Assessing the Role of Services, Incentives and Tax Knowledge Moderation on Tax Compliance

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Authors' contributions

This work was carried out in collaboration between both authors. Author EA designed the study, performed the statistical analysis, wrote the protocol, and wrote the first draft of the manuscript. Author DT managed the analyses of the study. Both authors read and approved the final manuscript.

Original Research Article

ABSTRACT

Objective: This research aims to investigate the impact of tax services and tax incentive policies on the level of tax compliance, by considering the tax knowledge factor as a moderating variable.
Time and Place of Research: Participants involved in this research are MSMEs who specialize in selling used cars in the Tangerang area and its surroundings. This research uses a quantitative approach by distributing surveys to 250 used car entrepreneurs in the Tangerang area and surrounding areas 2024.
Methods: The data collection procedure using non-probability sampling involves the use of convenience sampling to distribute it. The analytical method used in this research involves the use of Structural Equation Modeling (SEM) techniques utilizing smart PLS 3 software.
Conclusion: The findings from this research indicate that tax services do not make a positive contribution to tax compliance. However, tax incentives have a significant impact on the willingness to comply with tax obligations. Understanding taxes cannot influence the relationship between tax services and tax compliance, or between tax incentives and tax compliance. In addition, knowledge about taxes cannot influence the relationship between tax services and tax compliance, nor between tax incentives and tax compliance.

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1. INTRODUCTION

Taxes are a very significant source of state income, so taxation has a large impact on state income. Tax levies have become a crucial element in supporting the sustainability of the country, both in supporting economic activity, running the government, and providing public facilities. Owners of small and medium enterprises (MSMEs) are one of the groups of entrepreneurs who participate in paying taxes to the government. Micro, Small and Medium Enterprises (MSMEs) are considered to play a very important role in economic growth and are an important instrument for reducing poverty levels through efficient development efforts (Jansson, et al. According to Naufalin & Aldila [1], Micro, Small and Medium Enterprises (MSMEs) plays a very significant role in the growth of Gross Domestic Product (GDP) and in creating jobs in Indonesia. In 2017, it can be seen how significant the contribution of MSMEs is in this regard. According to sources from the Ministry of Cooperatives, Small and Medium Enterprises, based on BPS statistics for the year In 2019, this number reached 65. At the end of that year, there were a total of 465,497 registered MSMEs, including small and medium businesses. This number increased by 64 percent from the previous year. This figure increased by 1.98 percent to 194,057. Contribution of MSMEs to Gross Domestic Product (GDP) is much larger than what MSMEs contribute to tax revenues. In 2017, the Ministry of Cooperatives and Small and Medium Enterprises reported that the MSME sector had contributed IDR 7 trillion. 820.2826 billion or around sixty percent. As much as 90% of the company's total contribution to Gross Domestic Product (GDP).

According to the 2017, Directorate General of Taxes report, the contribution of Final PPh from MSMEs to total PPh revenues reached 2,200. MSME participation in paying taxes is not commensurate with the contribution of MSMEs to GDP, indicating that the level of MSME compliance with taxes is still low. According to the Ministry of Finance, the Directorate General of Taxes (DJP) stated that tax revenues from MSMEs are still low due to a lack of knowledge and understanding in calculating taxes. Based on information obtained from the Directorate General of Taxes, Ministry of Finance in 2019, the contribution of Final PPh for

MSMEs to total tax revenue was only around 1.1%, which was worth around 7.5 trillion. According to a study conducted by DDTC FRA, as many as 61% of small and medium entrepreneurs do not use the 0.5% final tax relief due to lack of understanding and knowledge regarding this matter. Many small business owners only know about tax obligations without having a deep understanding of those tax requirements. Many people often face problems in calculating taxes because of the complexity of the regulations related to this matter. That's why, there needs to be changes in tax management to improve the quality of services provided by tax officials. PT Autopedia Sukses Lestari Tbk (ASLC) is a public company operating in the automotive sector and focuses on selling used cars via an online platform (Caroline). The used car distributor company (JBA Indonesia) believes that their revenue in 2023 will increase significantly due to an increase in used car sales transactions. Used car sales increased in line with overall car sales growth from January to April this year, reaching 339. A total of 962 units experienced an increase of 5.2% from year to year compared to 320 units. At the same time the previous year, there were 120 units. The company feels confident about the potential of the used car business this year because there are many positive factors that support it. Initially, a reduction in oil prices from their peak will reduce inflationary pressures and improve economic activity. In the future, it is estimated that a rise in new car sales to pre-pandemic levels could result in growth in used car demand.

