepted date: 01.02.2025
Published date: 03.03.2025

To cite this document:

Jamian, M., Bidin, Z., & Aziz, S. A. (2025). Service Tax Compliance in Malaysia: A Proposed of Conceptual Framework. *Advanced International Journal of Business Entrepreneurship and SMEs, 7* (23), 41-54.

DOI: 10.35631/AIJBES.723004

Abstract:

Service tax stands out as the primary revenue generator within Malaysia's system of indirect taxation, emphasizing its crucial role in the country's fiscal structure. However, research on service tax is relatively sparse compared to studies focused on direct taxes like income and corporate taxes. This discrepancy highlights a need for more comprehensive exploration into service tax dynamics. The objectives of this study are to propose a service tax compliance framework and to develop that framework by focusing on three independent variables: tax fairness, peer influence, and tax complexity. Additionally, trust is introduced as a moderating variable that could affect how these factors relate to tax compliant behaviour. This study utilizes Fisher's model to analyse compliance behaviours. Additionally, trust in government was incorporated from the Slippery Slope Framework to enhance understanding of the dynamics involved in adhering to tax obligations. This study expected to make a significant academic contribution due to the limited existing literature on inquiries into indirect taxes. Moreover, look forward to offer insights compelling enough to drive policy making and strategies that enhance compliance rates among taxpayers throughout Malaysian territories.

Keywords:

Peer Influence, Service Tax Compliance, Tax Complexity, Tax Fairness, Trust

Introduction

The Royal Malaysian Customs Department (RMCD) plays a pivotal role in Malaysia's financial ecosystem, functioning as the second-largest revenue collection body for the government after

Advanced International Journal of Business, Entrepreneurship and SME's
AIJBES
EISSN: 2682-8545
Volume 7 Issue 23 (March 2025) PP. 41-54
DOI 10.35631/AIJBES.723004
the Inland Revenue Board Malaysia (IRBM). Its principal responsibility lies in the collection of indirect tax revenue, encompassing customs duties, sales tax, services tax, and various levies. Customs authorities also engage in diverse activities, such as furnishing trade statistics for imports and exports, facilitating trade by enabling pre-arrival Customs clearance, implementing paperless processes, streamlining customs procedures to enhance trade flow, and safeguarding society and national security against threats like drug smuggling. In nations like Malaysia, which are experiencing progressive economic growth, tax income holds great importance in funding governmental expenses and promoting economic prosperity.

In Malaysia, tax compliance problems are discussed as a serious problem, especially regarding direct taxes. Most of study predominantly been on direct taxation that held by IRBM. The focus more on personal income tax compliance and corporate taxpayers. Notable studies in this domain include works by Kamarudin, Azman, Rasit, and Nasir (2024) focus on young workers, Abu Hassan, Palil, Ramli and Maelah (2022); Hanapi (2022) on education, Mahran, Rashid, Ramli and Abu Hassan (2023) focus on e-commerce, Azemi, Palil, Amir and Said (2020) on tax agent; Ngah, Ismail and Hamid (2020) on tax evasion; Tan, Lau, Kassim and Salleh (2021); Faizal, Palil, Maelah and Ramli (2019); Hamid, Ibrahim, Ibrahim, Ariffin, Taharin and Jelani (2019) and Sritharan and Salawati (2019) on tax compliance. However, research on tax compliance with indirect taxes is relatively sparse especially in service tax. As an example, Sor Tin (2016) carried out research on service tax compliance, investigates the influence of tax audit variables on taxpayer compliance and the mediating effect of tax return filing on taxable sales and tax compliance.

As the second largest tax revenue collecting agency in the country, tax compliance is important because higher compliance means more tax revenue can be collected and results in more funds available for the development of countries and welfare of the society (Mamun, Mansor & Nathan, 2014). In line with Musimenta (2020), compliance with tax regulations is crucial for a nation's advancement and enhances the government's ability to offer social support to those in need. Research on tax compliance concerning indirect taxes is relatively limited. To address this, the study will develop a research framework that includes trust as a moderating variable to explain service tax compliance. Understanding these dynamics is crucial for developing targeted strategies to enhance adherence to tax regulations. Furthermore, the findings of this study will identify specific areas within the tax framework that may need improvement or revision in order to foster better incentives for compliance.

Literature Review

There are six points will be discussed in the literature review which is Fischer's model, slippery slope framework, tax fairness, peer influence, tax complexity and trust as a moderator.

Fischer's Model

Comprehensive reviews of past studies on tax compliance are provided by Jackson and Milliron (1986). After that, these factors are categorized by Fischer, Wartick and Mark (1992) into 4 groups namely i) demographic, ii) noncompliance opportunity, iii) attitudes and perceptions, and iv) tax system/structure. Fischer's model incorporates with economic, sociological and psychological. This interdisciplinary approach is why the Fischer's model one of the most robust and widely recognized frameworks for understanding tax compliance behaviour (Chan, Troutman & O'Bryan, 2000). Additionally, according to Olusegun (2021), majority of preceding investigations regarding tax compliance predominantly draw upon works of Fischer's model. In addition, Fischer's model incorporates tax fairness, peer influence, and tax

Advanced International Journal of Business, Entrepreneurship and SME's
EISSN: 2682-8545
AIJBES
Volume 7 Issue 23 (March 2025) PP. 41-54
DOI 10.35631/AIJBES.723004
complexity as independent variables, meanwhile trust as a moderator variable. The Fischer model is illustrated in Figure 1.

