



## The Influence of Nationalism's Attitude and Tax Morals on Taxpayer Compliance through Tax Awareness

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### Abstract

*The purpose of this study was to examine the direct effect of nationalism and tax morale on tax awareness. As well as testing the effect of the two independent variables on taxpayer compliance through tax awareness. The research method used is quantitative with data collection techniques through questionnaire, method in taking samples using the hair method, namely the number respondent 5 – 10 times the number of indicators. The results of the sample obtained are 180 respondents with the status of Taxpayers. The sample was tested for validity and reliability testing and tested the hypothesis through the Smarts PLS software application. The results of hypothesis testing prove that there is a significant direct effect on nationalism and tax morale on tax awareness, a significant direct effect on tax awareness on taxpayer compliance, and a significant indirect effect on nationalism and tax morale attitudes on taxpayer compliance. Tax through tax awareness. From this research it can be concluded that when the Government will. To increase tax awareness, the first strategy that must be improved is tax morale, then the attitude of nationalism. And to increase taxpayer compliance through tax awareness, the first strategy that must be improved is tax morale, then nationalism.*

### Keywords:

Nationalism attitude  
Tax morale  
Tax awareness  
Taxpayer compliance.

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## 1. Introduction

The Covid-19 pandemic which has been running for approximately 1 year has had a very bad impact on countries around the world, especially Indonesia. The impact of the Covid-19 pandemic has made the economy in Indonesia very weak. The reason is because of restrictions on economic activities such as trade. We know that Indonesia has implemented micro PPKM which has been extended 10 times since it was first set, namely on January 11-25, 2021 in Java and Bali. With this application, trade sector tax revenues have decreased even though trade provides the second largest contribution to tax revenues (Nasution, Erlina, & Muda, 2020). A weak economy will affect the state budget deficit. Indonesia experienced sharp fluctuations and deficits in 2020 of IDR 1,039 trillion. The very sharp increase in the deficit was caused by a decrease in tax revenues as the main source of the APBN. Various factors that can influence to increase tax revenue, namely tax awareness.

In the research of Idrus, Lalo, Tenreng, and Badruddin (2020) explained that the high nationalism of society affects the awareness to pay taxes. In the research of Kemme, Parikh, and Steigner (2020) finding the impact of a low morale makes taxpayers do tax avoidance in various ways. Which means that tax morals have a direct effect on tax awareness. Subsequent research suggests that tax awareness encourages taxpayer compliance (Yuli & Nofiana, 2021). In Lisa and Hermanto (2018) shows that taxpayer awareness has a

significant effect on taxpayer compliance. Furthermore, in the research of Idrus et al. (2020) prove the existence of tax awareness that has an impact on taxpayer compliance. However, there have been no previous researchers who have tested the effect of nationalism on taxpayer compliance through tax awareness, and the effect of tax morale on taxpayer compliance through tax awareness.

## 2. Literature Review

### 2.1. The Theory of Planned Behaviour

According to Ajzen (1991), in broad terms The Theory of Planned Behaviour (The Theory of Planned Behaviour) is found and well supported by empiricists who explain that intentions to perform different types of behaviour can predictable with high accuracy of attitudes toward behaviour, subjective norms, and perceived behavioural control; and this intention, together with perceived behavioural control, explains the considerable variation in actual behaviour. Broadly speaking, The Theory of Planned Behaviour is described in Figure 1:

