Taxpayer Moral Integrity In Tax Amnesty (Case Study On Luwuk)

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Abstract

This study aims to evaluate the impact of the Tax Amnesty programme on taxpayers' moral integrity and tax compliance in Luwuk City, Central Sulawesi, Indonesia. The issue addressed is the extent to which the programme affects people's tax behaviour, taking into account concerns about transparency and policy effectiveness. The sample consists of five purposively selected informants, who represent different sectors of the economy and have direct experience with the Tax Amnesty programme. This research focuses on in-depth observation by conducting interviews of the case studies. The results show a marked change in the informants' moral integrity and tax compliance after participating in Tax Amnesty Phase II. This research contributes to a deeper understanding of how tax amnesty policies influence taxpayer behaviour and its implications in formulating a more effective and equitable tax policies.

Keywords: Tax Amnesty, Tax Morale, Taxpayer Perception, Taxpayer Compliance

Introduction

The Indonesian government continues to change the taxation system to adapt to economic development and maximize tax revenue, which is the primary source of state income (Erero, 2021). With the increasing need for tax revenue, motivating individuals to utilize all available resources is necessary. A fiscal consolidation strategy focusing on improving the budget deficit and increasing the tax ratio is crucial. This includes implementing tax collection efficiency policies, reforming tax administration, and developing a fair and specific tax system (Gultom, Nurika, Pratama, & Wijaya, 2022).

Although the government has established various tax policies, many taxpayers still avoid their tax obligations, either intentionally or unintentionally. Common violations, such as failure to file tax returns and depositing taxes often occur despite government sanctions. To address this problem, the government introduced Law No. 11/2016 on Tax Amnesty.

Tax Amnesty program aims to improve low taxpayer compliance in Indonesia by eliminating tax payables, administrative sanctions, and criminal sanctions on unreported assets in exchange for a ransom payment (Sayidah, Assagaf, & Ntim, 2019). This program is expected to increase public confidence in taxes and attract funds parked abroad. In Tax Amnesty Volume I, the government targeted revenue of IDR 165 trillion. As a result, we reached 97.2 trillion rupiahs in its first period followed by 12.3 trillion in the second, and 2.5 trillion rupiahs in the third (Sari & Nuswantara, 2017).

Tax Amnesty Volume II, stipulated in Law Number 7 of 2021 concerning Harmonization of Tax Regulations, provides relief for taxpayers to voluntarily report unpaid taxes. The program runs from 1 January to 30 June 2022 and is aimed at both personal and corporate taxpayers. The government hopes to improve the financial deficit and increase tax revenue by offering this relief.
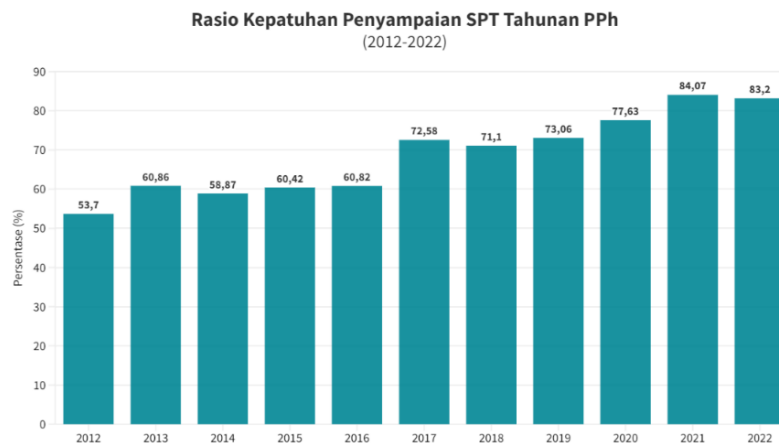
Figure 1: Compliance Ratio of Annual Income Tax Return Submission 2012- 2022
Source: Directorate General of Taxes Ministry of Finance

Based on Figure 1, taxpayer compliance in submitting Annual Income Tax Returns increase in 2016-2017 following the implementation of the first Tax Amnesty. Similarly, with the enactment of Tax Amnesty Volume II in 2022, the compliance rate for submitting tax returns for Income Tax is 83.2 percent. This ratio decreased by 0.87 percent compared to the previous year, which amounted to 84.07 percent. On the other hand, the realization of tax revenue has reached IDR1,716.8 trillion throughout 2022. This amount increased by 34.27 percent compared to 2021, which amounted to Rp1,278.6 trillion (Dataindonesia.id, 2023).