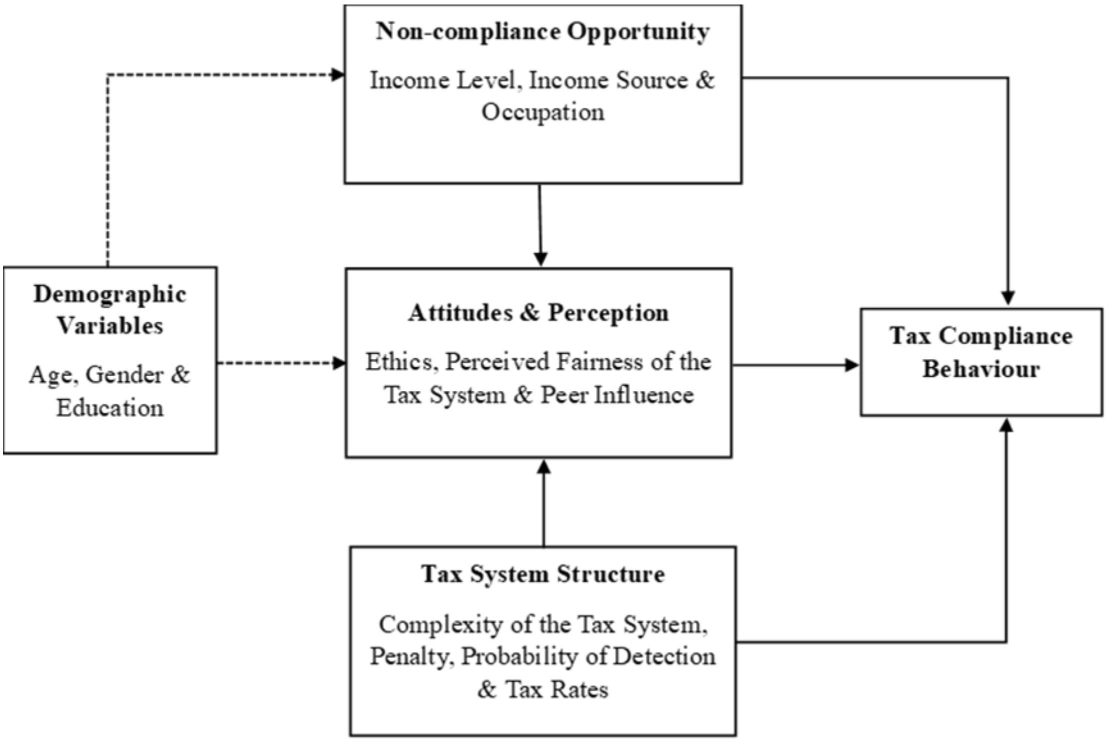


Figure 1: Fischer's Model

Source: Fischer, C. M., Wartick, M., & Mark, M. M. (1992). Detection probability and taxpayer compliance: A review of the literature. *Journal of Accounting Literature, 11(2),* 1–29.

Several researchers have adopted Fischer's model as a foundational framework, incorporating additional variables to align with their specific research objectives and contexts. Fischer's expanded model offers an in-depth perspective for grasping the multifaceted nature of tax compliance behaviour. The enhanced models are detailed below:

Table 1: Research Using Fisher's Model

Authors	Findings
Al-Rahamneh (2022)	The study revealed a direct correlation between sales tax evasion and factors such as peer influence, tax rate, tax complexity and transparency. The research provides evidence that incorporating moral obligation as a moderating factor enhances the model's explanatory power regarding tax evasion. It notably influences how variables like tax fairness, taxation rates, detection probability, and political stability affect sales tax evasion. This research offers substantial experimental findings on how tax transparency affects Fischer's model in identifying loopholes related to evasion behaviour within the sales tax system.
Obaid (2021)	Positive correlations between elements such as tax fairness, audits, rates and penalties; political instability; zakat payment and SME's tax

Advanced International Journal of Business, Entrepreneurship and SME's
EISSN: 2682-8545
AIJBES
Volume 7 Issue 23 (March 2025) PP. 41-54
DOI 10.35631/AIJBES.723004

	compliance behaviour. In contrast, it finds negative relationships between SMEs' income levels as well as their costs associated with taxation compliance. Presents the elimination of government subsidies as a moderating variable. The findings reveal that eliminating these subsidies substantially impacts how tax fairness, tax audits, tax rates, tax penalties, and compliance costs affect taxpayer behaviour
Alshira'h, Alsqour, Lutfi, Alsyouf and Alshirah (2020)	Psychological factors, such as perceived fairness and social norms, play a critical role in influencing compliance behaviour among SMEs.
Saeed, Zubair and Khan (2020)	Power of authority and tax audit mechanisms in their analysis of voluntary tax compliance in Pakistan. These factors significantly affect compliance behaviour, suggesting that enhancing the perceived legitimacy of tax authorities can improve compliance rates
Sinnasamy (2017)	The findings showed that variables such as tax audits, perceived fairness in taxation systems closely associated with excise duty non-compliance were significantly positively correlated. Corruption and knowledge about taxes were strongly positively correlated with non-compliance in excise duties. Additionally, the connection between tax audits and perceived fairness of taxation diminished among individuals who had a high likelihood of being detected.

Slippery Slope Framework

Kirchler (2007) introduced the slippery slope framework. This concept illustrates how trust and power interact in influencing the relationship between taxpayers and tax authorities to enhance tax compliance. Power refers to the tax authority's ability to regulate taxpayers' behaviour through enforcement measures like penalties and audits. In contrast, trust describes the relationship between taxpayers and the tax authority built on mutual confidence. In terms of tax compliance, this means taxpayers may choose to follow rules either out of an inherent sense of duty and trust in the system or because they feel forced due to potential penalties and audits. According to that, trust plays a vital role in moderating these behaviours; when people believe in the fairness and transparency of tax authorities, they're more likely to willingly fulfil their obligations as partaking in societal welfare contributions. Torgler (2005) found out that greater trust levels are associated with higher rates of compliance since it correlates positively with adhering to taxes voluntarily. Conversely, low trust can lead citizens toward non-compliance unless stronger enforcement measures compel them otherwise. Figure 2 below presents the slippery slope framework.