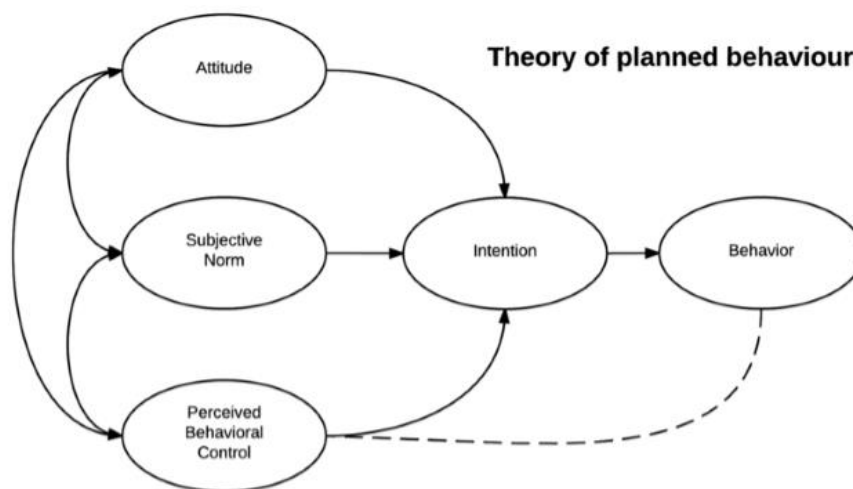


Figure 1. Theory of Planned Behaviour.

The Theory of Planned Behaviour describes an attitude, namely an attitude about satisfaction with public services and trust in people Government. Subjective Norm which shows Tax Moral. Perceived Behavioural Control which shows an individual's intention which will be related to a tax awareness. Which merge to form an *Intention/ greatness and produce the effect of Behaviour / behaviour which in this case is Taxpayer compliance. The relationship between the theory of planned behaviour in research is as follows:*

In this research model it is explained that if tax morale, nationalism attitudes have a direct influence on tax awareness and show high taxpayer compliance, and tax morals have a direct influence on taxpayer compliance, when there is moderation of nationalism attitudes are expected to have a significant effect. the higher the level of taxpayer compliance.

### 2.2. The Influence of Nationalism's Attitude on Tax Awareness

Based on opinion (Young & Smith, 1976) nationalism leads to the history of the past and will form a sense of identity and history of togetherness. There is a spirit of nationalism because of past events that have formed a collective identity for the Indonesian homeland. By instilling an attitude of nationalism, as a citizen, you will form a mindset about compliance with Indonesian state regulations. In the research of Idrus et al. (2020) explained that the high nationalism of society affects the awareness to pay taxes. In Saputri (2019) shows that nationalism has a significant positive effect on taxpayers in fulfilling their tax obligations. Which in this case shows that the Taxpayer has awareness of tax obligations and efforts to fulfil these obligations because of the influence of the attitude of nationalism. From several previous studies, the hypothesis can be drawn: H1 = The influence of nationalism attitudes on tax awareness.

### 2.3. The Effect of Tax Morals on Tax Awareness

Morals are problems related to reason (Rachels & Rachels, 1986): Morally right then it can form attitudes with the best reasons. In this theory, tax morale affects taxpayer compliance. When the Taxpayer has the right morals, he will also carry out his tax obligations correctly in accordance with the applicable rules. According to Young and Smith (1976) confirms a lot of nationalism is based on a historically flawed interpretation of past events and would make it a small part of inaccurate history. In the research of Idrus et al. (2020) explained that the high nationalism of society affects the awareness to pay taxes. In Saputri (2019) shows that nationalism has a significant positive effect on taxpayers in fulfilling their tax obligations. Which in this case shows that the Taxpayer has awareness of tax obligations and efforts to fulfil these obligations

because of the influence of the attitude of nationalism. From several previous studies, the hypothesis can be drawn: H2 = The effect of tax morals on tax awareness.

*2.4. The Effect of Tax Awareness on Taxpayer Compliance*

Based on the Theory of Reasoned Action stated by Fishbein and Ajzen (1980) subjective norm is a determinant of the desire to behave. Then the awareness of tax compliance can be said to represent positive behaviour. Where taxpayers believe that such behaviour can lead to positive results. Subjective norms lead to tax awareness which can lead to taxpayer compliance behaviour. According to Young and Smith (1976) confirms a lot of nationalism is based on a historically flawed interpretation of past events and would make it a small part of inaccurate history. In the research of Idrus et al. (2020) explained that the high nationalism of society affects the awareness to pay taxes. In Saputri (2019) shows that nationalism has a significant positive effect on taxpayers in fulfilling their tax obligations. Which in this case shows that the Taxpayer has awareness of tax obligations and efforts to fulfil these obligations because of the influence of the attitude of nationalism. From several previous studies, the hypothesis can be drawn: H3 = Effect of tax awareness on taxpayer compliance.