The implementation of tax amnesty policy is not something new. The Indonesian government has implemented a similar policy previously through the sunset policy in 2008. The policy proved to have a positive impact, as seen from the addition of 5. 653. 128 Taxpayer Identification Numbers (NPWP), 804. 814 Annual Tax Returns (SPT), as well as an increase in Income Tax (PPh) revenue of IDR 7.46 billion (Ragimun, n.d.). Some previous studies are related to tax amnesty policies. Success can be seen from how much tax is received by the government, and it is also important to see the number of people who participate and remain committed to the tax system in the future (Luitel & Sobel, 2007). Batrancea et al., (2019) conducted research in various countries before the implementation of the tax amnesty and found that trust strongly influences voluntary compliance in tax payments. Most studies applying the Slippery Slope Framework to examine tax compliance has been carried out in developed countries, as evidenced by the works of Kastlunger, Lozza, & Schabmann (2013), Kogler, Muehlbacher, & Kirchler (2015), Lisi (2012), Muehlbacher, Kirchler, & Schwarzenberger (2011), and Prinz, Muehlbacher, & Kirchler (2014). Most studies applying the Slippery Slope Framework to analyse tax compliance have been conducted in developed countries, as seen in the works. In a study conducted by McKerchar (2002) found that taxpayers often make significant errors, which causes them to the overreporting of their tax liabilities unfairly. This non-compliance occurs because they are trying to fulfil their tax obligations voluntarily. This research also shows that unintentional non-compliance is closely related to the complexity of the tax system. This complexity is largely due to the vagueness in the tax law as well as the large amount of information and explanatory material required.

Based on this explanation, this research will describe the compliance of several

taxpayers who have followed the Indonesian Government's policy, namely Tax Amnesty Volume I and II. This research focuses on taxpayers in Luwuk, Banggai Regency, Central Sulawesi Province because the area has a stable economy with a very strategic location so that it has various economic activities that occur in it, such as mining products, tourism, and advanced trade so that there is considerable tax potential that can be optimised through the tax amnesty program. This research focuses on the problem of tax behaviour in developing countries, where many taxpayers are not compliant, and many of them try to find ways to avoid paying taxes (James Alm & Torgler, 2011). In addition, the lack of proper tax information from the government can result in taxpayers paying less tax than they should (Kirchler & Maciejovsky, 2001). Based on a strategic area with a variety of natural beauty and natural resources available because Luwuk is the centre of the district, researchers are interested in the taxation activities that occur and the lack of information that discusses the taxation of Luwuk City. Luwuk City is a region in Indonesia where taxation-related research remains limited. This research will contribute to the tax compliance literature by highlighting the importance of moral behavior in influencing taxpayer compliance.

Literature Review

Theory of Planned Behavior
The Theory of Planned Behavior (TPB), developed by Icek Ajzen in 1991 (Ajzen, 1991), explains the relationship between a person's intention and their actual behaviour. TPB is a development of the Theory of Reasoned Action (TRA) with the addition of the concept of perceived behavioural control. TPB focuses on intention as the main factor influencing behaviour. This invention is formed by three main elements: attitude, subjective norms, and perceived behavioural control.

1. Attitude toward Behavior
   Attitude reflects an individual's assessment of certain behaviours. This attitude is based on beliefs about the expected consequences of behaviour and how positive or negative these results are. According to TPB, a person's attitude towards behaviour is formed through a rational evaluation of the benefits and disadvantages of the behaviour. For example, in the case of environmental behaviour, individuals who believe that the action brings benefits will develop a positive attitude toward the behaviour.

2. Subjective Norms
   Subjective norms refer to individuals' perceptions of the social pressure they feel to perform or not perform a behaviour. This involves the views of people considered essential, such as family or friends, about specific behaviours and how individuals feel motivated to meet their expectations. Subjective norms reflect social influences on a person's decision-making and actions.

3. Perceived Behavioral Control
   Perceived behavioural control reflects a person's perception of the ease or difficulty of acting. This includes beliefs about the availability of the necessary resources and opportunities, as well as individual confidence to overcome obstacles that may be encountered. The greater a person's perceived control, the greater his or her intention to carry out the behaviour.

