

The Influence of Culture and Trust in Government on Individual Taxpayer Compliance in Samarinda City

Tiara Angelika Ramadani¹, Hariman Bone²✉

Mulawarman University, Samarinda, Indonesia.

✉Corresponding author: hariman.bone@feb.unmul.ac.id

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Abstract

Cultural values and institutional trust have long been understood as factors influencing tax compliance, yet empirical findings remain inconsistent across contexts. This study aims to examine the effects of power distance, individualism, and trust in government on individual taxpayer compliance in Samarinda, Indonesia. Data were collected from 320 non-employee individual taxpayers selected through simple random sampling and obtained using structured questionnaires. The analysis was conducted using SmartPLS 4.0 through measurement model testing, structural model evaluation, and hypothesis testing. The results indicate that power distance has a positive and significant effect on tax compliance, suggesting that individuals who more readily accept hierarchical authority tend to comply with tax regulations more effectively. Individualism shows a negative and significant effect, indicating that value orientations focused on self-interest reduce the tendency to fulfill collective obligations such as taxes. Trust in government is found to have a positive and significant effect, demonstrating that confidence in governmental integrity and performance enhances voluntary compliance. These findings emphasize the critical role of socio-cultural orientations and institutional trust in shaping tax behavior. This study contributes to the literature by providing empirical evidence from a developing-country context like Indonesia and highlights the importance of culturally sensitive policy strategies to improve tax compliance in Samarinda.

Keywords: Power Dittance; Individulism; Trust in Government; Tax Compliance.

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INTRODUCTION

The Government of Indonesia says that everyone who has to pay taxes must do what they are supposed to do. In Indonesia people who pay taxes can figure out how much they owe and pay it on their own. This makes things easier for the people in charge of taxes. The Government of Indonesia trusts people who pay taxes to be honest and do the thing. If people who pay taxes are not honest they might try to cheat or not pay their taxes all. The tax system in Indonesia really needs people who pay taxes to be aware of what they have to do and be responsible. If people who pay taxes are not responsible it can cause a lot of problems, with taxes not being paid.

Some people pay their taxes like they are supposed to. Others do not tell the truth about how much money they make or they just do not file their tax returns at all. This means that more people are not paying the taxes they owe which's a big problem for the country. Taxes are a part of Indonesias economy giving the country about 70 to 80 percent of the money it needs to run. The taxes that people pay are a part of the money that Indonesia gets. Taxes are very important for Indonesia. Even though taxes are so important the government of Indonesia did not get much money from taxes in 2024 as it thought it would which shows that the system, for collecting taxes is not working very well according to the Ministry of Finance in 2025.

Tax compliance is very important for making sure a country has money to do what it needs to do. This includes helping people with programs building roads and bridges and making the economy grow in a good way.

The people at the Directorate General of Taxes looked at some numbers in 2025. They found out that not many people in Indonesia are paying their taxes like they are supposed to. 85.75 Percent of people who are supposed to pay taxes actually sent in their tax forms in 2024. The tax ratio is also very low at 10.08 percent. This is much lower than what the OECD thinks it should be which is 15 percent. Tax compliance is still an issue, in Indonesia and it needs to be improved for tax compliance to work properly. In Samarinda the number of people who are registered to pay taxes has gone up.. The number of tax returns that are being filed is not going up at the same rate. This is especially true in Samarinda Ulu. In fact the number of tax returns in Samarinda Ulu actually went down between 2023 and 2024. This shows that we need to look at why people in Samarinda are not paying their taxes like they are supposed to. We need to figure out what is going on with tax compliance, in the Samarinda region.

People have been studying why we pay taxes for a time. Most of the time they look at things like how tax we have to pay and what happens if we do not pay.. That does not really explain why people in different places and cultures pay taxes.

Recently people have started to think about how the way we think about our country and our government affects whether we pay taxes or not.