*2.5. The Influence of Nationalism Attitudes on Taxpayer Compliance through Tax Awareness*

In Satyawati (2021) proves that the attitude of nationalism has a significant positive effect on taxpayer compliance. Then in the research of Darmawan, Mulyadi, and Dahlan (2020) gives the result that there is a significant relationship between the attitude of nationalism to tax compliance. In addition, in the research of Darmawan et al. (2020) gives the result of a perception that is about tax awareness which has a significant effect on taxpayer compliance. According to Asrinanda (2018) states that there is a significant positive impact on tax awareness on taxpayer compliance. The positive direction indicates that the higher the tax awareness, the higher the taxpayer compliance, and the lower the tax awareness, the lower the taxpayer compliance. From previous research, it can be concluded that there is an influence of the dependent variable with the independent variable. Thus, the variable of nationalism attitude has the potential to affect the taxpayer compliance variable through tax awareness. From several previous studies, the hypothesis can be drawn: H4 = The influence of nationalism attitudes on taxpayer compliance through tax awareness.

*2.6. The Effect of Tax Morals on Taxpayer Compliance through Tax Awareness*

In Mursalin (2020) gives the result that tax morale has an effect on taxpayer compliance. According to research (Cahyanti, Wafirotin, & Hartono, 2019) simultaneously testing that there is an effect of tax awareness and morale on taxpayer compliance. Furthermore, in the research of Idrus et al. (2020) prove the existence of tax awareness that has an impact on taxpayer compliance. From previous research, it can be concluded that there is an influence of the dependent variable with the independent variable. Thus, the Tax Moral variable has the potential to affect the taxpayer compliance variable through tax morale. From several previous studies, the hypothesis can be drawn: H5 = The effect of tax morals on taxpayer compliance through tax awareness.

**3. Research Methods**

The method used in this study is a quantitative method with quantitative and statistical data measurements calculated from the sample/population of respondents who have answered a number of questions through a questionnaire. The research model is described in Figure 2:

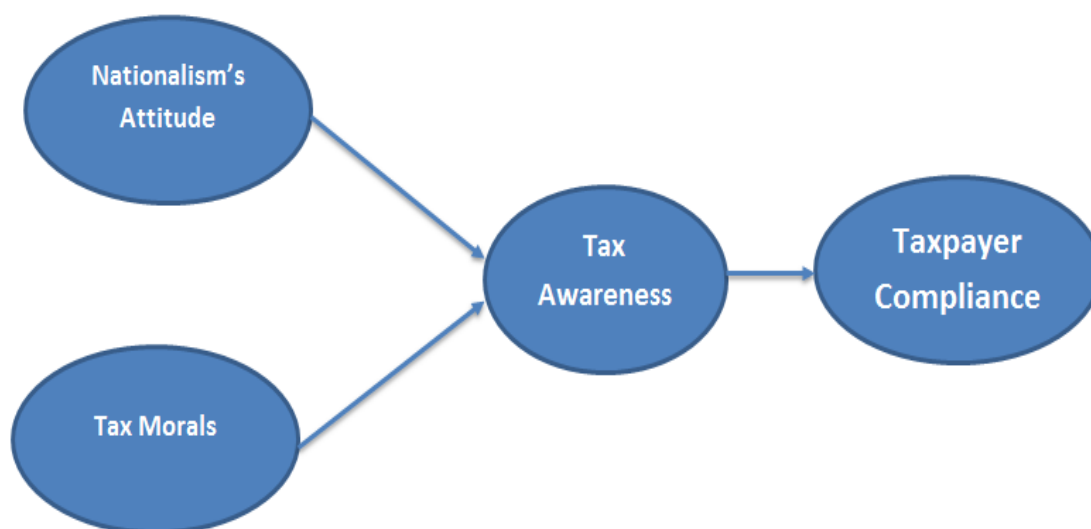


Figure 2. Research Model.