The TPB is a relatively robust and easily understood theoretical framework for explaining and predicting human behaviour through their intentions. This theory has been widely applied in various studies examining human behaviour, especially health, environment, and social psychology.

Taxpayer Morale

Morality is an action based on societal norms and values, so every behavior refers to a standard that can then be judged as good or bad, right or wrong (Ho & Wong, 2008). Kohlberg's (1976 The' pre-conventional' (p-conventional) theory categorizes three stages of moral development: pre-conventional, conventional, and post-conventional. Pre-conventional refers to developing moral attitudes toward simple acts, while conventional involves focusing on personal behaviour and social responsibility. Post-conventional allows individuals to determine ethical values and principles and apply them freely, thus becoming morally intelligent.

In line with this moral development theory, Bailey and Plečnik (2020) suggest that taxpayers who fulfil tax obligations voluntarily and honestly are moral. They not only fulfil their tax obligations formally but also feel morally responsible for making a fair contribution to the state. The integration of these two views suggests that a person's level of moral development affects their tax compliance. Individuals at the post-conventional stage are more likely to be moral taxpayers because they understand and appreciate the importance of their contribution to society.

Moral taxpayers say taxes are an interest that must be fulfilled because taxes benefit taxpayers. Everyone has strong morality when complying with legal requirements (Yuniarta & Purnamawati, 2020). Taxpayers who use higher morality when making tax payment decisions will be more compliant than other taxpayers. Taxpayers with morality but different understandings will react in various ways to tax compliance (Cummings, Martinez-Vazquez, McKee, & Torgler, 2006). Highly moral taxpayers will act obediently in implementing Tax Amnesty, avoiding non-compliance (Gil, Holz, List, Simon, & Zentner, 2023).

Tax morale contributes to taxpayers' awareness of not avoiding their tax obligations. A lack of tax-related awareness encourages tax avoidance, indicating taxpayers' low morale (Saad, 2014). Most people pay their taxes as a formal obligation driven by personal ethical attitudes (Wenzel, 2005). Tax compliance is an action that is ultimately observed. Complying or not is not only the possibility of being detected but also depends on people's willingness to follow or avoid. Tax compliance is relatively high because it is supported by tax morale (Torgler, 2002). In this context, ethics is an attitude based on personal beliefs or habits of the surrounding environment (Wenzel, 2005). Thus, ethics can be internalized according to a group and reflected in the individual's response and behaviour.

Taxpayer Perception & Knowledge

Tax knowledge plays a vital role in determining tax compliance. Irawan & Turwanto (2020) If an individual has a positive impression of tax amnesty, then it is sure that this person understands the functions and benefits of tax amnesty. Thus, individual taxpayer compliance will increase. Tax knowledge is a standard of taxpayer awareness of tax laws and regulations (Oladipupo & Obazee, 2016). Tax insight is the ability of taxpayers to understand tax rules about the statutory rates to be paid and the functions of taxes that are useful for the common good (Saad, 2014).

Eriksen and Fallan (1996) emphasize that a person with a thorough knowledge of the general provisions of taxation is confident that he understands his tax obligations and is less likely to avoid applicable tax regulations. Kamleitner, Korunka, and Kirchler (2012) also stated that adequate tax knowledge will increase taxpayer compliance.

Based on the results of Rechberger, Hartner, Kirchler, and Hämmerle (2010), the impact of tax amnesty on tax compliance is indirect. Their research suggested that tax amnesty can restore social values that regulate tax honesty that may have been violated when doing tax avoidance. Thus, with the proper knowledge and understanding, taxpayers are more likely to see tax amnesty as an opportunity to rectify their mistakes and become more compliant.

Self-Assessment

The self-assessment method is a tax collection method that gives taxpayers the authority, trust, and responsibility to calculate, pay, and report the amount of tax to be paid themselves (Hantono, 2021). According to Simon and Clinton (2009), Self-assessment is a system in which taxpayers are responsible for determining their tax obligations without direct intervention from the tax authorities. This system's success relies heavily on taxpayers' compliance and integrity in reporting their income and calculating the tax due. The honesty of taxpayers when filling out the annual tax return is an essential factor in the self-assessment system. Palil (2005) identified that a lack of tax knowledge, awareness, and honesty among taxpayers often leads to incorrect and incomplete reporting of tax returns.