This study is looking at something called attribution theory. Attribution theory says that whether or not we pay taxes depends on things about us as individuals and also things about what we think of the people, in charge. In Indonesia things like power distance and individualism are really important when it comes to how people follow rules. Some people think that because Indonesia has a high power distance culture, where people really respect those in charge this might actually make people more likely to pay their taxes. On the hand the fact that Indonesia is not very individualistic might make people less likely to follow tax rules because they are more focused on what is good for them personally rather than what is good for the country. Indonesias power distance culture and individualism are factors in tax compliance behavior, in Indonesia.

Some studies have examined the relationship between cultural dimensions and tax compliance. Previous research has found that power distance has varying effects on tax compliance behavior. For example, studies by Putri et al. (2021) and Allam et al. (2023) indicate that higher power distance can negatively influence tax compliance, although in certain contexts it may also strengthen compliance depending on institutional conditions.

Furthermore, research by Toumi (2025) and Seno et al. (2022) suggests that individualism is associated with lower levels of tax compliance, as individuals who prioritize personal interests over collective goals may be less willing to fulfill their tax obligations.

Trust in government is also considered a crucial determinant of tax compliance. Novita et al. (2024) argue that higher levels of trust in government significantly increase taxpayers' willingness to comply. In other words, trust in government and tax compliance are positively related when public trust increases, tax compliance improves.

This study aims to examine how cultural dimensions and trust in government influence taxpayer compliance in Samarinda. Considering the diverse characteristics of taxpayers in Samarinda, this research seeks to analyze how these differences affect tax compliance behavior. This investigation is important because previous studies have shown inconsistent findings regarding the role of cultural values and trust in shaping tax compliance behavior.

Literature Review

Attribution Theory

The Attribution Theory says that what people do is because of what they think is going on inside them like their values and beliefs or what is happening outside like what other people're doing or saying. When it comes to taxes peoples thoughts about right and wrong and how much they know about taxes are things. On the hand what people think about the government whether the tax system is fair and how well the tax people are doing their job are external things that affect how people behave with taxes. The Attribution Theory helps us understand why people do what they do and in the case of taxes it is about what's inside the taxpayers like their morality and awareness and what is outside, like the government and the tax system. So we know that people are more likely to pay their taxes when they trust the government. The level of trust in the government is really important. Psychological characteristics and culture also play a role in tax compliance. When people trust the government they are more likely to do what the government says like paying taxes on time. Tax compliance is influenced by characteristics, culture and the level of trust, in the government.

Tax compliance

Tax compliance is really important when it comes to paying taxes on your own. This means people have to figure out how tax they owe pay it and then tell the government about it. Some people think that following the rules, like this shows that taxpayers know what they are doing and want to do the thing. If people follow the rules it helps the country because the government gets money. When more people pay their taxes the country has money to use, which helps the country grow and get stronger. Compliance is a problem for people who do not get taxes taken out of their pay automatically. These are taxpayers who are not employees. They do not understand the tax rules well. This means they are more likely to not comply with the tax laws. It is really important to look at why this happening. This is especially true in places like Samarinda City where people're very different. Some people talk about two kinds of compliance. Compliance can be voluntary or enforced. The OECD looked at this. Said there are four parts to compliance. Taxpayers need to do these things: file their taxes register with the tax office report their income and make their tax payments. Compliance is an issue with tax payments and also, with filing taxes and registering with the tax office and reporting income. These four things cover all the things that taxpayers have to do, like paperwork and actually paying taxes. The four aspects are important for taxpayers. They have to follow these rules and pay their taxes on time. The four aspects include all the paperwork and tax payments that taxpayersre responsible, for.

National culture

Culture has an impact on how people think and behave including how they feel about paying taxes. One person said that the things a culture values affect how people think

about people in charge doing the thing and following rules. When it comes to taxes people are not just influenced by money. Also, by what their society thinks is important. Culture shapes what people think about taxes and how they behave when it comes to taxes.