Providing tax relief during this pandemic can increase MSME entrepreneurs' understanding of the tax benefits they receive directly. Raising awareness of tax responsibilities and the benefits that can be gained from taxpayers is very important. With an indirect approach, this learning can increase awareness about how important it is to pay taxes, which in turn can increase the level of compliance with tax obligations. The hope is that this tax policy will provide encouragement to taxpayers to remain stable during the pandemic and will also improve the welfare of the policy's beneficiaries Padyanoor, 2020 [2]. Research conducted by Ni Luh Putu Norma Dewi, et al [3] regarding the Impact of Tax Incentives, Service Quality, and Tax Knowledge on Taxpayer Compliance in Small and Medium Enterprises (MSMEs) states

that all of these factors have a positive and important impact on compliance. MSME taxpayers. According to research conducted by Selinda Agustine and Leonard Pangaribuan, there is not enough evidence to state that Tax Incentives have a positive impact on the level of taxpayer compliance. Taxpayer compliance is measured based on the quality of services provided by tax officers. Tax officers or tax officers who provide comprehensive and clear information to taxpayers will provide more confidence so that the services provided will make a taxpayer understand more [4]. Based on studies conducted by Putri, K. J, and Setiawan, P. [5], there is a positive correlation between good service quality and taxpayer compliance. Assessment of reliability, responsiveness, assurance, empathy and physical evidence in services has a significant impact on tax authorities and policy makers. This has an impact on increasing tax revenues which greatly influences economic growth and development Susuawu, Kenneth & John Amoh [6]. The results of a study conducted by Suyanto and Siska Damayanti show that tax authorities' services do not have a positive impact on MSME taxpayer compliance. If someone's understanding of taxation is sufficient, it means that the taxpayer is considered compliant. Because the tax collection system used in Indonesia is a self-assessment system, the taxpayer determines the amount of tax that must be paid. Stating this situation can be used to evaluate the actions that must be taken by taxpayers in fulfilling their tax obligations [7]. Taxpayers are obliged to carry out tax duties in accordance with the provisions of applicable tax law. Therefore, taxpayers need to have adequate and accurate tax knowledge. The greater the taxpayer's knowledge of the tax system, the the greater their compliance in paying taxes. According to Subarkah and Dewi [4], research shows that knowledge about taxes has a significant impact on the level of compliance in paying taxes.

Attribution theory was originally discovered by Heider in 1958 before being further explained by Kelley [8]. Attribution is the process by which we develop perceptions about someone by observing their actions based on context or individual traits. Attributions are given because of the natural urge of human scientists to seek explanations for everything, including the causes behind other people's behavior. However, this tendency is not only influenced by external factors such as the surrounding environment, but can also be influenced by internal factors which are governed by individual consciousness. According to the concept of attribution, a person's behavior is influenced by factors originating from the environment and internal factors of the individual. Factors that originate from outside the individual are called external factors, while factors that originate from within the individual are called internal factors. The background in this research includes tax incentives and external tax services, while internal factors involve tax knowledge which can influence the level of MSME tax compliance. Rita J has conducted research that supports these findings. Atarmawan [9] uses attribution theory to examine the impact of Taxpayer Awareness, Tax Penalties, and Tax Service Quality on the level of individual tax compliance. The aim is to find the elements that play a role in compliant behavior in paying taxes. A tax officer must have adequate skills, knowledge and experience in tax policy, tax administration and tax regulations when providing services. According to Heriyah [10], a superior tax service can have a positive impact on taxpayers in fulfilling their tax obligations. According to research by Antika et al [11], the better the service provided to taxpayers, the more likely they are to comply with tax obligations. The research also concludes that the quality services provided by tax officers have a good impact on the level of compliance of small and medium businesses to pay taxes. According to research conducted by Rita J. According to the latest research by Atarwaman [9], it was concluded that the quality of tax services is positively related to the level of tax compliance. By referring to the explanation given, we can make the following hypothesis:

H1 = Tax Services influence Tax Compliance

The government provides tax incentives as part of its policy to reduce the tax burden on citizens. Apart from this, applying for incentives is simplified and disbursement is accelerated. The government extended the validity period of tax incentives and simplified the tax reporting process [12]. It is hoped that this step can provide assistance to MSMEs in maintaining their businesses and also increase tax compliance from taxpayers. Thus, the relationship between tax incentives and tax compliance is very significant because tax incentives are able to reduce the amount of tax that needs to be paid, thereby increasing the level of tax compliance. With a significant tax

reduction, taxpayers will feel helped in paying off their tax obligations. Based on a study conducted by Riris Rotuas Sitorus [13], it was concluded that fiscal incentives have a positive impact on tax compliance. The results of research conducted by Nik Amah and his colleagues in 2023 concluded that providing tax incentives has a positive impact on the level of taxpayer compliance. Based on the description that has been presented, it can be concluded that we can make the following assumptions:

H2: Tax incentives influence tax compliance

Tax knowledge involves the ability of individuals who have tax obligations to understand tax regulations, including the statutory tax rates they must pay and the tax benefits that will affect their lives. This also involves an understanding of tax regulations, calculation techniques and reporting of tax obligations, as well as knowledge of the role and function of tax. Tax services involve tasks carried out by tax officials to provide services such as counseling, guidance, or consultation about taxation to citizens so that they can fulfill their tax obligations. Tax officers must have skills, abilities and high standards in the field of taxation so that people can pay and report their taxes on time and comply with tax regulations. This means that tax officers must have knowledge about taxation. A study conducted by Tarmidi & Nurlita [14] supports that knowledge about taxes is related to better tax compliance. People who have good knowledge about taxes can be people who comply with their tax obligations. Based on the explanation that has been given, it can be concluded that the hypothesis that can be made is as follows:

H3: Tax knowledge moderates the effect of tax services on tax compliance

Understanding tax regulations is very crucial in forming a compliant attitude towards taxation. How can we expect taxpayers to comply if they do not understand tax regulations? By having a good understanding of taxes, we can reduce the amount of tax we have to pay through good tax planning. So with a minimal tax amount, taxpayers will be able to fulfill their obligations in paying taxes more smoothly, because they feel able to make contributions according to their financial capabilities. With better knowledge about taxes, taxpayers will be more compliant in paying their taxes, and this will lead to increased levels of compliance. People who have knowledge about taxes and are aware of

the importance of paying taxes will be obedient in fulfilling their tax obligations. Because they already understand how the tax system works, they finally feel the benefits of having to pay taxes. According to Rachmawati [15], understanding the tax system has a significant impact on the level of willingness to comply in the tax payment process. The deeper the taxpayer's understanding of tax regulations, the more aware the taxpayer will be of the benefits of complying with the obligation to pay taxes. In this way, it can increase the level of compliance in paying taxes. Based on a study conducted by Ni Luh Putuh and her team in 2020, it was concluded that knowledge about taxes contributed positively to the level of compliance in complying with tax regulations. The greater a person's knowledge about taxes, the greater his desire to send tax returns on time, which in turn will increase tax compliance. Knowing the various tax facilities that exist is important for taxpayers, so that they can reduce the amount of tax they need to pay. By understanding tax regulations, a person can reduce the amount of tax they have to pay through the various incentives available. With a tax burden that is not too heavy, taxpayers will feel more helped in paying their taxes. Based on the explanation that has been given, we can make an assumption or hypothesis as follows:

H4: Tax knowledge moderates the effect of tax incentives on tax compliance

2. METHODS

The location of this study is around Tangerang, where secondhand car entrepreneurs are the focus of the research. This research was carried out using survey techniques and questionnaires given to used car traders in the Tangerang area. The groups of interest in this research are people and small and medium enterprises (MSMEs) who have tax responsibilities and are involved in the business of selling used cars in the Tangerang, Banten area. The sample in this research was determined using a non-probability sampling method. This method was chosen to obtain representative and reliable results. This approach takes random steps in selecting participants without regard to the number of people in the population. The non-probability sampling technique involves a sample selection process without providing equal opportunities to all elements or members of the population [16]. This means that not all