Advanced International Journal of Business, Entrepreneurship and SME's
AIJBES
EISSN: 2682-8545
Volume 7 Issue 23 (March 2025) PP. 41-54
DOI 10.35631/AIJBES.723004

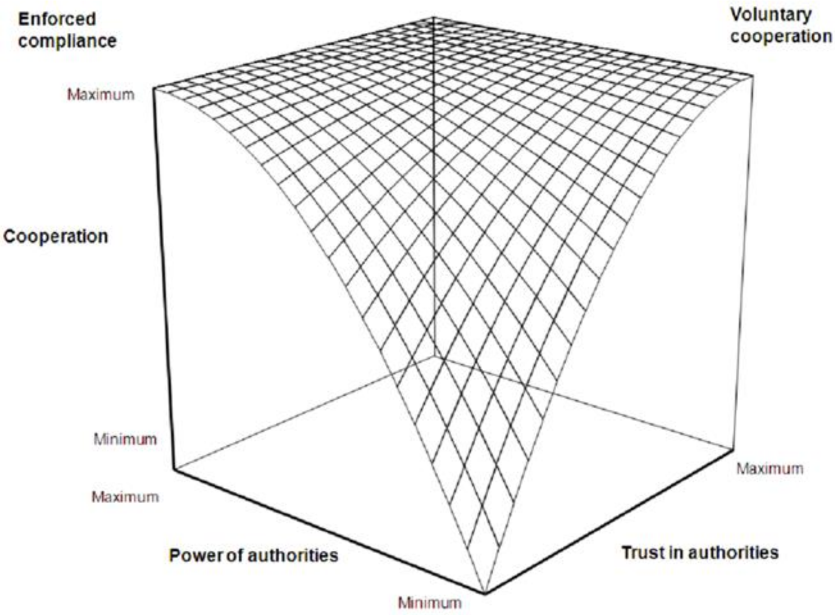


Figure 2: The Slippery Slope Framework

Source: Kirchler, E. (2007). The Economic Psychology of Tax Behaviour. University of Vienna, Austria. 1–303.

Tax Fairness

Tax fairness, commonly known as fair taxation, is a multifaceted concept involving numerous aspects of equity and justice within the tax system. It generally suggests that taxpayers should be treated fairly based on principles of equality and non-discrimination. Nonetheless, what defines fairness can differ significantly among stakeholders due to individual beliefs, societal values, and the broader economic context shaping their perspectives (De La Feria, 2024). In line with Farrar, Massey, Osecki and Thorne (2020), the literature on tax fairness does not offer a unified operational definition for how people perceive tax fairness. The concept of tax fairness is different from organizational fairness because it involves unique stakeholders and relationships especially between tax authorities and taxpayers, as well as among taxpayers themselves based on perceived similarities or differences.

The mixed findings are indicated by most of the academic scholars in tax compliance. In the contexts of SMEs, Musimenta, Nkundabanyanga, Muhwezi, Akankunda and Nalukenge (2017); Obaid, Ibrahim and Udin (2020), tax fairness positively and significantly related to SMEs tax compliance behaviour in demand and supply perspectives. Meanwhile Taing & Chang (2021) found out tax fairness has a statistically significant effect influence on compliance intention. However, other studies found no correlation (Saad, 2009). Meanwhile, Gilligan and Richardson (2005) was examined through a comparison between Australia and Hong Kong. The study revealed significant findings concerning the diverse responses among individuals in these two countries. Furthermore, it suggested that there is no universally accepted relationship between perceptions of tax fairness and behaviours related to tax compliance. Whereby Faizal and Palil (2015) explored the impact of fairness on tax compliance across three dimensions: distributive fairness, procedural fairness, and retributive fairness. The findings indicate that only procedural fairness leads to an increase in tax compliance. Therefore, the hypothesis formed for current study is:

H_1: There is a positive relationship between tax fairness and service tax compliance.

Advanced International Journal of Business, Entrepreneurship and SME's
AIJBES
EISSN: 2682-8545
Volume 7 Issue 23 (March 2025) PP. 41-54
DOI 10.35631/AIJBES.723004

Peer Influence

Peers encompass individuals such as relatives, friends, colleagues, and contemporaries with whom taxpayers often discuss tax-related decisions (Al-Rahamneh & Bidin 2022; Alshira'h, 2019; Obaid et al. 2020). Peers could influence managers who are making tax decisions for business (Hasan, Hoi, Wu & Zhang, 2017). Peer influence involves the impact exerted by people important to service tax owner-managers including close friends and family members, as well as other significant social influences like current or future managers and spouses (Hanno & Violette, 1996). Several previous studies have identified peer influence as a significant factor in compliance decisions (Blanthorne & Kaplan, 2008; Bobek, Hatfield & Wentzel 2007). This study considers peer influence as one of the determinants of service tax compliance, and defines it as the impact significant people have on business owners regarding their decisions about complying with service tax regulations. It shapes their attitude towards adherence to these tax requirements.

Previous research indicates mixed findings with regard to the relationship between peer influence and tax compliance. Some studies identified a positive correlation. Bidin, Shamsudin and Salleh (2015) revealed that referent groups such as business associates could influence significantly taxpayers in complying with local sales tax. Obaid et al. (2020) and Sing and Bidin (2020) studies in SMEs but in different tax context. The result revealed that peer influence has a positive and significant impact on tax compliance behaviour. The research indicates that business partners significantly impact the decisions of taxpayers in declaring taxes. The results of Sinnasamy (2017) indicated that peer influence or subjective norms were positively and significantly associated with excise duty non-compliance. This aligns with the theory of reasoned action and the theory of planned behaviour, which suggest that peer influence is a major factor in shaping behavioural intentions, as supported by previous research (Bobek et al., 2007).