The two cultural dimensions that really matter are power distance and individualism. Power distance is about how much a society's okay with people having more power than others. In some societies people think it is totally fine that some folks have a lot power so they follow the rules because they think the people in charge know what they are doing. For example when it comes to paying taxes people in these societies are more likely to do what they are told because they see the rules as orders from someone who has the right to give orders.

On the hand in societies where everyone is seen as equal people do not just follow the rules because someone told them to. Instead they think about the rules. Decide for themselves if they are fair or not. Individualism is about people caring about what's best, for themselves. In some cultures people pay their taxes when they think taxes are fair and match what they believe in. This is what we call cultures. Taxes are paid when people feel they get something back from them like schools or nice roads. So the way people think about authority and what they think is important helps explain why people in cultures pay their taxes or not. Tax compliance is really about people feeling like taxes are okay, with their values or they get something good from them.

The influence of power distance on tax compliance

Power distance refers to the extent to which members of a society accept unequal distributions of power within institutions and organizations (Hofstede, 1980; Hofstede et al., 2010). In cultures characterized by high power distance, authority is viewed as legitimate, and individuals are more likely to respect and obey those in positions of power. As a result, people in such societies tend to comply with rules and regulations established by the government, including tax laws.

When individuals perceive inequality in power as acceptable, they are generally more willing to follow directives from authorities, including fulfilling their tax obligations on time. In this context, tax compliance is not merely driven by fear of sanctions but also by a normative belief that obeying authority is appropriate behavior. Empirical evidence supports this argument. For example, Putri et al. (2021) and Mustika et al. (2022) found that acceptance of hierarchical power structures is positively associated with taxpayer compliance.

Thus, tax compliance can be understood as partly influenced by cultural values related to respect for authority. In high power distance societies, paying taxes is often perceived as a moral and social obligation, rather than solely a response to enforcement mechanisms. The thing about power distance is that it actually helps people follow the rules when it comes to taxes. Power distance has a big impact on tax compliance. When people understand and respect the power distance they are more likely to do what they are supposed to do with their taxes. This means that power distance is really important, for tax compliance.

H₁: power distance has a positive effect on tax compliance.

The influence of individualism on tax compliance

The way people think about things is explained by attribution theory. It says that what people do is affected by things inside them and things outside them. In some cultures people think about themselves a lot. They want to be independent and do what they want. Because of this people might think that taxes are a thing. They might think that taxes take away from their money, which makes them not want to pay taxes. Some studies have found that when people think mostly about themselves they are more likely to not pay their taxes and not follow the rules. The studies about taxes and individualism like the ones that were done before show that this is true. Taxes are seen as a burden, by people who really value their independence. This can lead to tax evasion and people not paying their taxes. People who really believe in individualism are less likely to pay their taxes. This is because when

people think that individualism is very important they do not want to give their money to the government. So the the individualism the less likely people are to fulfill their tax obligations and pay what they owe. This means that individualism can actually make people less likely to pay taxes.

H₂: Individualism has a negative effect on tax compliance.

Trust in government

Trust in the government is really important for people to pay their taxes. Some people think that the government can build trust by being fair and honest and by making sure everyone knows what they are doing. When people think that the government is using money in a good way they are more likely to pay their taxes. If people think the government is being open and accountable they are more likely to pay their taxes. If people think the government is corrupt they will not trust the government and they will not pay their taxes. So trust in the government is a thing, for getting people to pay their taxes and keep paying them over time.

The way tax officials do their job has an impact on how much people trust them. When tax officials are professional, honest and accountable people are more likely to think of the tax system. This is really important because it helps build trust. When people trust the tax system they are more likely to follow the rules. Tax officials and the tax system are what people look at when they decide if they can trust them. Some people make a distinction between two kinds of trust in the tax system. One kind of trust is based on how the government does its job, which is tax officials. The other kind of trust is based on how people feel about tax officials like if they're friendly and seem to care. Tax officials play a role, in both kinds of trust. Both forms of trust are relevant in the context of taxation.

