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The Factors that Influence Individual Taxpayer Compliance in the Implementation of the Coretax System

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Keywords:
Individual taxpayers; Coretax system; Awareness; Understanding taxes; Tax socialization and Moral obligations.

Abstract
This study examines the effects of taxpayer awareness, moral obligation, tax understanding, and the Coretax System on individual taxpayer compliance, with tax socialization serving as a moderating variable and income level as a control variable. Using purposive sampling, data were collected from 224 individual taxpayers residing in the Greater DKI Jakarta area through a questionnaire. The data were analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM) with SmartPLS 4 to evaluate both the measurement model and the structural model. The findings reveal that taxpayer awareness and tax understanding have positive and significant effects on individual taxpayer compliance. In contrast, the Coretax System and moral obligation do not significantly influence compliance behavior. Income level, included as a control variable, is found to be positively associated with individual taxpayer compliance. The results further indicate that tax socialization does not moderate the relationships between the independent variables and individual taxpayer compliance, suggesting that it neither strengthens nor weakens these relationships. These findings imply that improving taxpayer awareness and tax knowledge can enhance compliance. However, this study is limited by its reliance on self-administered questionnaires, which may have introduced misunderstandings and response bias. Future research should consider supervised data collection methods and explore additional factors influencing taxpayer compliance.

INTRODUCTION

In Indonesia, taxes are one of the sources of state revenue. To improve taxpayer compliance, the tax authorities continue to innovate in the development of digital tax administration technology (Hidayat & Inayati, 2025; Maisyura et al., 2025; Mapuasari et al., 2023; Muttiwijaya et al., 2025; Rahayu, 2023; Saragih et al., 2023). The digitalization of tax administration carried out by the Directorate General of Taxes (DJP) is an effort to support the government in achieving state revenue targets from taxes (Arianty, 2024; Hapsari & Putra, 2025; Mara & Munandar, 2025; Pasaribu et al., 2022; Pratama & Nuryanah, 2026). Coretax is claimed to be able to improve tax compliance through digitalization that provides the effect of easy access to services in tax administration activities. In addition, Coretax makes services more transparent, integrated, and efficient. Coretax simplifies registration, reporting, and data updates, reduces manual errors, and speeds up administration, so that it is expected to reduce the level of tax evasion and encourage timely payment of tax bills (Aprilani & Astuti, 2025). Coretax provides taxpayers with access to monitor the status of their tax filings and receive real-time information regarding their tax obligations. Furthermore, with its integrated system, Coretax can assist the government in optimizing tax oversight and control by providing more accurate and easily accessible reports and data (Maliki, 2025). However, during the initial phase of the Coretax system implementation, several significant technical issues and obstacles emerged, which were complained about by taxpayers, such as difficulty accessing the system, payment and reporting issues, slow responses, and periodic errors. These issues persisted until the end of the year. This resulted in a decline in state revenue due to delays in tax receipts. The process of technological transition poses a significant challenge for taxpayers, particularly for individuals who lack familiarity with digital systems, necessitating continuous education and outreach initiatives to enhance the utilization of Coretax (Aprilani & Astuti, 2025). The adherence of individual taxpayers plays a crucial role in the achievement of tax revenue and state revenue objectives, which has prompted the author to investigate the level of enthusiasm exhibited by taxpayers in fulfilling their tax obligations.

The urgency of this research stems from several critical factors. First, the Indonesian government has invested substantial resources in developing and implementing the Coretax system, yet its effectiveness in improving compliance remains empirically untested in the Greater Jakarta context. Second, the persistent technical issues during the initial implementation phase may have negatively affected taxpayer perceptions and compliance behavior, requiring empirical investigation. Third, tax revenue targets continue to increase annually, making taxpayer compliance a critical factor for national development. Fourth, the unique characteristics of the DKI Jakarta area-as the economic center of Indonesia with high population density and diverse taxpayer profiles-make it an important setting for understanding compliance behavior. Fifth, without empirical evidence on which factors truly affect compliance in the Coretax era, tax authorities may misallocate resources in their compliance improvement strategies.