members of the population have the same opportunity to be selected as samples in research. This method does not provide a fair opportunity for each section to be represented in the research sample. According to research conducted by Hair et al. [17], it is recommended that the sample asked for responses reach a minimum of 100 respondents. Sample size evaluation was carried out in accordance with this statement. Generally, the number of samples required should be at least 10 times more than the number of indicators to be analyzed. In this situation, we need to have 250 samples to evaluate the 25 existing indicators. This research aims to examine the impact of knowledge about taxes on the relationship between tax services and tax incentives on the level of tax compliance among used car business actors in the Tangerang area. This research specifically seeks samples from MSMEs using a special sampling method. In this study, the analysis techniques used involve descriptive analysis and hypothesis testing (both external model testing and internal model testing). In this study, the hypothesis was tested using the SmartPLS 3 platform. The Partial Least Squares (PLS) method does not depend on a particular distribution of data and can be applied to various types of data, including nominal, categorical, ordinal, interval, and ratio without needing to assume a data distribution. The Partial Least Square method is a very effective analysis method because it is not tied to assumptions about the scale of data measurement and can be used even when the sample is limited [18]. Tax Services (X1), in accordance with Directorate General of Taxes Regulation Number PER-02/PJ/2014, can be interpreted as services provided by units of the Directorate General of Taxes to the public in accordance with applicable tax regulations. Vigryana together with his team conducted the study. The tax office's actions in 2016 demonstrate its commitment to meeting the needs and desires of taxpayers, and that is real proof of their efforts in providing quality services. The satisfaction and comfort felt by Taxpayers is the result of efforts to improve the standards of services provided. Making taxpayers feel satisfied is the result of providing good service. Someone who is satisfied with the tax services received will continue to update their payment activities. The tax service quality variable (X1) is measured using two research aspects, namely 1) service quality from the tax authorities and 2) availability of facilities. Tax Intensification (X2) is a form of tax incentive provided by the government to a

number of taxpayers by reducing tax rates, aiming to reduce the amount of tax that must be paid [19]. In this research, there are 2 variable dimensions used to assess tax incentives, namely 1) general dimensions of MSMEs and 2) specific dimensions of MSMEs. Rahayu [20] explains that Tax Knowledge (Z) refers to the knowledge needed to carry out various tax administration tasks, such as calculating the amount of tax that must be paid, filling out tax notification forms, reporting tax owed, understanding tax collection procedures, and other things that relating to tax obligations. Understanding of taxes can be measured through two research dimensions, namely procedural knowledge and declarative knowledge.

3. RESULTS AND DISCUSSION

3.1 Description of Research Objects

Table 1 presents general information about the respondents of this study, including data on gender, age range, highest level of education, length of business, and business income.

From Table 1, information regarding the respondent's description can be obtained as follows:

1. Male respondents had a percentage of 95.6% while female respondents were 4.4%
2. Respondents in the age group 40 – 49 years had the highest percentage reaching 40.8% and respondents in the age group more than 60 years had the lowest percentage reaching 5.2%
3. Respondents with the highest percentage of education level reaching 47.6% were high school and respondents with the lowest percentage of education level with only 6% were elementary school.
4. Respondents with the highest percentage of business age with a percentage of 48.8% were respondents with a business age of 6 - 9 years, while respondents with the lowest percentage of 5.6% belonged to respondents with a business age of more than 15 years.
5. Respondents with the highest income percentage were 45.6% with total income ranging from 50 to 100 million, while respondents with the lowest percentage of 2.8% were respondents with income of more than 350 million.

Table 1. Characteristics of Respondents

Respondent Characteristics		
Gender	**Frequency**	**Percentage(%)**
Man	239	95.6
Woman	11	4.4
Total	250	100
Age Group	**Frequency**	**Percentage(%)**
20 - 29 years old	16	6.4
30 - 39 years old	58	23.2
40 - 49 years old	102	40.8
50 - 59 years old	61	24.4
> 60 years	13	5.2
Total	**250**	**100%**
Last education	**Frequency**	**Percentage(%)**
Elementary school orequivalent	15	6
Middle school or equivalent	39	15.6
High school or equivalent	119	47.6
College	77	30.8
Total	**250**	**100**
Business Age	**Frequency**	**Percentage(%)**
< 5 Years	79	31.6
6 - 9 Years	122	48.8
10 – 14 Years	35	14
> 15 Years	14	5,6
Total	**250**	**100**
Operating revenues	**Frequency**	**Percentage(%)**
< Rp.50,000,000,-	91	36.4
IDR 50,000,001 to IDR.100,000,000,-	114	45.6
Rp. 100,000,001 to Rp.200,000,000,-	26	10.4
Rp. 200,000,001 to Rp.350,000,000,-	12	4.8
> Rp. 350,000,000,-	7	2.8
Total	**250**	**100**