Trust in government refers to taxpayers' belief that the government manages tax revenues in an honest, transparent, and accountable manner. When individuals have high levels of trust in government, they are more likely to perceive taxes as contributions used for the public good, thereby increasing their willingness to comply with tax obligations. Governments can foster this trust by implementing consistent and reasonable policies, delivering quality public services, and transparently communicating how tax revenues are allocated and utilized.

When taxpayers perceive the government as legitimate and effective, they are more inclined to voluntarily comply with tax regulations, not merely due to fear of sanctions but because they believe their contributions benefit society. This perspective is supported by the Slippery Slope Framework, which emphasizes the importance of trust and power in shaping tax compliance behavior (Kogler et al., 2013). Empirical studies also demonstrate a positive relationship between trust in government and tax compliance. For instance, Novita et al. (2024) and Ma'ruf et al. (2022) found that higher levels of trust significantly increase taxpayers' willingness to comply. Therefore, trust in government plays a crucial role in enhancing voluntary tax compliance, as it strengthens the perception that paying taxes is a legitimate and socially beneficial obligation.

People trust the government. That is a good thing for tax compliance. The government gets taxes when people trust the government. Trust in the government has an effect on tax compliance because people are more likely to pay their taxes. This is what happens when people trust the government. Tax compliance is better when there is trust, in the government.

H₃: Trust in government has a positive effect on tax compliance.

METHOD

This study employs a quantitative approach using primary data collected from non-employee individual taxpayers registered at KPP Pratama Samarinda Ilir and Samarinda Ulu. Data were gathered through a structured questionnaire distributed via Google Forms to ensure broad participation. The research instrument utilized a five-point Likert scale,

where respondents indicated their level of agreement with statements derived from validated indicators in prior studies to ensure measurement consistency and reliability.

The tax compliance variable was measured based on the framework developed by Gobena and Van Dijke (2015), which provides a comprehensive explanation of the roles of power, justice, and trust in shaping taxpayer compliance behavior. Cultural dimensions, specifically power distance and individualism, were assessed using the CVSCALE developed by Lenartowicz (2011), which has been widely applied to examine the influence of cultural values on economic and behavioral outcomes. Additionally, the variable of trust in government was measured following the approach proposed by Gobena and Van Dijke (2015), which emphasizes the role of institutional trust in influencing individuals' willingness to comply with tax regulations.

A simple random sampling technique was employed to ensure that each individual in the population had an equal probability of selection. The determination of the sample size followed the guidelines suggested by Hair et al. (2014), which recommend that the minimum sample size should be five to ten times the number of indicators used in the model. Given that the questionnaire consisted of 37 measurement items, the required sample size ranged from 185 to 370 respondents. This approach was intended to ensure adequate statistical power and enhance the representativeness and generalizability of the findings for individual taxpayers in the region. For data analysis, Partial Least Squares Structural Equation Modeling (PLS-SEM) was employed. PLS-SEM is a variance-based structural equation modeling technique that is particularly suitable for analyzing complex causal relationships among latent constructs. According to Hair et al. (2014), PLS-SEM is especially appropriate for exploratory research, models with multiple constructs and indicators, non-normally distributed data, and studies with moderate sample sizes.

The analysis was conducted in two stages. First, the measurement model (outer model) was evaluated to assess the reliability and validity of the indicators in measuring their respective latent constructs. This stage involved examining indicator loadings, internal consistency reliability, and convergent as well as discriminant validity. Second, the structural model (inner model) was assessed to test the hypothesized relationships among the latent constructs. Given the moderate sample size and the non-normal distribution of the data, hypothesis testing was conducted using bootstrapping procedures to obtain t-statistics and p-values. A hypothesis was considered statistically significant if the t-statistic exceeded 1.64 and the p-value was less than 0.05, indicating significance at the 5% level (Hair et al., 2014).

This analytical approach allowed for rigorous evaluation of both the measurement and structural components of the research model, ensuring that the findings were statistically robust and methodologically reliable.