The novelty of this research lies in several aspects. First, this study focuses on the newly implemented Coretax system, which has not been extensively studied in the academic literature, particularly in the context of individual taxpayers in the Greater DKI Jakarta area. Second, the research employs tax socialization as a moderating variable across four distinct relationships (Coretax system, understanding of taxes, taxpayer awareness, and moral obligation), providing a more comprehensive analysis of how socialization interacts with different compliance determinants. Third, income level is included as a control variable to account for economic capacity differences, which is particularly relevant in the economically diverse Jakarta area. Fourth, the study uses PLS-SEM, which is appropriate for complex models with moderating effects and does not require strict normality assumptions. Fifth, this research provides comparative insights by discussing findings in relation to previous studies, identifying both convergent and divergent results. The purpose of this study is to analyze the factors that influence individual taxpayer compliance in the implementation of the Coretax system, with tax socialization as a moderating variable and income level as a control variable. The contributions of this research include providing empirical evidence for tax authorities to design targeted compliance improvement strategies, enriching the tax compliance literature in the context of digital tax administration, and offering practical recommendations for enhancing the effectiveness of tax socialization programs. The specific objectives are to test both direct and moderating effects of the proposed relationships. The benefits are both theoretical (advancing attribution theory in the tax compliance context) and practical (informing DJP policies for Coretax optimization).

Attribution theory functions as an advanced psychological construct that reveals how people perceive and understand the deeper causes or motivations linked to particular events or the behavior of different individuals. The research by Haryanti et al., (2022) suggests that attribution theory was initially articulated and brought to the attention of the scholarly community in the year 1958 by the respected psychologist Fritz Heider, whose foundational work inspired later research in this fascinating topic. The framework of attribution theory provides a comprehensive understanding of how the cognitive process of attribution enables individuals to make sense of the reasons behind the occurrence of particular events or the manifestation of specific behaviors, categorizing these explanations into two distinct dimensions: situational factors, which pertain to external circumstances surrounding the event, and dispositional factors, which relate to the intrinsic characteristics or traits of the individual involved.

Individual taxpayer compliance is the level of an individual's willingness to fulfill their tax obligations in accordance with statutory provisions, which includes registration, calculation, payment, and reporting of taxes correctly, completely, and on time (DJP, 2023). According to Afrida and Kusuma (2022), taxpayer compliance is the behavior of taxpayers in fulfilling or complying with applicable tax provisions in accordance with statutory regulations. This compliance is reflected in the taxpayer's willingness to comply with tax regulations, complete and submit tax forms correctly and completely, and calculate, pay, and report taxes owed in a timely manner. Overall, individual taxpayer compliance is a multidimensional phenomenon influenced by cognitive, emotional, and structural factors.

The implementation of Coretax provides convenience through simplified administrative procedures and the provision of more intuitive digital service channels. Coretax is a Core Tax Administration System (SIAP) developed through the Core Tax Administration System Update Project (PSIAP) based on Presidential Regulation Number 40 of 2018. It aims to modernize and simplify tax administration by integrating all core business processes, thereby increasing efficiency, transparency, and convenience for both taxpayers and tax authorities.

Juliani and Sumarta (2021) define taxpayer understanding of tax regulations as a state in which taxpayers understand established taxation and apply that understanding in paying taxes. Tax understanding also plays a key role in determining taxpayer compliance. the level of understanding that individuals possess regarding tax matters significantly influences their propensity to comply with tax obligations, as those individuals who exhibit a sufficient depth of knowledge concerning taxation are demonstrably more inclined to cultivate a favorable perception of the overall tax system, possess a clearer understanding of their entitlements, and maintain a heightened awareness of the potential repercussions associated with non-compliance, including the risks of sanctions for non-compliance.

Taxpayer cognizance presents an exceedingly formidable challenge to comprehend and actualize, especially when one considers that the characterization of taxation is rendered significantly ambiguous or incomplete in the absence of a crucial element of compulsion that inherently compels individuals to fulfill their fiscal duties. This observation elucidates the profound understanding that the act of remitting taxes should not be perceived merely as a voluntary undertaking devoid of obligation; rather, it is, in essence, a deliberate and conscious engagement that citizens partake in, (Juliani and Sumarta, 2021). This assertion articulates a comprehensive comprehension that the citizenry, as integral members of the socio-economic fabric, is not only encouraged but indeed obligated to fulfill their tax responsibilities in a manner that is both willing and intentional, serving as a manifestation of the overarching ethos of collaboration and national solidarity that is fundamentally aimed at fostering and advancing the collective welfare of the national economy.

Moral obligation, which can be comprehensively characterized as the intrinsic set of principles and ethical standards that govern an individual's behavior and decision-making processes, encompasses a broad spectrum of life principles, ethical considerations, emotional responses such as feelings of guilt, and the voluntary execution of responsibilities that one assumes, responsibilities that may not necessarily be shared by others but are uniquely held by an individual, particularly in contexts that subsequently relate to the adherence of taxpayers in meeting their fiscal responsibilities and obligations to the state (Juliani and Sumarta, 2021).