The population used in this study are all Tax Subjects, both individuals and entities. The sample used is all taxpayers who have NPWP. The method used in determining the number of samples is the hair method, which is 5-10 times the number of indicators contained in the study. The analysis of data processing used in this research is using Smarts PLS Software, to test the validity and reliability.

#### 4. Results and Discussion

##### 4.1. Respondents Overview

In this study, the number of respondents used was 180 respondents as taxpayer status. When viewed from the status of taxpayers, the status of individual taxpayers is more than that of corporate taxpayers, which is 161 respondents (89.4%). When viewed from the ownership of NPWP all respondents 100% have NPWP. When viewed from the gender, there are more men than women, as many as 125 respondents (69.4%). When viewed in terms of age, respondents were dominated by the age of 31-40 years as many as 89 respondents (49.5%). Judging from the level of education, the majority of respondents graduated from D3 as many as 64 respondents (35.6%). In terms of employment, the majority are private employees, as many as 104 respondents (57.8%).

##### 4.2. Validity Test

Validity test is a test for the relationship between indicators and their constructs. The initial evaluation or testing of the measurement model is reflective, namely with convergent validity. The evaluation of convergent validity begins by looking at the validity indicators indicated by the loading factor value. The loading factor value which has a minimum value of 0.5 can be said to be valid. The Figure 3 is an image for the results of the validity test.

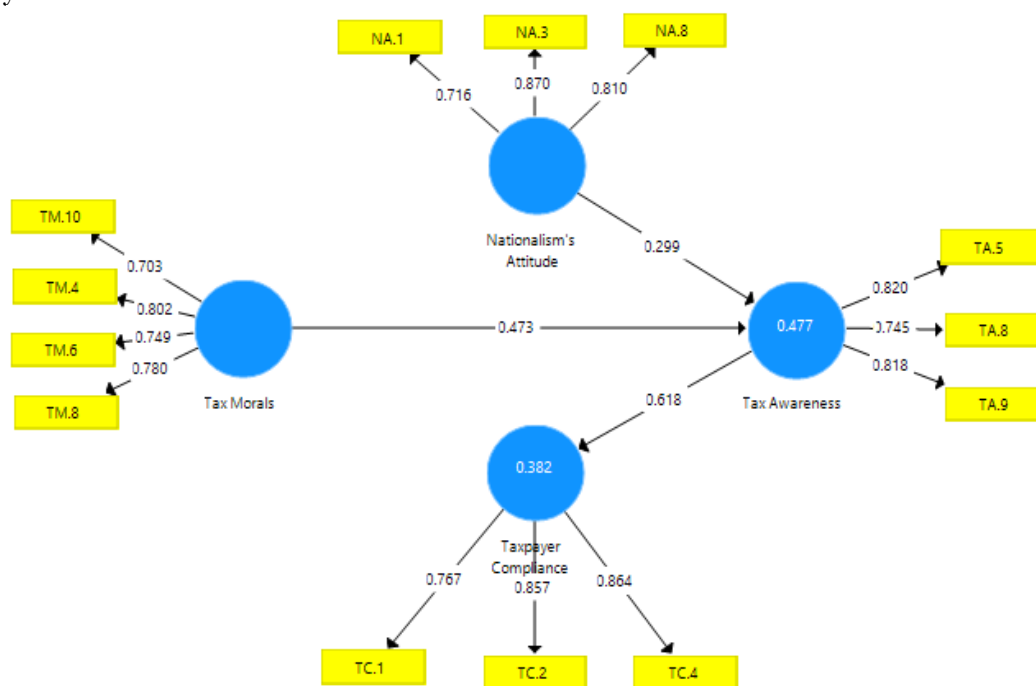


Figure 3. Validity Test Result.