According to Hartinah, Sezgin et al. (2011), increasing taxpayer awareness will encourage more honest and accurate tax reporting. The integrity of the taxpayer's attitude to comply with regulations or submit to supervision and control arises from within or has an initiative without the need for pressure from any party. The government can also establish a policy of eliminating administrative sanctions to encourage taxpayers to report their tax obligations better.

Bird and Zolt (2008) Emphasize that the self-assessment system also requires support from tax authorities through counselling and education to taxpayers. This includes providing clear and easily accessible information on tax obligations and reporting procedures. Thus, taxpayers will be more confident in carrying out their duties and more likely to comply. In addition, according to Hite and Hasseldine (2003), information technology can play an essential role in supporting self-assessment systems. E-filing and online tax systems can improve the accuracy and efficiency of tax reporting and make it easier for taxpayers to fulfil their obligations.

Tax Compliance

According to Kirchler et al (2008), tax compliance is defined as a situation where taxpayers exercise their tax rights and meet all their tax obligations. Alm and Torgler (2011) further emphasized that the risk of detection and possible sanctions also contribute to tax compliance. Psychological factors such as tax morale, trust in government, and perceptions of the tax system's fairness also contribute to tax compliance. People with high tax morale and firm confidence in government institutions tend to comply more with tax obligations.

Taxpayer audits, law enforcement, and tax compensation shape taxpayer compliance. Effective audits and strict law enforcement can increase tax compliance (Rechberger et al., 2010). Tax compliance increased after the tax amnesty, especially if increased law enforcement efforts accompanied it.

Tax compliance is related to tax revenue. An increase in tax compliance can indirectly increase government revenue from taxation (Stead, Lesavre, Petzold, & Abdelghani, 2021). However, several factors can reduce tax compliance, such as conflicts of interest between individuals and the state, lack of taxpayer awareness, and poor financial conditions (Hajawiyah, Suryarini, Kiswanto, & Tarmudji, 2021).

Economic pressure can also affect taxpayer compliance. Taxpayers with financial problems are more likely to ignore their tax obligations than those with sound finances (Yuniarta & Purnamawati, 2020). However, stable and stable financial conditions do not always guarantee tax compliance (Loo, McKerchar, & Hansford, 2009). In addition, research from the OECD shows that tax morale, individuals' voluntary attitude, and willingness to pay taxes play a vital role in ensuring high tax compliance. The higher the morale and discipline of taxpayers, the higher their compliance with tax obligations.

Tax Amnesty Volumes I & II

According to the Minister of Finance Regulation, Number 118/PMK.03/2016 concerning the Implementation of Law Number 11 of 2016 concerning Tax AmnestyArticle 1 paragraph (2) states that tax amnesty is the elimination of taxes that should be owed, not subject to tax administrative sanctions and criminal sanctions in the field of taxation, by disclosing assets and paying ransom as stipulated in the Tax Amnesty Law. This program allows taxpayers to correct past mistakes and adopt social values that govern tax honesty (Rechberger et al., 2010).

The tax amnesty program also aims to improve tax compliance by encouraging taxpayers to report unreported wealth. The increased redemption rate encourages taxpayers to use the redemption program immediately (Irawan & Turwanto, 2020). Therefore, tax amnesty is essential to encourage taxpayers to become more honest and compliant in reporting and paying taxes in the future (Gil et al., 2023).

According to Baer dan Borgne (2008), the design and implementation of a tax amnesty program determine its success. In Indonesia, the Tax Amnesty Program Volume I in 2016-2017 was expected to increase the tax base and tax revenue by attracting previously non-compliant taxpayers to disclose their assets (Indonesia Investments, 2017). In 2021, Indonesia launched Tax Amnesty Program Volume II, the Voluntary Disclosure Program, which started on 1 January 2022 and continued until 30 June 2022. The program aims to continue improving tax compliance and state revenue. The program is a follow-up effort to the success of Volume I in disclosing previously undeclared assets and increasing tax compliance (Indonesia Investments, 2017).

Methodology

Type of Research

This research uses a qualitative approach. According to Creswell W John (2007), qualitative research is a type of research that originates from social or humanitarian problems and is used to describe, explore, and understand the meaning of the phenomenon. The data in this study was collected through in-depth interviews conducted by the researcher directly with the interviewees. The interviews were conducted face-to-face and on online communication platforms designed to explore the interviewees' understanding and experiences related to the Tax Amnesty program.