Source: Primary data processed, 2023

3.2 Test Outer Model

The purpose of external model testing is to verify the accuracy of the measuring instruments in research. This research includes conducting validity and reliability tests on the instruments used. The external model was evaluated based on convergent validity, discriminant validity, and reliability as the main criteria. Convergent validity testing is a method used to evaluate the validity of indicators by examining each construct separately. Convergent validity is measured by comparing the factor loadings of the external model with a critical value of 0.6. If the loading factor is > 0.6 then the tool is considered valid and vice versa if the value is less than or equal to 0.6.

Table 2. Outer loading

Variable	Code	Loading	Information
Tax Services (X1)	LP.1 - LP.8	0.718 - 0.924	Valid
Tax Incentive (X2)	IP.1 - LP.6	0.716 - 0.871	Valid
Tax Knowledge (Z)	PP.1 - PP.9	0.647 - 0.878	Valid
Tax Compliance (Y)	KP.1 - KP.6	0.751 - 0.883	Valid

Source: Data processed with SmartPLS, 2023

Based on Table 2, the validity test results can be confirmed because all factor loadings have values greater than 0.7. Thus, all indicators of the Tax Service, Tax Incentive, Tax Knowledge and Tax Compliance factors can be considered valid. One technique that can be used to assess reliability is to use Cronbach Alpha. The Table 3 shows the reliability of all model indicators. In addition, composite reliability is also used as a measure of internal consistency, where the minimum acceptable value is 0.7 for composite reliability. The reason why a high Cronbach Alpha value is important is because the minimum threshold that can be perceived is 0.6. Construct reliability is classified as high because the average variance extracted (AVE) value for each construct is at least 0.5, which indicates very high validity. High level of reliability.

Based on Cronbach's Alpha, Composite Reliability, and AVE measurements, it can be seen that the construct is reliable. In this case, it seems that AVE has a value greater than 0.5. Cronbach's alpha was greater than 0.7. The reliability of the composite must exceed the Standard value of 0.6.

3.3 Test the Inner Model

The inner model or structural model test is carried out to assess the relationship between constructs, significance level, and R-Square of a research model. The coefficient of determination in this study has been successfully calculated to reach 0.92. The research results show that most of the variation in the level of taxpayer compliance can be explained by other factors, amounting to 92.0%, while the remaining 8% is influenced by other variables not examined in this research. Thus, the conclusion is that the relationship between endogenous latent variables has very strong strength because the R-Square is more than Fig 1 shows how the R-Square value is represented.

Table 3. Reliability test results

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
L.P	0.925	0.928	0.940	0.662
IP	0.889	0.896	0.916	0.645
KP	0.909	0.912	0.928	0.650
PP	0.921	0.925	0.935	0.617
LP*PP	1,000	1,000	1,000	1,000
IP*PP	1,000	1,000	1,000	1,000