In contrast, some studies indicate a negative correlation whereby heightened peer pressure leads to decreased tax compliance (Alon & Hageman, 2013; Frey & Torgler, 2007). In Malaysia specifically, Bidin and Sinnasamy (2018) discovered substantial evidence of a negative correlation between peer influence and compliance with excise duties. Furthermore, Alshira'h (2019) noted that the findings regarding peer influences and sales tax compliance were insignificant. Taking a socio-psychological approach to indirect taxes, this study echoes previous research indicating an insignificant relationship between peer influence and service tax compliance. Thus, the proposed hypothesis is:

H_2: There is positive relationship between peer influence and service tax compliance.

Tax Complexity

The design of taxation systems significantly impacts tax compliance. Nevertheless, in many developed countries worldwide, these systems have grown more complex over time. This complexity arises from the intricate and difficult to understand language used in tax forms and related materials, as well as the complicated calculations required for reporting taxes, which taxpayers find both perplexing and burdensome (Brainyyah, 2013; Hamid, Ibrahim, Ariffin, Taharin, & Jelani, 2019). In the realm of tax compliance, overly detailed rules and numerous required calculations can be overwhelming. Taxpayers need to comprehend the tax regulations that determine their liabilities. Therefore, these rules should strive to be simple, clear, and easy to understand in order to improve compliance (Chau & Leung, 2009).

Advanced International Journal of Business, Entrepreneurship and SME's
AIJBES
EISSN: 2682-8545
Volume 7 Issue 23 (March 2025) PP. 41-54
DOI 10.35631/AIJBES.723004
Ghani, Hamid, Sanusi and Shamsuddin (2020) found that tax complexity significant affects to tax compliance level among self-employed taxpayers. This study supported by Mas'ud, Aliyu and Gambo (2014) and Saad (2011) whereby they found that the tax rules is the major contributor to tax compliance due to the fact that the rule is difficult to understand. In the context of tax evasion, Al-Rahamneh (2022) discovered a notable and positive correlation between tax complexity and sales tax evasion. This finding suggests that when taxpayers believe the intricacies of a tax system enable them to evade sales taxes, they are more inclined to do so. Taing and Chang (2021) was performed a regression model to examine the hypotheses, and the findings indicate a statistical correlation between tax complexity and tax compliance intention.

Musimenta (2020) discovered that tax complexity is both significant and negatively associated with compliance. As the taxation system becomes more intricate, the cost of complying increases, necessitating taxpayers to pursue additional training or seek external professional advice. This indicates that tax complexity affects tax compliance both directly and indirectly. These result are consistent with Loo, Evans and Mckerchar (2010), tax laws are excessively complex for taxpayers because they frequently change, meaning individuals need to allocate extra time and resources to stay updated on these revisions. Hence, this shows the mixed findings in most of the tax compliance studies in explaining the relationship between tax complexity and service tax compliance. Therefore, the suggested hypothesis is:

H_3: There is positive relationship between tax complexity and service tax compliance.

Trust As A Moderator

A recent study reveals that trust in government has been decline since 1960s (Hitlin & Shutava, 2022). Trust in government refers to the public's perception based on their expectations of how it should function. It encompasses the belief that governmental systems and leaders are responsive and will act appropriately, even without constant oversight (Miller & Listhaug, 1990). The importance of trust as a driver of tax compliance is generally supported by conceptual evidence for example Kirchler, Hoelzl and Wahl (2008) demonstration, the authorities trust that taxpayers will pay their taxes honestly; therefore, they treat them with courtesy and respect. In return, the taxpayers trust that the authorities will provide good services for them and thus are motivated to pay their fair share of taxes willingly. This study in line with Frey and Feld (2010) where mutual trust between taxpayers and tax authorities has been consistently found to cause tax compliance. Thus, higher levels of trust in the tax authority are believed to lead to increased taxpayer compliance (Kastlunger, Lozza, Kirchler & Schabmann, 2013).

In this study, trust in the government is used as a moderating variable. A moderator variable is one that influences the relationship between two variables, altering either its form or strength. This modification impacts how an independent variable affects a dependent variable (Baron & Kenny, 1986; Farmer, 2012). Studies from Amireh and Ahmad (2022) among SMEs in Jordan, found out trust in government have a significant moderation in two relationships that associated with tax authority and tax rate. However, the results also reveal have no significance moderating effects on tax fairness, tax knowledge, tax morale and tax penalty in the context of sales tax. Conversely, Ya'u (2017) and Ya'u and Saad (2018), trust moderates the relationship between fairness perceptions and voluntary tax compliance. Then, Sulistyono and Mappanyukki (2023), in accordance with the hypotheses testing, trust in government does not strengthen the effect of moral tax and tax digitization system on tax compliance.

Advanced International Journal of Business, Entrepreneurship and SME's
EISSN: 2682-8545
AIJBES
Volume 7 Issue 23 (March 2025) PP. 41-54
DOI 10.35631/AIJBES.723004

Another studies that using trust as a moderator in different context is from (Paek & Hove, 2019). This study aims to identify effective strategies for managing false rumours about risks and to investigate the roles that basic and situational trust in government play in that process. Next, Okoye (2019) on political trust. Results indicated political trust has a significant influence voluntary tax compliance in Nigeria. Political instability can diminish trust in the government because of swiftly changing policies. This leads to noncompliance, as taxpayers have little confidence in political leaders. Zafar, Shen, Ashfaq and Shahzad (2021) on perceived trust, found out trust in social media and perceived environmental effectiveness significantly moderate the relationships belongs to the browsing and drive for environmental responsibility. Meanwhile, Alam, Al Karim and Habiba (2021) on customer trust. Results show customer trust only moderates the relationship between customer knowledge and customer loyalty, whereas other customer relationship management components and customer loyalty do not moderate by trust.