This research focuses on in-depth observation by conducting interviews on case studies related to taxpayers' moral integrity towards Tax Amnesty Volume I and II.

Interviews were conducted with resource persons with different characteristics and perspectives in responding to the tax amnesty program policy. Researchers also collected literature as reference materials, including journals, magazines, books, and other sources. Information from the interviewees complimented and complemented each other and was analyzed to produce an integrated and complete picture. The data collection tool is an interview guideline containing open-ended questions. The questions were developed based on literature related to Tax Amnesty, moral integrity, and tax compliance.

Research Location

This research was conducted in Luwuk City, the capital of Banggai Regency in Central Sulawesi Province, Indonesia. The city has a thriving economy driven by mining, trade, and tourism sectors. This research involves in-depth interviews with five interviewees who participated in the Tax Amnesty program. This research aims to evaluate the effectiveness of implementing the Tax Amnesty policy on the interviewees' moral integrity and tax compliance. By examining the views and experiences of different interviewees, this research aims to provide an in-depth understanding of the impact of the policy on the tax behaviour of people in Luwuk City. The results are expected to provide valuable insights for policymakers in designing a more effective and fair taxation program.

Research Informants

In this study, the selected informants are individuals directly involved with the Tax Amnesty program. This research focuses on five participants, comprising entrepreneurs and employees based in Luwuk City. Informants were selected based on several key criteria: having in-depth knowledge of the tax relief policy and its implementation, as well as their direct experience with its impact. In addition, the informants come from various economic sectors, providing diverse perspectives. They also have strategic positions in their respective companies, which allows for an in-depth view. This selection ensures that the data obtained is both relevant and comprehensive, helping to evaluate and understand the impact of the tax relief policy in Luwuk. Table 1 provides a summary of the informants.

Table 1: Background Informant Research

No	Type Of Business & Job	Location	Initial Informant
1	Automotive Entrepreneurs	Luwuk	HW
2	Mining	Luwuk	G
3	Shareholders	Luwuk	CW
4	Expedition Services	Luwuk	FG
5	Contractors	Luwuk	DT

Source: Data processed by researchers

Findings and Discussion

This study aims to understand how the Tax Amnesty Volume II program impacts taxpayers' moral integrity, particularly in terms of asset reporting and tax payment. Based on findings from several informants, it appears that while the program provides an opportunity for taxpayers to improve their compliance, responses to it are mixed. Some taxpayers took advantage of the opportunity to correct past mistakes, but others felt pressured by the size of the ransom or even tried to find loopholes to reduce their

liabilities. In general, the findings of this study are consistent with the Theory of Planned Behaviour (Ajzen, 1991). This highlights that attitudes toward behaviour, subjective norms, and perceived behavioural control influence a person's behaviour. In this study, informants' attitudes toward their tax obligations are influenced by several factors, including their perceptions of the tax system's fairness, social pressure from the surrounding environment, and ability to fulfil them correctly.

Taxpayer Morale Level

The Tax Amnesty program is designed to provide incentives for taxpayers to report unreported assets and correct errors in previous tax reporting. However, as this study found, most informants still experienced difficulties in understanding and complying with all tax provisions. Some informants, such as HW and CW, admitted they joined the program not because they were fully aware of the importance of paying taxes but because of pressure from the tax authorities and fear of heavier sanctions.

The findings show that Luwuk taxpayers vary in their morality stage regarding tax compliance, which can be analyzed through Kohlberg's Moral Stages. Some informants operate at the pre-conventional moral stage, where the decision to comply with tax rules is driven more by fear of punishment than moral awareness. Informant HW confirmed this: *"I joined this program not because of full awareness, but because of pressure from the tax authorities and fear of heavier sanctions."* Meanwhile, Informant G started to show a moral change after participating in the Tax Amnesty program: *"Since participating in Tax Amnesty, I am aware and much more concerned about how important it is to know every source of my income and assets."*

In the same context, other informants also show variations in their level of morality towards tax compliance. Informant CW, for example, is at the pre-conventional moral stage. He follows tax policies not based on moral awareness but because he is afraid of the legal sanctions he might receive if he does not comply, as he expressed: *"Like it or not, I have to follow the policy because I do not want to be audited by the tax authorities in the future because it can lead to criminal offences."* This perspective reflects that CW's primary motivation is driven more by fear of the consequences of non-compliance rather than awareness of her moral obligations.