RESULT AND DISCUSSION

Result

Validity test

Convergent validity in the outer model of PLS-SEM analysis is assessed by examining the outer loading values and the Average Variance Extracted (AVE). An indicator is considered valid if its outer loading value exceeds 0.70, as this value indicates that the indicator is able to explain more than 50% of the variance of the construct it represents. Table 1 presents the results of the outer loading analysis.

Table 1. Convergen Validity Test (Outer Loading)

	Indicator	Outer loading	Note
Power distance (X_1)	PD1	0.903	Valid
	PD2	0.898	Valid
	PD3	0.894	Valid
	PD4	0.904	Valid
	PD5	0.878	Valid

	Indicator	Outer loading	Note
Individualism (X ₂)	IND1	0.910	Valid
	IND2	0.914	Valid
	IND3	0.927	Valid
	IND4	0.911	Valid
	IND5	0.893	Valid
Trust on goverment (X ₃)	TOG1	0.872	Valid
	TOG2	0.886	Valid
	TOG3	0.885	Valid
	TOG4	0.881	Valid
	TOG5	0.890	Valid
	TOG6	0.885	Valid
	TOG7	0.887	Valid
	TOG8	0.885	Valid
	TOG9	0.890	Valid
	TOG10	0.878	Valid
	TOG11	0.882	Valid
Tax compliance (Y)	TC1	0.704	Valid
	TC2	0.706	Valid
	TC3	0.899	Valid
	TC4	0.703	Valid
	TC5	0.778	Valid
	TC6	0.705	Valid
	TC7	0.713	Valid
	TC8	0.714	Valid
	TC9	0.703	Valid
	TC10	0.710	Valid
	TC11	0.709	Valid
	TC12	0.733	Valid
	TC13	0.702	Valid
	TC14	0.719	Valid
	TC15	0.922	Valid
	TC16	0.712	Valid

Based on Table 1, the outer loading test conducted using SmartPLS 4 revealed that all indicators of the Power Distance, Individualism, Trust in Government, and Tax Compliance variables exhibited values above 0.70; therefore, they were declared valid in representing their respective latent constructs. In addition to outer loading, convergent validity is also assessed through the Average Variance Extracted (AVE). A construct is considered valid when the AVE value exceeds 0.50. Accordingly, a latent construct is regarded as capable of explaining more than half of the variance of its indicators. Table 3 presents the results of the AVE testing.

Table 2. Konvergen Validity Test (AVE)

	AVE	Note
Power distance (X ₁)	0.830	Valid
Individualism (X ₂)	0.802	Valid
Trust on goverment (X ₃)	0.781	Valid
Tax compliance (Y)	0.551	Valid

The results of the Average Variance Extracted (AVE) test revealed that all latent variables exhibited values greater than 0.50. Therefore, all variables met the criteria for convergent validity and were considered suitable for further analysis in the inner model stage.

Dicriminant validity test

One of the methods to assess discriminant validity is the cross-loading approach, which aims to ensure that each indicator truly measures its intended construct. The model is considered to meet the criteria for discriminant validity when each indicator exhibits its

highest loading (≥ 0.70) on its original construct compared to other constructs. The results of the cross-loading test are presented in Table 3.