In most previous studies, trust in government is an independent variable. A systematic review by Al-Maghrebi, Sapiei and Abdullah (2022) shows that 25 studies use trust as a determinants factors. Data collected from 2009 till 2021. However, there are also studies that utilize trust as a mediating (Albab & Suwardi, 2021; Qalati, Vela, Li, Dakhan, Thuy & Merani, 2021) and intervening variable (Muslichah & Graha, 2018). Although there is considerably less empirical research on how trust in government moderates tax compliance, further exploration could be advantageous, particularly given the current interest in taxation. According to Baron and Kenny (1986), when previous literature presents mixed findings, a moderating variable should be included in the model to enhance the relationship. Trust in government as a moderating variable is also underexplored especially indirect tax in Malaysia. Therefore, this study examines the moderating influence of trust between tax fairness, peer influence and tax complexity on service tax compliance. Keeping in view the above discussion, this study proposes the following hypotheses:

H_4: Trust will moderate the relationship between tax fairness and service tax compliance.

H_5: Trust will moderate the relationship between peer influence and service tax compliance.

H_6: Trust will moderate the relationship between tax complexity and service tax compliance.

Conceptual Framework

This study relies on the Fisher's model as a based theory. Previous research suggests that factors such as tax fairness, peer influence, and tax complexity could impact service tax registrants' compliance decisions regarding service taxes. Additionally, the model incorporates trust as a moderating variable while positioning service tax compliance as dependent variable. Each independent variable was evaluated directly to analyse how trust influences their relationships. Therefore, the model depicted in Figure 3 is presented as a proposed conceptual framework for this study.

Advanced International Journal of Business, Entrepreneurship and SME's
EISSN: 2682-8545
Volume 7 Issue 23 (March 2025) PP. 41-54
DOI 10.35631/AIJBES.723004

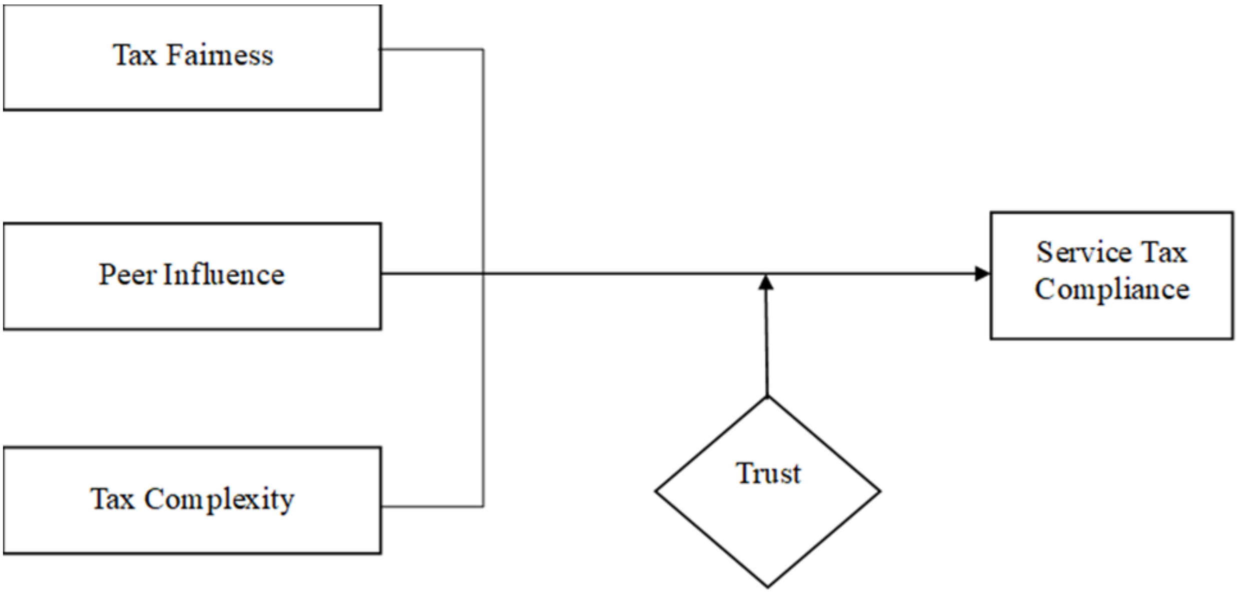


Figure 3: Proposed Conceptual Framework

Conclusion

Trust is introduced as a moderating factor, while tax fairness, peer influence, and tax complexity are examined as independent variables affecting service tax compliance, which serves as the dependent variable. Although prior research has primarily focused on indirect taxes like sales tax, import duty, and goods and services tax (GST), there remains a scarcity of studies specifically addressing service tax compliance that need more attention. With that, the findings of this research will bridge existing gaps in studies on service tax compliance. In summary, the proposed conceptual framework marks a substantial progression in comprehending and applying Fischer's model to service tax. Building on the core principles of Fischer's model, this framework improves its relevance to indirect taxation especially within service tax and offers an organized method for future research and policy-making across diverse forms of taxation. By incorporating new variables like laws and enforcement mechanisms enhances this framework, enabling a more thorough analysis of service tax dynamics. This comprehensive perspective is crucial for policymakers and tax administrators, providing an adaptable guiding structure to tackle the complexities inherent in other tax categories. Ultimately, this contribution not only underscores Fischer's model's significance but also sets the stage for future innovations and adaptations within taxation studies.

Acknowledgement

We extend our gratitude to the Public Service Department of Malaysia for granting a scholarship to one of the authors, enabling this study. We also sincerely appreciate the unwavering support from Tunku Puteri Intan Safinaz School of Accountancy at Universiti Utara Malaysia.

