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The Moderating Role of Taxation Technology on the Relationship between Tax Rates and Taxpayer Perceptions of Tax Evasion

M Doni Permana Putra[1*] Ketut Elly Sutrisni[2]
[1]Universitas Mahasaraswati Denpasar, Bali, Indonesia
[2]Universitas Pendidikan Nasional, Bali, Indonesia

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ABSTRACT
This study investigates the effect of tax rates on taxpayer perceptions of tax evasion and examines the moderating role of taxation technology in this relationship, grounded in the Theory of Planned Behavior. Employing a quantitative approach, this research collected primary data through questionnaires from a sample of 100 individual taxpayers at KPP Pratama Denpasar Barat. The data were analyzed using Moderated Regression Analysis (MRA). The results indicate that tax rates have a significant positive effect on the perception of tax evasion, suggesting higher rates increase the perceived viability of evasion. However, the study's primary finding reveals that taxation technology significantly weakens this positive relationship, acting as a negative moderator. These findings suggest that while higher tax rates may increase the incentive to evade, a robust technological infrastructure serves as an effective deterrent by increasing the perceived difficulty and risk of evasion. As a key policy implication, these results strongly advise authorities to prioritize and accelerate investment in the digital transformation of tax administration, as this technology is a critical tool for enhancing voluntary compliance by mitigating the perceived incentives for evasion.

1. INTRODUCTION

Taxation stands as the cornerstone of state financing and national development, particularly for emerging economies like Indonesia, where it contributes to approximately 70% of the state budget (Permana & Susianto, 2020). It underwrites public expenditures, from routine governance to long-term infrastructure projects (Lee, 2018). However, the efficacy of this fiscal tool is perennially threatened by tax evasion a deliberate and illegal act to reduce tax liability which erodes state revenue, distorts economic equity, and hampers public service delivery (Deb & Chakraborty, 2017; Tarmidi et al., 2020).

The perception of taxpayers that evasion is a viable or even necessary option is a critical challenge for tax authorities (Ogungbade et al., 2021; Pui Yee et al., 2017; Dissanayake & Damayanthi, 2024). Empirical studies have demonstrated that such perceptions are influenced by multiple factors, including tax awareness, social norms, justice perceptions, tax discrimination, and religiosity (Rantelangi & Majid, 2017; Jun & Yoon, 2018; Nabilah, 2023; Hakki et al., 2023). Moreover, ethical orientation and professional integrity among taxpayers and tax agents shape the moral boundary of tax compliance behavior (Ludigdo et al., 2023; Abit et al., 2023).

In developing contexts, limited enforcement capacity and weak institutional trust further exacerbate noncompliance tendencies (Terzic et al., 2020; Kassa, 2021; Muceku & Balliu, 2017). Studies across regions from Malaysia to Nigeria have revealed that when taxpayers perceive the system as unfair or overly complex, evasion becomes normalized as a form of self-justified resistance (Amin & Mispa, 2020; Ogungbade et al., 2021; Pui Yee et al., 2017). Therefore, understanding the antecedents of tax evasion perceptions is paramount for designing effective fiscal policies and administrative strategies (Shafika & Fakhroni, 2020; Widati et al., 2023; Ramli & Arifin, 2020).

A central factor in this dynamic is the tax rate (Lee, 2018). The relationship between tax rates and tax evasion, however, is characterized by inconsistent findings in existing literature. A significant body of research posits a direct, positive relationship, where higher tax rates increase the financial incentive to evade, thereby

** Corresponding Author: M Doni Permana Putra: donipermana@unmas.ac.id*

positively influencing the perception and intent of tax evasion (Deb & Chakraborty, 2017; Ramli & Arifin, 2020; Permana & Susianto, 2020). Conversely, other studies have failed to establish a statistically significant link, suggesting that tax rates alone do not determine evasion behavior (Rantelangi & Majid, 2017; Pui Yee et al., 2017; Ogungbade et al., 2021). This empirical ambiguity indicates that the relationship is not straightforward and may be influenced by contingent factors such as ethical orientation, religiosity, perceived fairness, and institutional enforcement (Hakki et al., 2023; Jun & Yoon, 2018; Kassa, 2021; Dissanayake & Damayanthi, 2024).This study identifies a critical research gap: the lack of investigation into the moderating role of modern fiscal infrastructure, specifically Taxation Technology and Information, on the relationship between tax rates and taxpayer perceptions of tax evasion. While previous research has examined technology as a direct influence on compliance, its role as a buffer or amplifier in the context of varying tax rates remains underexplored.