Table 3. Discriminant Validity Test Result

Indicator	Power distance	Individualism	Trust on government	Tax compliance
PD1	0.903	-0.214	0.111	0.565
PD2	0.898	-0.198	0.013	0.526
PD3	0.894	-0.235	0.076	0.535
PD4	0.904	-0.242	0.029	0.552
PD5	0.878	-0.231	0.097	0.544
IND1	0.233	0.910	-0.111	-0.278
IND2	0.218	0.914	-0.090	-0.311
IND3	0.249	0.927	-0.126	-0.304
IND4	0.235	0.911	-0.078	-0.323
IND5	0.212	0.893	-0.048	-0.238
TOG1	0.453	-0.033	0.872	0.117
TOG2	0.420	-0.092	0.886	0.035
TOG3	0.432	-0.062	0.885	0.080
TOG4	0.409	-0.129	0.881	0.074
TOG5	0.457	-0.100	0.890	0.093
TOG6	0.426	-0.108	0.885	0.051
TOG7	0.482	-0.121	0.887	0.109
TOG8	0.383	-0.096	0.885	0.007
TOG9	0.307	-0.108	0.890	0.043
TOG10	0.394	-0.031	0.878	0.083
TOG11	0.389	0.101	0.882	-0.002
TC1	0.378	-0.349	0.373	0.704
TC2	0.401	-0.298	0.353	0.706
TC3	0.507	-0.353	0.442	0.899
TC4	0.426	-0.341	0.323	0.703
TC5	0.540	-0.241	0.317	0.778
TC6	0.418	-0.278	0.360	0.705
TC7	0.393	-0.348	0.393	0.713
TC8	0.374	-0.265	0.402	0.714
TC9	0.370	-0.294	0.381	0.703
TC10	0.461	-0.118	0.315	0.710
TC11	0.449	-0.140	0.339	0.709
TC12	0.513	-0.145	0.301	0.733
TC13	0.457	-0.076	0.277	0.702
TC14	0.492	-0.135	0.340	0.719
TC15	0.554	-0.316	0.447	0.922
TC16	0.470	-0.074	0.312	0.712

Discriminant validity testing using the cross-loading method showed that each indicator exhibited its highest loading on the construct it was intended to measure, compared to other constructs. This finding indicates that each latent variable demonstrates clear measurement and that there is no overlap among the constructs; therefore, the discriminant validity criteria of the research model were met.

Validity Test

Table 4 presents the results indicating that all variables in the study showed Cronbach's Alpha and Composite Reliability values greater than 0.70. These findings indicate that each construct demonstrates good internal consistency; therefore, the research instrument can be concluded to be reliable and suitable for use.

Table 4. Discriminant validity test result

Variable	Composite reability	Cronbach's alpha	Note
Power distance	0.938	0.939	0.111
Individualism	0.949	0.955	0.013
Trust on government	0.972	0.973	0.076
Tax compliance	0.945	0.948	0.029

Hypothesis testing result

This study uses a one-tailed hypothesis, where the hypothesis is considered accepted if the p-value is less than 0.05 or the t-statistic exceeds 1.64 (one-tailed). Hypothesis testing is conducted using the bootstrapping method with the SmartPLS 4 application, which involves comparing the obtained t-statistic value with the t-table value. With 320 respondents, the t-table value used in this study is 1.64.

Table 5. Hypothesis testing result

	O	M	STDEV	(O/STDEV)	P values
PD → KP	0.541	0.541	0.034	12.256	< 0.001
IND → KP	-0.144	-0.145	0.037	3.848	< 0.001
KEP → KP	0.426	0.427	0.035	16.016	< 0.001
R-square	0.580				
R-square adjusted	0.575				

Table 5 presents the R-Square (R²) value for the Tax Compliance variable as 0.580. This indicates that Power Distance, Individualism, and Trust in Government explain 58% of the variation in Tax Compliance, while the remaining 42% is influenced by other factors not included in the model. Furthermore, the path coefficient value indicates that the relationship between variables is statistically significant. This finding is supported by a t-statistic value exceeding 1.64 and a p-value smaller than 0.05, which leads to the acceptance of the one-tailed hypothesis in this study.

Discussion

Effect of power distance and tax compliance

The results indicate that Hypothesis 1 (H1) is supported. H1 proposed that power distance positively influences taxpayer compliance. The empirical findings show that the path coefficient between power distance and tax compliance is 0.541, indicating a substantial positive relationship. Furthermore, the t-statistic value of 16.016 exceeds the critical value of 1.64 at the 5% significance level, confirming that the effect is statistically significant. These results suggest that higher levels of power distance are associated with increased tax compliance. In other words, individuals who accept hierarchical authority structures are more likely to comply with tax regulations.