According to Haryanti et al. (2022), it is evident that tax outreach constitutes a significant component of the multifaceted initiatives undertaken by the Directorate General of Taxes, which are aimed at imparting a thorough understanding, disseminating pertinent information, and providing essential guidance to the general populace in relation to a wide array of issues concerning tax regulations and legislative frameworks. Furthermore, should tax officials effectively and accurately communicate the principles and objectives of tax outreach initiatives, it is anticipated that taxpayers will acquire a profound understanding of the critical importance associated with fulfilling their tax obligations, which, in turn, will lead to a marked enhancement in the overall compliance rates among taxpayers.

Income level refers to the amount of income earned by an individual within a certain period and reflects the taxpayer's economic capacity. In taxation, income level is an important indicator of a taxpayer's ability to fulfill tax obligations. Higher income levels generally lead to greater tax liabilities and a stronger capacity to contribute to government revenue. According to Hamilah and Fricilia (2023), income includes any increase in economic benefits received by taxpayers, such as salaries, wages, allowances, bonuses, commissions, pensions, and other forms of compensation. In tax compliance research, income level is frequently used as a control variable.

Research Hypothesis

The Effect of the Core Tax System on Individual Taxpayer Compliance

The implementation of the Core Tax System is expected to improve the efficiency and accessibility of tax administration services, making it easier for taxpayers to fulfill their obligations. Empirical evidence provided by Apriliani and Astuti (2025) demonstrates that the implementation of the Coretax application positively and significantly affects taxpayer compliance ($\beta = 0.457$, $p = 0.001$). This finding suggests that a well-functioning digital tax system can encourage higher levels of taxpayer compliance. Therefore, the following hypothesis is proposed:

H1: The Core Tax System has a positive effect on Individual Taxpayer Compliance.

The Moderating Role of Tax Socialization on the Relationship between the Core Tax System and Individual Taxpayer Compliance

Hartinah et al. (2023) found that tax socialization significantly moderates and strengthens the effect of tax system modernization on taxpayer compliance. This indicates that taxpayers who receive adequate tax socialization are more likely to understand and utilize modern tax systems effectively, thereby increasing compliance. Therefore, the following hypothesis is proposed: Therefore, the following hypothesis is proposed:

H2: Tax Socialization moderates the relationship between the Core Tax System and Individual Taxpayer Compliance.

The Effect of Understanding Taxes on Individual Taxpayer Compliance

Tax knowledge is considered one of the key determinants of taxpayer compliance, as it enables taxpayers to understand tax regulations, procedures, rights, and obligations. Taxpayers with a higher level of tax knowledge are more likely to comply with tax requirements because they are better equipped to fulfill their obligations accurately and on time. Previous research conducted by Airlangga and Jati (2025) found that tax knowledge has a positive effect on taxpayer compliance. This finding is supported by Appiah et al. (2024) and is consistent with the study of Afrida and Kusuma (2022), which demonstrated that higher levels of taxpayer understanding lead to greater taxpayer compliance. Therefore, the following hypothesis is proposed:

H3: Understanding Taxes has a positive effect on Individual Taxpayer Compliance.

The Moderating Role of Tax Socialization on the Relationship between Understanding Taxes and Individual Taxpayer Compliance

Tax socialization serves as an important mechanism for enhancing taxpayers' understanding of tax regulations and obligations. Through effective socialization programs, taxpayers can acquire relevant tax knowledge, which may subsequently encourage greater compliance. Empirical evidence from Avida and Ernandi (2024) demonstrates that tax socialization strengthens the relationship between tax knowledge and taxpayer compliance. This finding suggests that the positive effect of tax knowledge on compliance becomes stronger when taxpayers receive adequate tax socialization. Therefore, the following hypothesis is proposed:

H4: Tax Socialization moderates the relationship between Understanding Taxes and Individual Taxpayer Compliance.

The Effect of Taxpayer Awareness on Individual Taxpayer Compliance

Taxpayer awareness refers to the willingness of taxpayers to fulfill their tax obligations voluntarily. Higher awareness encourages taxpayers to recognize the importance of taxes in supporting public services and national development. Therefore, the following hypothesis is proposed:

H5: Taxpayer Awareness has a positive effect on Individual Taxpayer Compliance.