Advanced International Journal of Business, Entrepreneurship and SME's
AIJBES
EISSN: 2682-8545
Volume 7 Issue 23 (March 2025) PP. 41-54
DOI 10.35631/AIJBES.723004

References

Abu Hassan, N. S., Palil, M. R., Ramli, R., & Maelah, R. (2022). Enhancing Tax Compliance in Malaysia: Does Tax Learning and Education Matter? *International Business Education Journal*, *15*(1), 18–29. https://doi.org/10.37134/ibej.vol15.1.2.2022

Alam, M. M. D., Karim, R. A., & Habiba, W. (2021). The relationship between CRM and customer loyalty: The moderating role of customer trust. *International Journal of Bank Marketing*, *39*(7), 1248–1272. https://doi.org/10.1108/IJBM-12-2020-0607

Albab, F. N. U., & Suwardi, E. (2021). The Effect of Tax Knowledge on Voluntary Tax Compliance with Trust as a Mediating Variable: A Study on Micro, Small, and Medium Enterprises (MSMEs). *The Indonesian Journal of Accounting Research*, *24*(03). https://doi.org/10.33312/ijar.528

Al-Maghrebi, M. S., Sapiei, N. S., & Abdullah, M. (2022). Power, Trust and Transparency as Determinant Factors of Tax Compliance: A Systematic Review. *Journal of Tax Reform*, *8*(3), 312–335. https://doi.org/10.15826/jtr.2022.8.3.124

Alon, A., & Hageman, A. M. (2013). The Impact of Corruption on Firm Tax Compliance in Transition Economies: Whom Do You Trust? *Journal of Business Ethics*, *116*(3), 479–494. https://doi.org/10.1007/s10551-012-1457-5

Al-Rahamneh, N. M. (2022). Determinants of Sales Tax Evasion Among SMEs in Jordan: The Moderating Effect of Moral Obligation. [Doctor of Philosophy]. Universiti Utara Malaysia.

Al-Rahamneh, N. M., & Bidin, Z. (2022). The Effect of Tax Fairness, Peer Influence, and Moral Obligation on Sales Tax Evasion among Jordanian SMEs. *Journal of Risk and Financial Management*, *15*(9). https://doi.org/10.3390/jrfm15090407

Alshira'h, A. F. (2019). The Effect of Peer Influence on Sales Tax Compliance Among Jordanian SMEs. *International Journal of Academic Research in Business and Social Sciences*, *9*(3). https://doi.org/10.6007/ijarbss/v9-i3/5737

Alshira'h, A. F., Alsqour, M., Lutfi, A., Alsyouf, A., & Alshirah, M. (2020). A socio-economic model of sales tax compliance. *Economies, 8(4),* 1–15. https://doi.org/10.3390/economies8040088

Amireh, I. A., & Ahmad, N. (2022). Moderation of Trust in Government in Modelling Tax Compliance Behaviour Based on Tax Features. *EPRA International Journal of Economic and Business Review, August 2022*, 1–7. https://doi.org/10.36713/epra11109

Azemi, A., Palil, M. R., Amir, A. M., & Said, S. M. (2020). Tax Fairness in a Developing Country: Perceptions of Malaysian Tax Agents. *Management & Accounting Review (MAR)*, *19*(1), 49–72.

Baron, R. M., & Kenny, D. A. (1986). The Moderator-Mediator Variable Distinction in Social Psychological Research. Conceptual, Strategic, and Statistical Considerations. *Journal of Personality and Social Psychology*, *51*(6), 1173–1182. https://doi.org/10.1037/0022-3514.51.6.1173

Bidin, Z., & Sinnasamy, P. (2018). Excise Duty Compliance Behaviour in Malaysia. *International Journal of Accounting*, *13*(3), 106–116. www.ijafb.com

Bidin, Z., Zainudin Othman, M., & Mohd Salleh, S. (2015). An Investigation of local sale tax compliance: An application of theory of planned behavior. *Global Journal of Contemporary Research in Accounting, Auditing and Business Ethics (GJCRA) An Online International Research Journal*, *1*(1), 1. www.globalbizresearch.org

Blanthorne, C., & Kaplan, S. (2008). An egocentric model of the relations among the opportunity to underreport, social norms, ethical beliefs, and underreporting behavior. *Accounting, Organizations and Society*, *33*(7–8), 684–703. https://doi.org/10.1016/j.aos.2008.02.001

Volume 7 Issue 23 (March 2025) PP. 41-54
DOI 10.35631/AIJBES.723004

Bobek, D. D., Hatfield, R. C., & Wentzel, K. (2007). An Investigation of Why Taxpayers Prefer Refunds: A Theory of Planned Behavior Approach. *Journal of the American Taxation Association*, *29*(1), 93–111. https://doi.org/10.1521/jata.2007.29.1.93

Brainyyah, M. Q. (2013). The Effect of Tax Fairness, Tax Knowledge, and Tax Complexity on Tax Compliance: The Case of SME Entrepreneurs' Taxpayers in Malang. *Universitas Nusantara PGRI Kediri*, *01*, 1–7.

Chan, C. W., Troutman, C. S., & O'Bryan, D. (2000). An expanded model of taxpayer compliance: Empirical evidence from the United States and Hong Kong. *Journal of International Accounting, Auditing and Taxation*, *9*(2), 83–103. https://doi.org/10.1016/S1061-9518(00)00027-6

Chau, G., & Leung, P. (2009). A critical review of Fischer tax compliance model: A research synthesis. *Journal of Accounting and Taxation*, *1*(2), 034–040.

De La Feria, R. (2024). Editorial: What Is Tax Fairness? *EC Tax Review*, *33*(Issue 4), 142–145. https://doi.org/10.54648/ECTA2024018

Faizal, S. M., & Palil, M. R. (2015). Study on Fairness and Individual Tax Compliance in Malaysia: Preliminary Findings. *International Journal of Business, Economics and Law*, *8*(1), 74–79.

Faizal, S. M., Palil, M. R., Maelah, R., & Ramli, R. (2019). The Mediating Effect of Power and Trust in the Relationship Between Procedural Justice and Tax Compliance. *Asian Journal of Accounting and Governance*, *11*, 1–11. https://doi.org/10.17576/AJAG-2019-11-01

Farmer, C. (2012). Demystifying moderators and mediators in intellectual and developmental disabilities research: A primer and review of the literature. *Journal of Intellectual Disability Research*, *56*(12), 1148–1160. https://doi.org/10.1111/j.1365-2788.2011.01508.x

Farrar, J., Massey, D. W., Osecki, E., & Thorne, L. (2020). Tax Fairness: Conceptual Foundations and Empirical Measurement. *Journal of Business Ethics*, *162*(3), 487–503. https://doi.org/10.1007/s10551-018-4001-4

Fischer, C. M., Wartick, M., & Mark, M. M. (1992). Detection probability and taxpayer compliance: A review of the literature. *Journal of Accounting Literature*, *11*(2), 1–29.