However, these findings are inconsistent with prior research. For example, Tsakumis et al. (2007), Seno et al. (2022), and Allam et al. (2023) reported that higher levels of power distance are associated with greater tax evasion, implying lower tax compliance. This discrepancy may indicate that the influence of power distance on tax compliance is context-dependent, potentially shaped by differences in institutional environments, enforcement mechanisms, or societal norms.

The findings of this study are consistent with previous research conducted by Putri et al. (2021) and Mustika et al. (2022), which also reported a positive relationship between cultural dimensions and taxpayer compliance. These studies suggest that acceptance of hierarchical structures and cultural values plays a significant role in shaping individuals' willingness to comply with tax regulations. These studies show that people in societies where there is a difference in power tend to pay their taxes on time. This is because taxpayers have a lot of respect for the government and think it is an capable institution that makes and enforces tax rules. The results of this study also agree with what's called

attribution theory. Power distance reflects the extent to which members of a society accept unequal distributions of power within institutions and organizations (Hofstede, 1980; Hofstede et al., 2010). In societies characterized by high power distance, taxpayers tend to respect governmental authority and perceive the government as a legitimate institution responsible for establishing and enforcing tax regulations. As a result, tax compliance is often higher in such contexts because individuals are more willing to accept hierarchical structures and comply with rules imposed by authorities.

This finding is consistent with prior research conducted by Putri et al. (2021) and Mustika et al. (2022), which demonstrated that acceptance of hierarchical authority positively influences taxpayer compliance. In societies where respect for authority is strong, government institutions and tax officers are viewed as having legitimate power to regulate and enforce tax obligations. Consequently, individuals are more likely to follow tax regulations not only due to enforcement mechanisms but also because they recognize and accept the authority of the institutions responsible for taxation.

Thus, higher power distance may reinforce compliance behavior by strengthening perceptions of governmental legitimacy and institutional authority in the tax system.

The study shows that in Indonesia people are more likely to follow tax rules because they respect people in charge. This is because Indonesian society accepts that some people have power than others. As a result taxpayers in Indonesia usually do what the rules say they should do. The tax compliance in Indonesia is really influenced by the fact that people in Indonesia respect authority and this is a part of the culture, in Indonesia.

Effect of individualism and tax compliance

The results indicate that Hypothesis 2 (H2) is supported. H2 proposed that individualism negatively influences taxpayer compliance. The empirical findings show a path coefficient of -0.144 , indicating a negative relationship between individualism and tax compliance. Furthermore, the t-statistic value of 3.848 exceeds the critical value of 1.64 at the 5% significance level, confirming that the relationship is statistically significant. These results suggest that higher levels of individualism are associated with lower levels of tax compliance. In other words, individuals who prioritize personal interests over collective welfare are less likely to comply with tax regulations.

However, this finding contrasts with prior studies by Tsakumis et al. (2007) and Richardson (2008), which reported that individualistic cultures may, in some contexts, demonstrate higher levels of tax compliance due to stronger personal responsibility norms. Conversely, the results of this study are consistent with the findings of Toumi (2025), Ciziceno and Pizzuto (2022), and Olaniyi and Akinola (2020), who argue that individualism can increase the likelihood of tax evasion. These studies suggest that in highly individualistic societies, individuals tend to prioritize personal gain over collective obligations, thereby reducing their willingness to comply with tax laws.

From this perspective, individualism may weaken tax morale by emphasizing self-interest over social responsibility. When personal benefits are valued more highly than communal welfare, taxpayers may be more inclined to engage in non-compliant behavior, including tax evasion.