The Moderating Role of Tax Socialization on the Relationship between Taxpayer Awareness and Individual Taxpayer Compliance

Taxpayer awareness reflects an individual's willingness to fulfill tax obligations voluntarily and contributes to the effectiveness of the tax system. Tax socialization can further enhance this awareness by providing taxpayers with information regarding the importance of taxation and their responsibilities as citizens. Hartinah et al. (2023) provided empirical evidence that tax socialization moderates and strengthens the relationship between taxpayer awareness and individual taxpayer compliance at the North Makassar Primary Tax Office (KPP). These findings suggest that the positive effect of taxpayer awareness on compliance becomes stronger when taxpayers receive adequate tax socialization. Therefore, the following hypothesis is proposed:

H6: Tax Socialization moderates the relationship between Taxpayer Awareness and Individual Taxpayer Compliance.

The Effect of Moral Obligation on Individual Taxpayer Compliance

Moral obligation is regarded as an internal factor that influences taxpayers' behavior in fulfilling their tax obligations. According to Attribution Theory, individual behavior is shaped by internal factors, including personal values, ethics, and a sense of responsibility. Taxpayers with a strong moral obligation tend to perceive tax compliance as a personal duty and are therefore more likely to comply voluntarily. Empirical evidence provided by Juliani and Sumarta (2021) supports this view, demonstrating that moral obligation plays an important role in encouraging individual taxpayer compliance. Therefore, the following hypothesis is proposed:

H7: Moral Obligation has a positive effect on Individual Taxpayer Compliance.

The Moderating Role of Tax Socialization on the Relationship between Moral Obligation and Individual Taxpayer Compliance

Tax socialization plays an important role in strengthening taxpayers’ understanding of their rights and obligations, while also reinforcing ethical values related to tax compliance. Through effective tax socialization, taxpayers may develop a stronger sense of responsibility and commitment to fulfilling their tax obligations. Nasrul (2020) found that tax socialization moderates and strengthens the effect of moral obligation on taxpayer compliance. This finding suggests that taxpayers with a higher level of moral obligation are more likely to comply with tax regulations when supported by adequate tax socialization. Therefore, the following hypothesis is proposed:

H8: Tax Socialization moderates the relationship between Moral Obligation and Individual Taxpayer Compliance.

METHOD

This study was conducted using a quantitative research method aimed at explaining the causal relationship between independent and dependent variables through empirical hypothesis testing. This method was chosen because the study focuses on examining the influence of factors theoretically and empirically assumed to influence the level of individual taxpayer compliance. The independent variables used in this study consist of taxpayer awareness, tax understanding, moral obligation, and the Coretax system, while the dependent variable is individual taxpayer compliance.

Sampling Method

This study used primary data, obtained directly from the source. Data were collected from individual taxpayers by distributing a questionnaire to a sample of taxpayers via Google Forms. All variables were measured using a five-level Likert scale. The sampling method used in this study was non-probability sampling with a purposive sampling technique. This purposive sampling technique was chosen because the researcher established specific criteria to ensure the sample obtained met the research objectives (Sugiyono, 2022). The respondent criteria used in this study are as follows:

1. Individual Taxpayers (WPOP) in DKI Jakarta.
2. Taxpayers who already have a Taxpayer Identification Number (NPWP).
3. Taxpayers who have fulfilled their tax obligations, both in paying and reporting taxes.

This study utilizes a purposive sampling technique to obtain a sample that is not only representative but also highly relevant in reflecting the actual state of taxpayer compliance. To examine the effects between variables, inferential analysis is applied to make population predictions based on the sampled data. Specifically, Partial Least Squares - Structural Equation Modeling (PLS-SEM) is utilized to evaluate both the measurement model (outer model) and the structural model (inner model). This complex data computation process is executed using SmartPLS version 4.1.1.8 to ensure both efficiency and analytical precision.

Hypothesis Test Design Analysis

The hypothesis test design in this study is as follows:

$$\mathbf{KepWP} = \alpha + \beta_1\, \mathbf{Sc} + \beta_2\, (\mathbf{Sc \times Msp}) + \beta_3\, \mathbf{Pp} + \beta_4 (\mathbf{Pp \times Msp}) + \beta_5\, \mathbf{Kdp} + \beta_6\, (\mathbf{Kdp \times Msp}) + \beta_7\, \mathbf{Km} + \beta_8 (\mathbf{Km \times Msp}) + \beta_9 \mathbf{Ktp} + \varepsilon$$

Sc	= Coretax System	Msp	= Tax Socialization (moderation)
Pp	= Tax Understanding	Ktp	= Income Level (control)
Kdp	= Taxpayer Awareness	KepWP	= Individual Taxpayer Compliance
Km	= Moral Obligation	ε	= Standard Error

The hypothesis design has an error rate of (α) alpha = 5% or 0.05, and the testing criteria, if sig≥0.05, then H_o is accepted, meaning it is not significant; then if sig < 0.05, then H_o is rejected, meaning significant.