Meanwhile, informant FG shows a higher moral maturity at the conventional stage. For FG, tax amnesty provides more than just protection from sanctions; it also provides long-term peace and security. His statement shows this: *"Tax Amnesty does not only prevent us from sanctions but also provides peace of mind and security in the long run."* This attitude indicates that FG understands the importance of the program not only as a hedge against tax risks but as a moral step to ensure future compliance and stability.

DT informants, who operate at the post-conventional stage in Kohlberg's Moral Stages, show a deeper understanding of tax obligations than those at the conventional stage. At the post-conventional stage, individuals see laws and rules not simply as social norms or external obligations but as reflections of higher moral and ethical principles. In other words, DT views tax compliance not just as a requirement set by the government or society but as part of a personal moral responsibility to contribute somewhat to the state and society.

For example, DT stated, *"I feel calmer and confident that all my tax obligations have been fulfilled correctly. It also makes me more confident that I have followed all the tax rules correctly."* This statement shows that his tax compliance is not just about avoiding punishment or following the rules to maintain a social reputation (as in the

conventional stage), but rather a personal belief that carrying out tax obligations is morally right.

In the conventional stage, as informant FG exemplifies, tax compliance is driven more by social norms and a sense of responsibility towards society. At this stage, FG acknowledges that her compliance with Tax Amnesty provides peace of mind and legal certainty, but it is still based on social judgment and self-protection from sanctions. Although FG understands tax benefits more broadly, her motivation to comply is still focused on conventional values, such as maintaining good relations with authorities and the environment.

In contrast, DTs in the post-conventional stage understand that tax compliance is a moral choice based on personal principles of fairness and responsibility, regardless of social norms or the threat of sanctions. DT's compliance no longer depends on external expectations but rather on the higher moral standards that he holds. This is a hallmark of the post-conventional stage, where individuals begin to judge rules based on universal principles, such as justice, human rights, and greater social responsibility, rather than simply meeting societal or authority expectations.

Thus, the main difference between the conventional and post-conventional stages can be seen in the focus on motivation. In the conventional stage, compliance is driven by social norms and the desire to avoid sanctions or maintain social relationships. In the post-conventional stage, compliance results from a more profound moral awareness, where individuals understand that tax obligations are part of their responsibility to contribute to collective welfare, regardless of personal or social consequences.

In the context of DT, he has gone beyond just "obeying" the rules because it is what is "expected"; instead, he chooses to obey. After all, he morally believes that it is the right thing to do.

Table 2: Analysis of Informants' Behavior Based on the Theory of Planned Behavior

Informant	Tax Compliance	Compliance Motivation	Kohlberg's Moral Development Stage	Perception of Tax Amnesty
CW	Some assets were not reported	External pressure	Pre-Conventional	Feels pressured and burdened by the penalties, acknowledges the mistake but still seeks ways to reduce tax obligations.
G	Neglectful and careless in reporting assets	Social pressure and responsibility	Conventional	Acknowledges negligence and feels burdened but attempts to improve future reporting.
HW	Reports only partial assets to reduce redemption fees	External pressure and formality	Pre-Conventional	Requests redemption fee reduction and feels burdened, only reports part of the assets.
FG	Initially hesitant but eventually reports assets fully	Social norms and responsibility	Conventional	Initially, I felt burdened, but I recognized the benefits of tax amnesty and chose to comply.
DT	Reports assets correctly and cooperates with a consultant	Moral awareness and personal principles	Post-Conventional	Do not feel burdened, realize the program's benefits, and consistently maintain tax compliance.

Source: Data processed by the researcher

The findings suggest that although the Tax Amnesty program offers taxpayers an opportunity to rectify their past mistakes, their motivation and morality vary, with most still operating at a lower moral level.

Theory of Planned Behavior (TPB) and Tax Compliance

In addition to moral analysis, this finding can be explained using the Theory of Planned Behavior (TPB), which suggests that taxpayers' behaviour is influenced by their attitudes toward tax, prevailing social norms, and perceived behavioural control. For example, Informant G felt that reporting assets was a responsibility that must be done, even though he did not fully understand his tax obligations. In conversation, G mentioned, *"I do not really care about tax obligations, so my confidant has always handled it."* This suggests that social pressure and perceptions of the prevailing norms around them, including dependence on others, play an essential role in taxpayers' decisions to comply with tax provisions. This aligns with Zolt's (2008) research, which states that the self-assessment system requires educational support to reduce dependence on other parties.