Frey, B. S., & Feld, L. P. (2010). Tax evasion and the psychological tax contract. *Routledge, Oxon.*

Frey, B. S., & Torgler, B. (2007). Tax morale and conditional cooperation. *Journal of Comparative Economics*, *35*(1), 136–159. https://doi.org/10.1016/j.jce.2006.10.006

Ghani, H., Hamid, N., Sanusi, S., & Shamsuddin, R. (2020). The Effect of Tax Knowledge, Compliance Costs, Complexity and Morale Towards Tax Compliance among Self-Employed in Malaysia. *Global Business and Management Research: An International Journal*, *12*(1), 18–32.

Gilligan, G., & Richardson, G. (2005). Perceptions of tax fairness and tax compliance in Australia and Hong Kong - a preliminary study. *Journal of Financial Crime*, *12*(4), 331–343. https://doi.org/10.1108/13590790510624783

Hamid, N. A., Ibrahim, N. A., Ariffin, N., Taharin, R., & Jelani, F. A. (2019). Factors Affecting Tax Compliance among Malaysian SMEs in E-Commerce Business. *International Journal of Asian Social Science*, *9*(1), 74–85. https://doi.org/10.18488/journal.1.2019.91.74.85

Hanapi, A. M. (2022). The Impact of Tax Education Programs on Tax Compliance among Teachers in Malaysia. *South East Asia Journal of Contemporary Business, Economics and Law*, *26*(2), 56–63.

Volume 7 Issue 23 (March 2025) PP. 41-54
DOI 10.35631/AIJBES.723004
Hanno, D. M., & Violette, G. R. (1996). An Analysis of Moral and Social Influences on Taxpayer Behavior. *Behavioral research in Accounting*, *8*.

Hasan, I., Hoi, C. K., Wu, Q., & Zhang, H. (2017). Social Capital and Debt Contracting: Evidence from Bank Loans and Public Bonds. *Journal of Financial and Quantitative Analysis*, *52*(3), 1017–1047. https://doi.org/10.1017/S0022109017000205

Hitlin, P., & Shutava, N. (2022). Trust in Government. *Partnership for Public Service and Freedman Consulting*, 1-30.

Kamarudin, S. N., Azman, A. F., Rasit, Z. A., & Nasir, N. E. M. (2024). Factors Influencing Tax Compliance from the Perspective of Young Workers: Evidence from Malaysia. *Asia-Pacific Management Accounting Journal*, *19*(1), 121-148.

Kastlunger, B., Lozza, E., Kirchler, E., & Schabmann, A. (2013). Powerful authorities and trusting citizens: The Slippery Slope Framework and tax compliance in Italy. *Journal of Economic Psychology*, *34*, 36–45. https://doi.org/10.1016/j.joep.2012.11.007

Kirchler, E. (2007). *The Economic Psychology of Tax Behaviour Erich Kirchler University of Vienna, Austria Author*. 1–303.

Kirchler, E., Hoelzl, E., & Wahl, I. (2008). Enforced versus voluntary tax compliance: The "slippery slope" framework. *Journal of Economic Psychology*, *29*(2), 210–225. https://doi.org/10.1016/j.joep.2007.05.004

Loo, E. C., Evans, C., & McKerchar, M. (2010). Challenges in understanding compliance behaviour of taxpayers in Malaysia. *Asian Journal of Business and Accounting*, *3*(2), 145–161. https://doi.org/10.2139/ssrn.2128378

Jackson, B. R., & Milliron, V. C. 1986. Tax compliance research: Findings, problems, and prospects. *Journal of Accounting Literature*, 5: 125–165.

Mahran, M., Abdul Rashid, S. F., Ramli, R., & Abu Hassan, N. S. (2023). Factors Influencing Tax Compliance Among Tiktok Users Engaged in E-Commerce Activities in Malaysia. *Asia-Pacific Management Accounting Journal*, *18*(2), 217–249. https://doi.org/10.24191/APMAJ.V18i2-09

Mamun, A. A., Entebang, H., Mansor, S. A., Yasser, Q. R., & Nathan, T. M. (2014). The Impact of Demographic Factors on Tax Compliance Attitude and Behavior in Malaysia. *Journal of Finance*, *Accounting and Management*, *5*(1), 109–124.

Mas'ud, A., Aliyu, A. A., & Gambo, E.-M. J. (2014). Tax Rate And Tax Compliance In Africa. *European Journal of Accounting Auditing and Finance Research*, *2*(3), 22–30.

Miller, A. H., & Listhaug, O. (1990). Political Parties and Confidence in Government: A Comparison of Norway, Sweden and the United States. *British Journal of Political Science*, *20*(3), 357–386. https://doi.org/10.1017/S0007123400005883

Musimenta, D. (2020). Knowledge requirements, tax complexity, compliance costs and tax compliance in Uganda. *Cogent Business & Management*, *7*(1), 1812220. https://doi.org/10.1080/23311975.2020.1812220

Musimenta, D., Nkundabanyanga, S. K., Muhwezi, M., Akankunda, B., & Nalukenge, I. (2017). Tax compliance of small and medium enterprises: A developing country perspective. *Journal of Financial Regulation and Compliance*, *25*(2), 149–175. https://doi.org/10.1108/JFRC-08-2016-0065

Muslichah, M., & Graha, V. S. (2018). The Effect of Tax Fairnesson Tax Compliance withTrust as an Intervening Variable. *AFRE (Accounting and Financial Review)*, *1*(2), 78–85. https://doi.org/10.26905/afr.v1i2.2372

Ngah, Z. A., Ismail, N., & Abd Hamid, N. (2021). Tax evasion through fraudulent financial reporting amongst SMEs in Malaysia. *Journal of Financial Crime*, *28*(1), 214–227. https://doi.org/10.1108/JFC-06-2020-0122

Obaid, M. M. A. (2021). Determinants of Tax Compliance Behaviour Among Yemeni SMEs: The Moderating Effect of Removal of Government Subsidies [Degree of Doctor of Philosophy]. University Utara Malaysia.