RESULT AND DISCUSSION

PLS-SEM Model Development

The PLS-SEM model development framework is tailored to maximize the explained variance of the dependent variable by its independent counterparts. This procedure delineates a structural network connecting exogenous and endogenous latent variables across direct relationships as well as moderating interactions. PLS-SEM offers substantial flexibility concerning data distribution assumptions and sample sizes, rendering it a premier methodology for theory advancement and intricate predictive modeling. Consequently, the validity of the model framework is rigorously assessed through statistical metrics, including path coefficients, R - Square values, and significance testing derived from bootstrapping procedures.

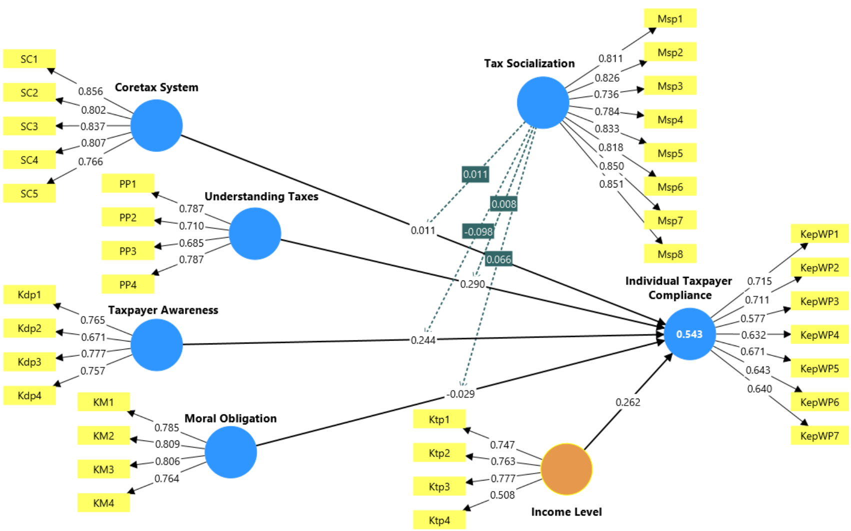

Figure 1. Model SEM 1: Before Adjustment

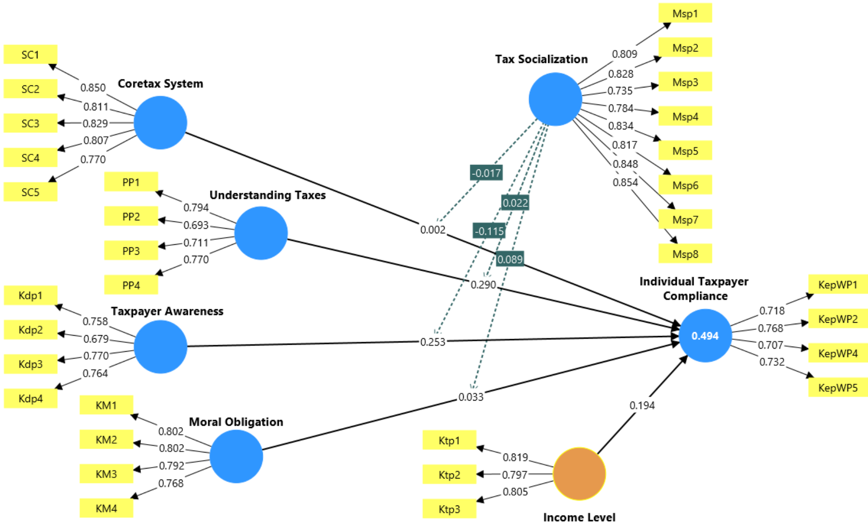

Figure 2. Model SEM 2: After Adjustment

The model was adjusted due to several indicators having loading factors below 0.60, specifically within the Income Level (Ktp4) and Individual Taxpayer Compliance (KepWP3) and also indicator (KepWP4, and KepWP7) constructs. These low loadings compromised the reliability and validity of the model, causing the Average Variance Extracted (AVE) value for Individual Taxpayer Compliance to fall < 0.50 threshold. Consequently, these indicators were eliminated to improve the AVE values and ensure model validity.