G also mentioned, *"Since participating in Tax Amnesty, I realize and care much more about how important it is to know every source of income and assets I obtain."* However, G's behavioural control remains low as he leaves his tax affairs to others. This is consistent with research from Eriksen and Fallan (1996) Which states that the level of tax knowledge affects taxpayers' attitudes toward compliance. However, after participating in the Tax Amnesty program, G began to realize the importance of tax compliance, which is in line with Saad (2014) Findings show that tax knowledge shapes taxpayers' attitudes toward taxes.

On the other hand, Informant DT showed more muscular behavioral control. He said, *"I always ensure my financial documents are complete and accurate. I also consult with a tax consultant to avoid missing anything."* This shows a higher level of awareness in ensuring that all financial documents are well prepared and even consulting a tax consultant to minimize the risk of errors. DT also mentioned, *"Since using e-filing, I find it easier to report my taxes without relying on others. The process is faster and clearer, so there is no excuse for not reporting taxes on time."* This shows a higher level of awareness in ensuring that all financial documents are properly prepared, even using technology such as e-filing to minimize the risk of errors. DT's experience supports Hite & Hasseldine (2003) Research has found that information technology, such as e-filing, can improve compliance through better control. DT emphasized, *"The ransom is not too big and does not burden me financially."* He realized the benefits of Tax Amnesty and showed a solid intention to comply, driven not only by external pressure but also by moral responsibility and personal awareness. This is consistent with the Theory of Planned Behaviour, where individuals with more muscular behavioural control tend to have higher levels of compliance.

On the other hand, Informant CW showed a negative attitude towards tax obligations, focusing on hiding assets from the tax authorities. In his confession, CW said, *"I want some of these assets that I have to be untraceable by the tax people, so I use other people's names."* He explicitly admitted using other people's names for his assets to avoid tax scrutiny. The subjective norm influencing him is more external, namely the fear of sanctions. *"Like it or not, I have to follow the policy because I do not want to be audited by the tax authorities in the future,"* he said, showing fear of fines and legal sanctions. Although CW has sufficient control over how he manages his assets, his primary motivation is to avoid penalties, not the intention to comply with tax

obligations. This finding is consistent with Alm and Torgler (2011) The study states that the risk of detection and sanctions contributes to increased tax compliance.

Informant HW showed limited behavioural control, especially regarding the ransom burden that he felt was burdensome during the Tax Amnesty. HW said, *"Last year, when participating in Tax Amnesty Volume II, there were still assets that had not been reported, and when shown the calculation results, I objected and asked for relief."* He felt socially pressured to participate in the program but tried to avoid higher fines by reporting some of his assets. This finding supports Yuniarta and Purnamawati (2020) Research shows where economic pressure can influence taxpayers' decisions to comply with their tax obligations.

Like CW, HW's intention to comply is driven more by efforts to reduce fines than moral awareness or social responsibility. This shows that despite the tax amnesty program, negative attitudes toward tax can still emerge when there is a perception that the program is financially or administratively burdensome (Baer & Borgne, 2008).

In contrast, Informant FG showed a positive change in attitude after realizing the benefits of Tax Amnesty. Initially, FG was confused about the procedure, as she said, *"The Tax Amnesty process is quite clear and structured. However, there was a little confusion about what documents to prepare and how to calculate the ransom."* However, he could report all his assets correctly after gaining a better understanding. *"I feel calmer because the assets are now legal and officially reported,"* FG said, indicating a significant change in attitude after taking advantage of the Tax Amnesty program. Informant FG, who was initially confused but then showed a positive attitude after understanding the benefits of the program, supports the findings of Kamleitner et al. (2012) That adequate knowledge increases tax compliance. Subjective norms from a tax-compliant environment and social awareness encourage FG to increase her compliance. FGs' behavioural control also increases with a better understanding of tax procedures, and their intention to comply is driven by social responsibility and the desire to comply with the law.