Obaid, M. M. A., Ibrahim, I., & Udin, N. M. (2020). An investigation of the determinants of tax compliance among yemeni manufacturing SMEs using the fisher model. *International Journal of Psychosocial Rehabilitation*, *24*(4), 1809–1824. https://doi.org/10.37200/IJPR/V24I4/PR201289

Okoye, F. (2019). The influence of tax amnesty programme on tax compliance in Nigeria: The moderating role of political trust. *Journal of Accounting and Taxation*, *11*(7), 120–129. https://doi.org/10.5897/JAT2019.0349

Olusegun, V. (2021). The development of a scale to measure SMEs tax compliance in Nigeria: An adaptation of Fischers model. *Journal of Accounting and Taxation*, *13*(3), 132–143. https://doi.org/10.5897/jat2021.0479

Paek, H. J., & Hove, T. (2019). Mediating and Moderating Roles of Trust in Government in Effective Risk Rumor Management: A Test Case of Radiation-Contaminated Seafood in South Korea. *Risk Analysis*, *39*(12), 2653–2667. https://doi.org/10.1111/risa.13377

Qalati, S. A., Vela, E. G., Li, W., Dakhan, S. A., Hong Thuy, T. T., & Merani, S. H. (2021). Effects of perceived service quality, website quality, and reputation on purchase intention: The mediating and moderating roles of trust and perceived risk in online shopping. *Cogent Business & Management*, *8*(1), 1869363. https://doi.org/10.1080/23311975.2020.1869363

Saad, N. (2009). Fairness Perceptions and Compliance Behaviour: The Case of Salaried Taxpayers in Malaysia after Implementation of the Self-Assessment System. *eJournal of Tax Research*, *8*(1), 32–63.

Saad, N. (2011). *Of Doctor of Philosophy in Taxation* [Doctor of Philosophy in Taxation]. University of Canterbury.

Saeed, S., Zubair, Z. A. and Khan, A. (2020). Voluntary Tax Compliance and the Slippery Slope Framework. *Journal of Accounting and Finance in Emerging Economies*, *6*(2), 571-582. https://doi.org/10.26710/jafee.v6i2.1253

Sing, T. L., & Bidin, Z. (2020). Sales Tax Compliance and Its Determinants in Malaysia. *Advanced International Journal of Banking, Accounting and Finance*, *5*(2), 01–20. https://doi.org/10.35631/aijbaf.25001

Sinnasamy, P. (2017). *Determinants of non-compliance behaviour on excise duty in Malaysia* [Doctor of Philosophy in Taxation]. University Utara Malaysia.

Sor Tin, S. (2016). Taxpayer Compliance in Service Tax: An Indirect Compliance Study [Degree of Doctor of Philosophy]. Asia e University.

Sritharan, N., & Salawati, S. (2019). Examining the Moderating Effect of Tax Knowledge on the Relationship between Individual Factors and Income Tax Compliance Behaviour in Malaysia. *International Journal of Academic Research in Accounting, Finance and Management Sciences*, *9*(3), 160–172. https://doi.org/10.6007/ijarafms/v9-i3/6355

Sulistyono, H., & Mappanyukki, R. (2023). The Effect of Tax Morals and the Digitalized Tax System on Tax Compliance with Trust in the Government as a Moderating Variable. *Dinasti International Journal of Digital Business Management*, *4*(2), 202–218. https://doi.org/10.31933/dijdbm.v4i2.1692

Taing, H. B., & Chang, Y. (2021). Determinants of Tax Compliance Intention: Focus on the Theory of Planned Behavior. *International Journal of Public Administration*, *44*(1), 62–73. https://doi.org/10.1080/01900692.2020.1728313

Tan, S. K., Lau, C., Kassim, A. A. M., & Salleh, M. F. M. (2021). The Moderating Effect of Individual Taxpayers' Education Level on Ethical Perception and Tax Compliance

Advanced International Journal of Business, Entrepreneurship and SME's
AIJBES
EISSN: 2682-8545
Volume 7 Issue 23 (March 2025) PP. 41-54
DOI 10.35631/AIJBES.723004

Behaviour in Peninsular Malaysia. *International Journal of Academic Research in Accounting, Finance and Management Sciences, 11*(1), 166-182. https://doi.org/10.6007/IJARAFMS/v11-i1/8857

Torgler, B. (2005). Tax morale in Latin America. *Public Choice*, *122*(1–2), 133–157. https://doi.org/10.1007/s11127-005-5790-4

Ya'u, A. (2017). Fairness Perceptions and Income Tax Voluntary Compliance Among Owners of Micro Enterprises in Jigiwa STate, Nigeria: The Moderating Role of Trust [Master of Sciences]. University Utara Malaysia.

Ya'u, A., & Saad, N. (2018). Trust as Moderating Variable in the Relationship between Fairness Perceptions and Voluntary Tax Compliance in Nigeria: A Theoretical Framework. *Journal of Advanced Research in Business and Management Studies, 10*(1), 28–39.

Zafar, A. U., Shen, J., Ashfaq, M., & Shahzad, M. (2021). Social media and sustainable purchasing attitude: Role of trust in social media and environmental effectiveness. *Journal of Retailing and Consumer Services, 63,* 102751. https://doi.org/10.1016/j.jretconser.2021.102751