Table 1. Outer Loading Test

Variable	Cortex System	Income Level	Individual Taxpayer Compliance	Moral Obligation	Tax Socialization	Taxpayer Awareness	Understanding Taxes	Descriptions
SC1	0.850							Valid
SC2	0.811							Valid
SC3	0.829							Valid
SC4	0.807							Valid
SC5	0.770							Valid
Ktp1		0.819						Valid
Ktp2		0.797						Valid
Ktp3		0.805						Valid
KepWP1			0.718					Valid
KepWP2			0.768					Valid
KepWP4			0.707					Valid
KepWP5			0.732					Valid
KM1				0.802				Valid
KM2				0.802				Valid
KM3				0.792				Valid
KM4				0.768				Valid
Msp1					0.809			Valid
Msp2					0.828			Valid
Msp3					0.735			Valid

Variable	Cortex System	Income Level	Individual Taxpayer Compliance	Moral Obligation	Tax Socialization	Taxpayer Awareness	Understanding Taxes	Descriptions
Msp4					0.784			Valid
Msp5					0.834			Valid
Msp6					0.817			Valid
Msp7					0.848			Valid
Msp8					0.854			Valid
Kdp1						0.758		Valid
Kdp2						0.679		Valid
Kdp3						0.770		Valid
Kdp4						0.764		Valid
PP1							0.794	Valid
PP2							0.693	Valid
PP3							0.711	Valid
PP4							0.770	Valid

Source: Output SmartPLS 4, Processed data (2026)

The results of the outer loading test indicate that all measurement items meet the convergent validity requirements. The loading values range from 0.679 to 0.854, which are above the minimum acceptable criterion of 0.60 (Wiyono, 2020). The highest loading value is observed for indicator Msp8 (0.854), while the lowest loading value is found for indicator Kdp2 (0.679). Since all indicators exceed the required threshold, none of the items were removed from the model. In addition, all constructs exhibit AVE values > 0.50, indicating that the latent variables explain more than half of the variance in their respective indicators (Haryono, 2016). These findings confirm that the measurement model possesses adequate convergent validity and is suitable for subsequent reliability and structural model evaluation.

Table 2. Realibility Test

Variable	Cronbach's Alpha	Composite Reliability (rho_a)	Composite Reliability (rho_c)	Average Variance Extracted (AVE)	Descriptions
Coretax System	0.873	0.874	0.907	0.663	Reliable
Income Level	0.736	0.744	0.849	0.651	Reliable
Individual Taxpayer Compliance	0.713	0.719	0.822	0.535	Reliable
Moral Obligation	0.803	0.814	0.870	0.626	Reliable
Tax Socialization	0.927	0.931	0.940	0.663	Reliable
Taxpayer Awareness	0.729	0.731	0.832	0.553	Reliable
Understanding Taxes	0.728	0.729	0.831	0.552	Reliable

Source: Output SmartPLS 4, Processed data (2026)

The results provide strong evidence of the measurement model's reliability and convergent validity. Specifically, all constructs exhibit Cronbach's alpha and Composite Reliability values > 0.70, confirming satisfactory internal consistency. In addition, all Average

Variance Extracted (AVE) > 0.50, indicating that the latent constructs explain more than half of the variance of their respective indicators. Collectively, these findings suggest that the measurement model possesses adequate psychometric properties and is suitable for subsequent structural model analysis.

Table 3. R - Square Test

Variable	R-square	R-square Adjusted
Individual Taxpayer Compliance	0.494	0.471

Source: Output SmartPLS 4, Processed data (2026)

Table 3 presents the coefficient of determination (R^2) for the endogenous construct, namely Individual Taxpayer Compliance. The R-square value is 0.494, while the adjusted R-square value is 0.471. These results indicate that 49.4% of the variance in Individual Taxpayer Compliance can be explained by the independent variables included in the research model. The remaining 50.6% of the variance is attributable to other factors not examined in this study. Therefore, the model demonstrates a moderate level of explanatory power in predicting Individual Taxpayer Compliance.