Source: Data processed with Smart PLS, 2023
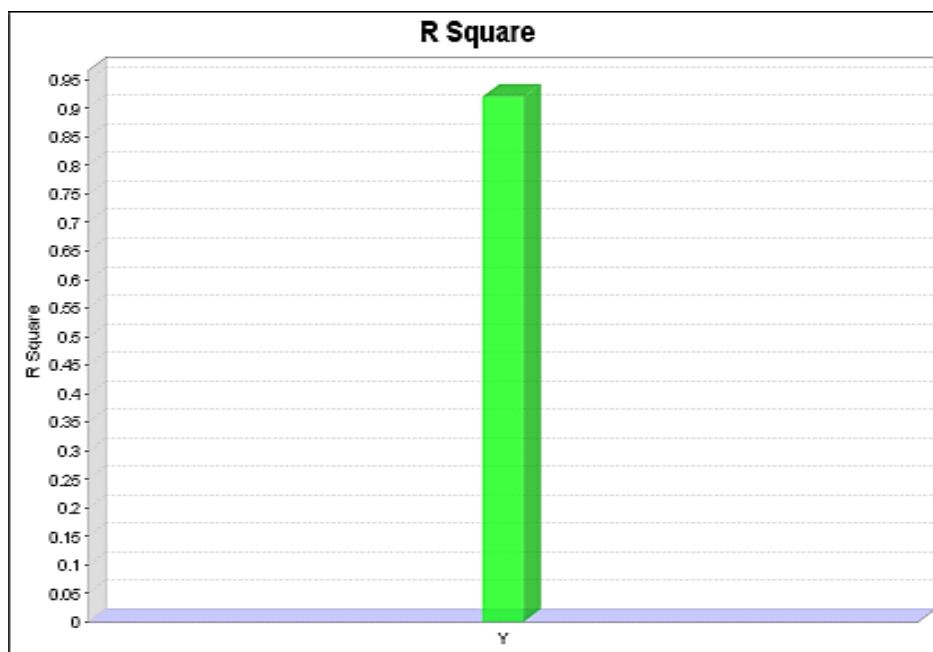
Fig. 1. R-Square
Source: SmartPLS, 2024

The f-square (f2) value indicates the level of partial influence of each predictor variable on the endogenous variable. Ghozali [21] provides an interpretation of the f-square value in this text.

1. If f-Square has a value equal to or greater than 0.35, this indicates that the latent variable predictor has a significant influence.
2. If the f-Square value is in the range between 0.15 to 0.35, it will have a moderate influence.
3. If the f-Square value is in the range of 0.02 to 0.15, then this indicates that the influence is not that strong. This is the result of the f-Square value for each exogenous variable against the endogenous variable.

Table 4. F-Square

	Y	Conclusion
X1	0.003	Weak
X2	0.117	Medium
Z	0.098	Weak
Z*X1	0.006	Weak
Z*X2	0.008	Weak

Source: SmartPLS, 2024

Based on the information in Table 4, it can be concluded that the f2 value of this variable is 0.003, which indicates that the influence of the tax service variable on tax compliance is partial and not strong. The f2 coefficient of the tax incentive variable is 0.117, indicating that tax incentives have a moderate influence on tax compliance. The coefficient of the tax knowledge variable is 0.098, indicating that the relationship between tax knowledge and tax compliance is not strong. Tax knowledge has a small influence on tax services to ensure taxpayer compliance, with an impact coefficient of 0.006. On the other hand, the influence of tax knowledge on tax incentives on taxpayer compliance is relatively weak with a coefficient of 0.008.
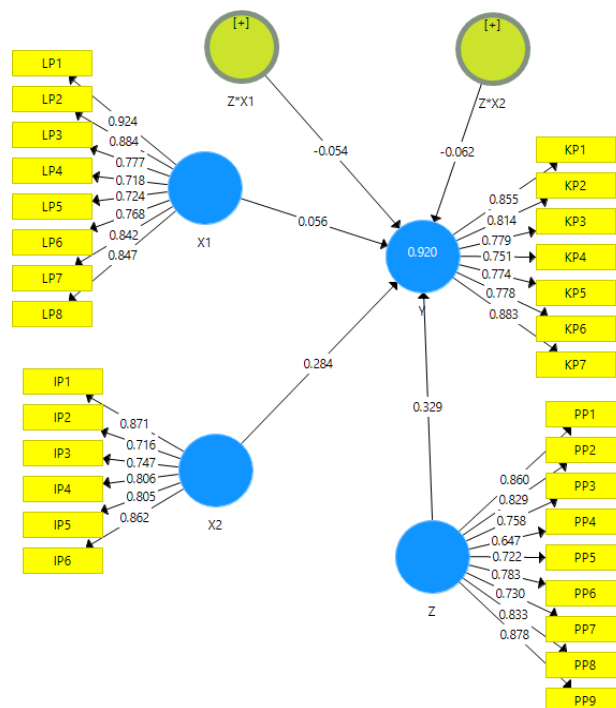
3.4 Hypothesis Testing

Hypothesis testing is carried out by analyzing the path coefficient which shows the parameters and the t statistical value. Determination of significant parameters providesinformation about the relationship between various variables in a study, followed by a comparison between the t-statistic value and the significance value listed in the t table at a 5% confidence level. The output of the path coefficient test using SmartPLS can be seen in Table 4.