From the results of the validity test in Figure 3 for each variable consisting of nationalism, tax morale, awareness and compliance, taxpayers already have an outer loading/loading factor above 0.5, which means that the relationship between each variable and its indicators is valid according to the criteria. The dependent/intervening variable, namely tax awareness, shows the number 0.477 or 47.7%. This means that the ability of the variable of nationalism and tax morale in explaining tax awareness is 47.7%, so there are other variables that affect tax awareness of 52.3% which is commonly referred to as error in a study. Then for the taxpayer compliance variable, it shows a value of 0.382 or 38.2%. This means that the ability of tax awareness in explaining the taxpayer compliance variable is 38.2%. For the results of the next analysis, this research model is included in the medium category because the R Square / coefficient of determination is above 33%. Because in this study the ability of the independent variable in explaining the dependent variable is 47.7%.

##### 4.3. Reliability Test

In the reliability test of each variable in the study carried out on the outer model as follows:

- Cronbach's Alpha => The reliability test is strengthened by Cronbach's Alpha. The expected value is at least 0.7 for all constructs.
- Rho Alpha => Reliability test reinforced with Rho Alpha. The expected value is at least 0.7 for all constructs.
- Composite Reliability. Data that has a minimum composite reliability of 0.7 for reliability criteria.
- Average Variance Extracted (AVE). The expected AVE value is at least 0.5 for the reliability criteria.

Table 1. Reliability test result.

Construct Reliability and Validity				
Hypothesis	Cronbach's Alpha	Rhea	Composite Reliability	AV
Nationalism's Attitude	0.717	0.721	0.842	0.642
Tax Awareness	0.708	0.71	0.837	0.632
Tax Morals	0.756	0.764	0.845	0.577
Taxpayer Compliance	0.773	0.775	0.869	0.689

The results of the reliability test in Table 1 for each variable consisting of the attitude of nationalism, Tax morale, tax awareness, and taxpayer compliance have Cronbach's Alpha, Rho Alpha, and Composite Reliability values > 0.7 and values for Average Variance Extracted > 0.5. This means that all variables in the study show the results of reliability data in accordance with the criteria.

#### 4.4. Hypothesis Testing

Testing this hypothesis includes the significance value of each path coefficient which states that there is a significant or insignificant effect between constructs. Structural model testing is used to test hypotheses between variables in the study; it can be seen from the value of P value and T statistics. If the T statistic value > 1.96 then it shows a significant effect or if the P value < 0.05 then it shows a significant effect. Table 2 is the results of hypothesis testing of direct effect and Table 3 is the result of hypothesis testing of indirect effect.

Table 2. Direct effect hypothesis test result.

Path Coefficients				
Hypothesis	Original Sample	T - Statistics	P Values	Decision
Nationalism's Attitude => Tax Awareness	0.299	0.933	0.000	Accepted
Tax Awareness => Taxpayer Compliance	0.618	12.435	0.000	Accepted
Tax Morals => Tax Awareness	0.473	6.397	0.000	Accepted
Perception of corruption -> Tax Morale	0.258	2.993	0.000	Accepted

Table 3. Hypothesis test result indirect effect.