Table 4. Cross Loading Test

Variable	Moral Obligation	Taxpayer Awareness	Individual Taxpayer Compliance	Income Level	Tax Socialization	Understanding Taxes	Coretax System
KM1	0.802	0.534	0.518	0.476	0.530	0.528	0.428
KM2	0.802	0.618	0.422	0.538	0.474	0.571	0.404
KM3	0.792	0.641	0.445	0.509	0.491	0.572	0.455
KM4	0.768	0.554	0.334	0.530	0.524	0.523	0.426
Kdp1	0.591	0.758	0.489	0.490	0.440	0.515	0.393
Kdp2	0.489	0.679	0.467	0.462	0.430	0.529	0.393
Kdp3	0.584	0.770	0.504	0.556	0.537	0.614	0.429
Kdp4	0.531	0.764	0.467	0.523	0.536	0.606	0.399
KepWP1	0.395	0.471	0.718	0.431	0.367	0.424	0.320
KepWP2	0.499	0.556	0.768	0.471	0.328	0.550	0.298
KepWP4	0.380	0.433	0.707	0.375	0.375	0.485	0.303
KepWP5	0.323	0.419	0.732	0.357	0.342	0.373	0.349
Ktp1	0.413	0.470	0.408	0.819	0.391	0.330	0.280
Ktp2	0.517	0.542	0.412	0.797	0.503	0.466	0.377
Ktp3	0.603	0.623	0.525	0.805	0.493	0.595	0.357
Msp1	0.487	0.518	0.376	0.451	0.809	0.480	0.538
Msp2	0.529	0.531	0.387	0.457	0.828	0.499	0.574
Msp3	0.520	0.477	0.330	0.455	0.735	0.489	0.529
Msp4	0.476	0.555	0.413	0.465	0.784	0.461	0.472
Msp5	0.511	0.538	0.450	0.529	0.834	0.506	0.555
Msp6	0.540	0.521	0.374	0.465	0.817	0.484	0.530
Msp7	0.505	0.542	0.351	0.457	0.848	0.499	0.568
Msp8	0.585	0.570	0.421	0.468	0.854	0.560	0.563

Variable	Moral Obligation	Taxpayer Awareness	Individual Taxpayer Compliance	Income Level	Tax Socialization	Understanding Taxes	Coretax System
PP1	0.563	0.586	0.489	0.488	0.419	0.794	0.424
PP2	0.505	0.551	0.442	0.374	0.480	0.693	0.408
PP3	0.455	0.539	0.506	0.374	0.425	0.711	0.436
PP4	0.535	0.586	0.438	0.516	0.498	0.770	0.465
SC1	0.446	0.468	0.342	0.331	0.552	0.464	0.850
SC2	0.483	0.425	0.373	0.369	0.538	0.491	0.811
SC3	0.472	0.468	0.312	0.328	0.538	0.510	0.829
SC4	0.464	0.464	0.324	0.434	0.586	0.476	0.807
SC5	0.343	0.392	0.387	0.260	0.490	0.437	0.770

Source: Output SmartPLS 4, Processed data (2026)

The results of the cross-loading analysis confirm the establishment of discriminant validity within the measurement model. According to Wiyono (2020), discriminant validity is achieved when each indicator exhibits a higher loading on its assigned construct than on any other construct. As shown in Table 4, all indicators load more strongly on their respective constructs than on the remaining constructs, indicating that the indicators effectively represent their intended latent variables. This pattern suggests that the constructs possess adequate uniqueness and are empirically distinguishable from one another.

Table 5. F-Square Test

Variable	Individual Taxpayer Compliance
Coretax System	0.000
Income Level	0.034
Moral Obligation	0.001
Tax Socialization	0.001
Taxpayer Awareness	0.033
Understanding Taxes	0.048

Source: Output SmartPLS 4, Processed data (2026)

Table 4.5 presents the effect size (f^2) values of the exogenous variables on Individual Taxpayer Compliance. The results show that Understanding Taxes has the largest effect size (0.048), followed by Income Level (0.034) and Taxpayer Awareness (0.033). Meanwhile, Moral Obligation (0.001) and Tax Socialization (0.001) contribute only marginally to the endogenous variable, while the Coretax System shows no contribution (0.000). Overall, the effect sizes of all exogenous variables are relatively low, indicating that their individual contributions to explaining Individual Taxpayer Compliance are limited. Therefore, other factors not included in the model may play a more substantial role in influencing taxpayer compliance behavior.