Fig. 2. Hypothesis testing
Source: Smart PLS, 2024

Table 5. Hypothesis test results

	Original Sample(O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values
LP -> KP	0.056	0.062	0.081	0.689	0.491
IP -> KP	0.284	0.274	0.069	4,112	0,000
LP*PP -> KP	-0.054	-0.071	0.093	0.585	0.559
LP*PP -> KP	-0.062	-0.049	0.094	0.662	0.508

Source: Data processed with Smart PLS, 2024

Based on Table 4, the results of hypothesis testing can be described as follows:

1. H1 which examines the relationship between tax services and tax compliance states that tax services have no impact on the level of tax compliance. The original sample value for the tax services variable is 0.056, the sample average is 0.062, the standard deviation is 0.081, and the t statistic for the tax services variable is 0.689 (smaller than 1.96) with a p value = 0.491 (greater than 0, 05), shows that the tax service variable has no effect on tax compliance and the first hypothesis is rejected.

2. H2 which tests the influence of tax incentives on tax compliance shows that tax incentives have a significant positive effect on tax compliance. The original sample than 0.05). This shows that the tax incentive variable has a significant influence on tax compliance and the hypothesis can be accepted.

3. H3 which tests the moderating role of tax knowledge on the influence of tax services on tax compliance shows that the moderating role of tax knowledge on tax incentives has no effect on tax compliance. The original sample value of the tax service variable taxpayer compliance which is moderated by tax knowledge is -0.054, the sample mean value is -0.071, the standard deviation value is 0.093, and the t-statistic value of Transformation of tax knowledge regulates tax services. on tax compliance of 0.585 with p value = 0.559 (greater than 0.05), this shows that the tax knowledge variable does not moderate tax services on tax compliance and the third hypothesis is rejected and it can be concluded that the type of moderator used in this research is: This problem is a potential moderator variable because this variable does not interact with the predictor variables and does not have a significant relationship with the dependent variable.

4. H4 concludes that there is no significant influence between tax incentives and tax compliance when the tax knowledge variable is used as a mediating variable. Analysis of the results shows that the effect of the tax incentive variable on tax compliance which is influenced by tax knowledge is -0.062. The sample average value is -0.049 with a standard deviation of 0.094. The results of statistical analysis also show that the t value for the tax knowledge variable as a moderating variable is 0.662 with a p- value of 0.508 (with a significance higher than 0.05). This implies that knowledge about taxation does not affect the relationship between tax incentives and tax compliance. Thus, the fourth hypothesis is not proven and it can be concluded that knowledge about taxes functions as a variable that can predict in the relationship model being tested.

4. CONCLUSION

From the analysis presented previously, it can be concluded that.

1. Tax services do not have an impact on tax compliance. In this way, the adequacy of services does not guarantee that taxpayers will be obedient in paying taxes, so it does not encourage taxpayers to be diligent in paying taxes and cannot inspire taxpayers to fulfill their obligations.

2. The influence of tax incentives greatly influences the level of tax payercompliance. In this way, it can be understood that the benefits of tax incentives can be felt immediately because they are considered to reduce the burden of tax costs.

3. Knowledge about taxes does not reduce the impact of tax services on tax compliance. The nature of the tax knowledge variable as a moderating

variable in this research is a moderation homologizer (potential moderation) which has the potential to influence the relationship between the independent variable and the dependent variable. This variable has no interaction with the independent variable and does not have a significant relationship with the dependent variable. This variable only has a possibility, but is not a variable that has a moderating influence.

4. Knowledge of tax regulations does not reduce or increase the impact of tax incentives on tax compliance. The moderating variable (knowledge about taxes) does not show significant results, while tax incentives show significant results as an interaction variable. Therefore, knowledge about taxes can be classified as a moderating predictor, which means that this moderating only acts as a predictor (independent) variable in the relationship model formed.

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COMPETING INTERESTS

Authors have declared that no competing interests exist.

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