Table 3: Analysis of Informants' Behavior Based on Theory of Planned Behavior

Informant	Attitude Toward Taxation	Subjective Norm	Perceived Behavioral Control	Tax Intention and Behavior
CW	Negative - wants to hide assets from tax authorities	Influenced by external pressure (fear of sanctions)	Feels able to control reporting by using someone else's name	Reports partial assets to avoid total penalties.
G	Negative - lacks concern about tax obligations	Influenced by others (allows someone else to handle their taxes)	Does not have complete control, as tax matters are handed over to someone else	Shows little concern for tax obligations and does not report all assets.
HW	Negative - feels burdened by penalty fees	Socially pressured, trying to avoid more considerable penalties	Has limited control, requests leniency, and reports partial assets	Reports partial assets to reduce penalties but is not fully compliant.
FG	Optimistic after realizing the benefits of the Tax Amnesty Program	Social pressure from a tax-compliant environment	Feels capable of managing reporting after understanding the procedure	Eventually, all assets will be reported after gaining a better understanding.

| DT | Positive - fully understands the benefits of taxation | Supported by a tax consultant and personal awareness | High control over reporting and assets, works with a tax consultant | Reports assets correctly and uses the program to improve compliance. |

Source: Data processed by the researcher

Overall, these findings suggest that the Theory of Planned Behavior (TPB) can be effectively used to understand variations in tax compliance levels among taxpayers. Positive attitudes toward taxation, supportive subjective norms, and high behavioural control will likely result in more compliant intentions and behaviours toward tax obligations. However, it should be noted that social pressure or norms are not always sufficient to increase moral integrity. Some taxpayers, such as HW, only comply due to external pressure without significant moral awareness, which suggests that while the TPB can explain some aspects of compliance, it does not necessarily reflect more profound moral integrity.

From these findings, it can be concluded that the moral integrity of taxpayers in Luwuk is still on a mixed spectrum, with many at the lower moral stage, especially those influenced by fear of sanctions rather than pure moral awareness. Although Tax Amnesty Volume II successfully encouraged many taxpayers to declare their assets, not all participants showed high moral awareness. Most, such as informants CW and HW, used the program to avoid penalties rather than as an opportunity to improve their ethical compliance.

However, some positive examples show the long-term impact of this policy. Informants like DT display high moral integrity, and their compliance with tax reporting is driven by external pressure and deep moral principles. DT understands tax responsibility as a moral obligation towards society and the state, suggesting that Tax Amnesty can be effective if it stimulates taxpayers' moral awareness.

This finding suggests that while the Tax Amnesty policy is efficacious in improving short-term compliance, it will only have a sustainable impact if accompanied by efforts to improve taxpayers' moral integrity. To achieve this goal, the government needs to focus more on long-term strategies, such as tax education, emphasizing the importance of moral and social responsibility in paying taxes rather than relying solely on the threat of sanctions or economic incentives.

This more comprehensive approach is expected to improve taxpayers' overall moral awareness, creating conditions where tax compliance becomes integral to individual morality. By improving taxpayers' understanding of their contribution to the country's development, tax compliance is hoped to continue to increase, not just because of short-term pressures or incentives but because of the ethical responsibilities that taxpayers understand and apply.

Conclusion

This research reveals that although the Tax Amnesty Volume II program has effectively improved tax compliance, the moral integrity of taxpayers in Luwuk remains varied. Most taxpayers take advantage of this program not because of pure moral awareness but because of external pressure or fear of sanctions. These findings suggest that many taxpayers are still at the pre-conventional moral stage, where compliance is motivated more by fear than moral responsibility. However, there are also positive examples, such as informant DT, who shows higher moral integrity, where a personal

awareness of social responsibility drives his tax compliance. Overall, the Tax Amnesty program is effective in the short term, but its impact on improving long-term moral awareness is limited.

This study has several limitations, such as the short observation time, thus only examining the short-term impact of Tax Amnesty. The study also involved five informants, which may not be representative enough. In addition, the main focus is on taxpayer behaviour without discussing the impact of tax revenue transparency on compliance. Future research should expand the observation time and examine other factors that affect compliance, such as knowledge, awareness, and economic factors.

For programs such as Tax Amnesty to have a more sustainable impact, a more comprehensive approach is needed, including tax education that focuses on economic sanctions or incentives and emphasizes the importance of moral and social responsibility in paying taxes. The government needs to design tax education programs that can increase the moral awareness of taxpayers so that tax compliance can become an integral part of individual awareness. By doing so, it is expected that tax compliance will not only be driven by external pressure but also by a deeper ethical understanding of the contribution of taxes to the country's development.

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