Table 6. Path Coefficient Test

Hubungan	T-statistic	P-value	Keputusan
Coretax System → Individual Taxpayer Compliance	0.020	0.492	Tidak Signifikan
Income Level → Individual Taxpayer Compliance	2.317	0.010	Signifikan
Moral Obligation → Individual Taxpayer Compliance	0.330	0.371	Tidak Signifikan
Tax Socialization → Individual Taxpayer Compliance	0.252	0.401	Tidak Signifikan
Tax Socialization × Coretax System → Individual Taxpayer Compliance	0.230	0.409	Tidak Signifikan
Tax Socialization × Moral Obligation → Individual Taxpayer Compliance	0.756	0.225	Tidak Signifikan
Tax Socialization × Taxpayer Awareness → Individual Taxpayer Compliance	0.804	0.211	Tidak Signifikan
Tax Socialization × Understanding Taxes → Individual Taxpayer Compliance	0.203	0.420	Tidak Signifikan
Taxpayer Awareness → Individual Taxpayer Compliance	2.607	0.005	Signifikan
Understanding Taxes → Individual Taxpayer Compliance	3.068	0.001	Signifikan

Source: Output SmartPLS 4, Processed data (2026)

The hypothesis testing results indicate that Taxpayer Awareness and Understanding Taxes have a positive and significant effect on Individual Taxpayer Compliance. Taxpayer Awareness demonstrates a path coefficient of 0.253 ($t = 2.607$, $p = 0.005$), while Understanding Taxes exhibits a path coefficient of 0.290 ($t = 3.068$, $p = 0.001$). These findings suggest that higher levels of taxpayer awareness and tax understanding are associated with greater taxpayer compliance.

Conversely, the Coretax System, Moral Obligation, and Tax Socialization do not significantly influence Individual Taxpayer Compliance, as evidenced by p-values exceeding the significance < of 0.05. Therefore, the proposed relationships involving these variables are not supported. Regarding the moderating effects, Tax Socialization does not significantly moderate the relationships between Coretax System, Moral Obligation, Taxpayer Awareness, Understanding Taxes, and Individual Taxpayer Compliance. All interaction terms produce p-values > 0.05, indicating that Tax Socialization does not strengthen or weaken the effects of these variables on taxpayer compliance.

As a control variable, Income Level was included in the model to account for differences in taxpayers' economic conditions. The results show that Income Level has a positive and significant effect on Individual Taxpayer Compliance ($\beta = 0.194$, $t = 2.317$, $p = 0.010$). This finding suggests that taxpayers with higher income levels tend to exhibit higher levels of tax compliance. However, because Income Level serves as a control variable, this relationship is interpreted as a supporting finding rather than as a primary hypothesis of the study.

Table 7. Q-Square Test

Variable	Q^2predict	RMSE	MAE
Individual Taxpayer Compliance	0.360	0.830	0.571

Source: Output SmartPLS 4, Processed data (2026)

Table 7 shows that the Q^2predict value for Individual Taxpayer Compliance is 0.360. Because the value exceeds zero, the model is considered to have predictive relevance. This result indicates that the exogenous variables included in the model are capable of predicting Individual Taxpayer Compliance. Moreover, the RMSE and MAE values of 0.830 and 0.571, respectively, suggest that the model produces an acceptable level of prediction error. Therefore, the structural model demonstrates adequate predictive capability and can be considered reliable for predicting Individual Taxpayer Compliance (Model fit).

CONCLUSION

The findings demonstrate that taxpayer awareness and understanding taxes has positive significantly enhance individual taxpayer compliance, indicating that taxpayers who possess greater awareness of their tax responsibilities and a better understanding of tax regulations are more likely to comply with their tax obligations. Conversely, moral obligation, the Coretax System, and tax socialization do not influence taxpayer compliance. Furthermore, tax socialization does not moderate the relationships between the independent variables and taxpayer compliance. These findings suggest that existing tax socialization initiatives may not be sufficiently effective in strengthening the impact of awareness, moral considerations, tax knowledge, or technological systems on compliance behavior. In addition, income level is found to positively influence taxpayer compliance, implying that higher-income taxpayers tend to exhibit greater compliance. Theoretically, this study contributes to the tax compliance literature by highlighting the dominant role of cognitive factors, particularly taxpayer awareness and tax understanding, in shaping compliance behavior. Practically, the findings suggest that tax authorities should prioritize educational programs and awareness campaigns aimed at improving taxpayers' understanding of taxation and fostering voluntary compliance. Nevertheless, this study imply that tax authorities should prioritize strategies aimed at enhancing taxpayer awareness and tax knowledge to improve compliance levels. The positive role of income level also indicates that economic capacity remains an important factor in shaping compliance behavior. However, this study is subject to certain limitations. Since respondents completed the questionnaire independently without direct assistance from the researcher, there is a possibility that some questions were misunderstood, potentially leading to response bias. Future research is therefore encouraged to employ supervised data collection methods or incorporate interviews to improve response accuracy. Future research may expand the geographical coverage, employ longitudinal approaches, and explore additional determinants of taxpayer compliance to provide a more comprehensive understanding of compliance behavior.

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