The things we found out are also similar to what the attribution theory says. This theory says that people who really value being independent often think of taxes as something that takes away their money and the good things they get of thinking of taxes as a way to help everyone. So when people have a chance to pay taxes by finding ways around the rules or by doing something illegal they are more likely to do it. We can understand why this happens by looking at the culture of Indonesia. Indonesia is a place where people usually think about the group more than themselves which's different, from many Western countries. Taxes are seen differently in Indonesia because of this. The thing is, as the country keeps getting more modern some people are starting to think more, about themselves. If this keeps happening it is possible that people will not pay their taxes like they are supposed to. So the government really needs to teach people that taxes are something we all have to pay, not something that individuals have to deal with. The

government needs to make people understand that taxes are a responsibility that we all share and that we all have to do our part to help the country. Taxes are not something that individuals have to pay but something that we all have to pay to make our country a better place.

Effect of trust in government and tax compliance

Hypothesis H3 is accepted. This Hypothesis H3 says that when people trust the government they are more likely to pay their taxes on time. The numbers show that there is a connection between these two things. We found that for every increase in trust in government taxpayer compliance also goes up. This makes sense because when people trust the government they are more willing to do what they are supposed to do. So the more people trust the government the more likely they are to pay their taxes. This is a simple idea: trust in government and taxpayer compliance are connected. As trust in government gets stronger people are more likely to comply with tax rules. Hypothesis H3 is important because it shows that trust, in government really matters when it comes to taxpayer compliance.

The thing is, when people think the government is doing a job and being honest they are more likely to pay their taxes. This is because they believe their taxes will be used for things that benefit everyone. The government being transparent, with funds is a big part of this. Taxpayers who trust the government a lot are willing to pay their taxes without being forced to. They do it because they want to not just because they are afraid of getting in trouble. This idea is related to attribution theory, which says that what people believe and value affects how they behave. So when taxpayers think the government is honest and capable they are more likely to pay their taxes.

Previous studies have emphasized that trust in government and tax authorities plays a crucial role in promoting taxpayer compliance. Empirical evidence from Batrancea et al. (2019) and Ma'rif et al. (2022) demonstrates that higher levels of institutional trust significantly increase voluntary tax compliance. These findings align with the broader theoretical perspective that compliance is more likely when taxpayers perceive authorities as legitimate, transparent, and fair.

In order to foster voluntary compliance, governments must actively build public trust. This can be achieved through transparent management of tax revenues, consistent and rational fiscal policies, honest and comprehensible financial reporting, and the provision of fair and professional tax services. When taxpayers perceive that public funds are managed responsibly and used for societal benefit, they are more inclined to comply willingly rather than merely out of fear of sanctions.

The results of this study reinforce the argument that the government's image and credibility are central determinants of taxpayer behavior. When citizens believe that the government and tax authorities act with integrity and accountability, compliance behavior improves. Therefore, trust in government functions as a key mechanism linking institutional legitimacy to taxpayer compliance.

CONCLUSION

This study aims to analyze the influence of cultural factors and trust in government on the tax compliance of individual taxpayers in Samarinda. The findings of the study indicate that power distance has a positive and significant effect on tax compliance. People with a high level of respect for authority tend to comply more because they perceive the government as the legitimate entity in setting rules. This creates social norms that support compliance, both voluntarily and through enforcement mechanisms. Conversely, individualism was found to have a negative effect on tax compliance. An orientation focused on personal interests leads to the view that taxes offer limited direct benefits, which reduces motivation to comply. This condition increases the tendency to engage in tax evasion, especially when the perceived risk of sanctions is low.

Trust in government has a positive effect on tax compliance. When taxpayers perceive the government as transparent, fair, consistent, and capable of managing state revenue

effectively, they are more likely to comply voluntarily. This trust strengthens the internal motivation to fulfill tax obligations correctly and sustainably.

Overall, the results of this study suggest that tax compliance is influenced not only by regulations and sanctions but also by cultural factors and the level of trust in the government. Therefore, efforts to enhance tax compliance should include improving public service quality, increasing fiscal transparency, and implementing educational strategies that take into account the cultural characteristics of the community.

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