Specific Indirect Effects				
Hypothesis	Original Sample	T - Statistics	P Values	Decision
Nationalism's Attitude => Tax Awareness => Taxpayer Compliance	0.185	3.634	0.000	Accepted
Tax Moral's => Tax Awareness => Taxpayer Compliance	0.292	5.482	0.000	Accepted

In the results of testing the direct influence hypothesis, consisting of the variables of nationalism attitude, and tax morale. From these variables, when viewed from the original sample, the strongest value is tax morale on tax awareness, which is 0.473 or 47.3%. While the variable of nationalism attitude towards tax awareness is 0.299 or 29.9%. Therefore, tax morale is a priority variable. This means that when it comes to increasing tax awareness, the first strategy that must be improved is tax morale, then the attitude of nationalism. The results of hypothesis testing the indirect effect of the above variables when viewed from the original sample value, the strongest is the influence of tax morals on taxpayer compliance through tax awareness of 0.292 or 29.2%. Furthermore, the effect of nationalism on taxpayer compliance through tax awareness is 0.185 or 18.5%. In the indirect hypothesis test results, the effect of nationalism and tax morale on taxpayer compliance through tax awareness has a P Value < 0.05, meaning that the tax awareness intervening variable is able to provide a significant influence between the two independent variables on the dependent variable. From these variables, when viewed from the original sample, the strongest value is tax morale on taxpayer compliance through tax awareness, then the second is the attitude of nationalism towards taxpayer compliance through tax awareness. This means that when increasing taxpayer compliance through tax awareness, the first strategy that must be improved is tax morale.

#### 4.5. Research Results and Interpretation

The results of the research on the direct and indirect effects taken from the results of the T Statistics/P Value and compared with the provisions of the significance criteria, can be explained as follows:



1. The first hypothesis is accepted because the P Value is  $0.000 < 0.05$  and the T statistic is  $3.933 > 1.96$ , meaning that this effect is significant on the attitude of nationalism towards tax awareness. The results of this study support and complement previous research that has done by Young and Smith (1976); Idrus et al. (2020) and Saputri (2019).
2. The second hypothesis is accepted because the P value is  $0.000 < 0.05$  and the T statistic is  $6.397 > 1.96$ , meaning that this effect is significant on tax morale on tax awareness. This research supports and complements the previous research conducted by Rachels and Rachels (1986); Young and Smith (1976), Idrus et al. (2020) and Saputri (2019).
3. The third hypothesis is accepted that the P Value is  $0.000 < 0.05$  and the T statistic is  $12.435 > 1.96$ , meaning that this effect is significant on tax awareness on taxpayer compliance. This research supports and complements previous research conducted by Young and Smith (1976); Idrus et al. (2020) and Saputri (2019).
4. The fourth hypothesis is accepted because the P Value is  $0.000 < 0.05$  and the T statistic is  $3.634 > 1.96$ , meaning that this influence is significant on the attitude of nationalism towards taxpayer compliance through tax awareness. This research supports and complements previous research conducted by Satyawati (2021); Darmawan et al. (2020) and Asrinanda (2018).
5. The fifth hypothesis is accepted because the P Value is  $0.000 < 0.05$  and the T statistic is  $5.482 > 1.96$ , meaning that this effect is significant on tax morale on taxpayer compliance through tax awareness. This research supports and complements previous research conducted by Mursalin (2020); Cahyanti et al. (2019) and Idrus et al. (2020).

## 5. Conclusion

This study provides empirical evidence about "The Influence of Attitudes of Nationalism and Tax Morals on Taxpayer Compliance through Tax Awareness", so it can be concluded that there is a significant direct influence on the attitude of nationalism and tax morale on tax awareness, there is a significant direct effect on tax awareness towards taxpayer compliance, there is a significant influence on the attitude of nationalism and tax morals on taxpayer compliance through tax awareness. From this research it can be concluded that when the Government increases tax awareness, the first strategy that must be improved is tax morale, then the attitude of nationalism. And to increase taxpayer compliance through tax awareness, the first strategy that must be improved is tax morale, then nationalism.

### 5.1. Reference for Next Research

The intervening variable can be replaced with the tax sanction firmness variable. Because when the variable of firmness of tax sanctions is positioned as an intervening, it will be able to increase taxpayer compliance in carrying out their tax obligations.

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