The theoretical basis for this moderation rests on deterrence theory and the core constructs of the Theory of Planned Behavior (TPB). High tax rates increase the incentive (financial reward) for evasion (Allingham & Sandmo, 1972). However, taxation technology intervenes by fundamentally altering the perceived risk and perceived difficulty of evasion. Advanced technological systems such as third-party data matching, electronic audit (e-audit) systems, and real-time data reporting significantly increase the perceived probability of detection. When taxpayers perceive that technology makes evasion more transparent and traceable, the perceived risk outweighs the financial incentive, thus weakening the positive link between high rates and evasion perception. Furthermore, in the context of TPB, technology enhances perceived behavioral control (Ajzen, 1991). By simplifying filing processes, technology reduces the complexity that taxpayers often use as a justification for non-compliance. Therefore, technology acts as a negative moderator by making evasion seem both riskier (higher detection) and less justified (lower complexity), even when the incentive (high rate) is present.

The urgency of this research is underscored by the global digital transformation of tax administrations. Governments worldwide, including Indonesia's Directorate General of Taxes (DGT), are heavily investing in technology to simplify compliance and enhance oversight. However, as evidenced by fluctuating compliance rates at regional tax offices like KPP Pratama Denpasar Barat and high-profile evasion cases, it remains a critical question whether these technological advancements can effectively counteract the psychological pressure that high tax rates may place on taxpayer compliance.

While extensive research examines the direct effects of tax rates on compliance, and separate studies address the adoption of tax technology, a significant research gap persists in understanding the interaction between these two critical factors. The existing body of knowledge has not sufficiently addressed whether technology merely simplifies processes or if it fundamentally alters the psychological calculus of evasion when taxpayers perceive rates as high. This study urgently addresses this gap by extending the Theory of Planned Behavior, integrating a technological moderator to offer a more nuanced model of taxpayer behavior in the digital era.

Practically, the findings will provide crucial empirical evidence for policymakers, particularly Indonesia's DGT, on the effectiveness of their technological investments. It will help ascertain whether strengthening tax information systems, such as the new core tax administration system, can mitigate the propensity for tax evasion, even when tax rates are perceived as burdensome. The novelty of this research thus lies in its conceptualization and empirical testing of Taxation Technology and Information as a moderating variable, proposing its true value lies in altering the established, yet contested, relationship between tax rates and evasion perception.

Therefore, the primary objective of this research is to analyze the direct effect of tax rates on taxpayer perceptions of tax evasion and, more importantly, to investigate the moderating role of Taxation Technology and Information in shaping this relationship. To achieve these objectives, this study employs a quantitative methodology, analyzing primary data collected via questionnaires from 100 individual taxpayers at KPP Pratama Denpasar Barat using Moderated Regression Analysis (MRA).

A. The Theory of Planned Behavior (TPB)

Theoretically, this investigation rests on Ajzen's (1991) Theory of Planned Behavior (TPB). The theory of planned behavior (TPB) states that the most immediate factor determining an action is the individual's desire to engage in that behavior. There are three main factors that impact this intention: (1) the individual's attitude toward the behavior, which dictates how they feel about performing the behavior, (2) the perceived social pressure to perform or not perform the behavior, which is influenced by subjective norms, and (3) the perceived ease or difficulty of performing the behavior, which is influenced by perceived behavioral control.

The perfect theoretical mechanism to explain the moderating influence of taxation technology is provided by TPB's construct of Perceived Behavioral Control (PBC), which makes it particularly applicable for

this specific investigation. According to Ajzen (1991), TPB allows us to examine the taxpayer's internal psychological evaluation of the behavior's difficulty or ease, in contrast to other models that rely primarily on external consequences, such as conventional deterrence theory. According to our research, taxation technology mostly serves as a component that changes the taxpayer's PBC with respect to evasion, rather than only as a deterrent.

The choice to avoid paying taxes can be better understood via the lens of the TPB model (Widati et al., 2023; Shafika & Fakhroni, 2020). The taxpayer's perspective on the behavior is shaped by the tax rate. A high rate can encourage tax evasion because it makes it look more financially appealing (Lee, 2018; Deb & Chakraborty, 2017). Ogungbade et al. (2021), Pui Yee et al. (2017), and Rantelangi and Majid (2017) all point to the influence of subjective standards, such as social tolerance for tax avoidance or the influence of one's peers, as factors that alter taxpayers' views of what is acceptable behavior.

Technology and information systems related to taxes, such as electronic filing and digital tax administration tools, have a significant impact on taxpayers' perceptions of their own ability to control their own behavior when it comes to paying their taxes (Permana & Susianto, 2020; Ramli & Arifin, 2020). Compliance is made easier and the perceived potential to dodge successfully is reduced thanks to these technologies, which simplify reporting and improve detection procedures (Dissanayake & Damayanthi, 2024; Kassa, 2021). According to Hakki et al. (2023), Ludigdo et al. (2023), and Jun & Yoon (2018), taxpayer behavior is influenced by moral and cultural elements, including religiosity and tax ethics, which moderate the strength of behavioral intention and actual compliance.

B. The Effect of Tax Rate on Perceptions of Tax Evasion

The tax rate is the percentage at which an individual or corporation is taxed. From an economic perspective, a higher tax rate directly reduces a taxpayer's disposable income, creating a financial incentive to underreport income or otherwise illegally reduce the tax burden (Lee, 2018; Deb & Chakraborty, 2017). When taxpayers perceive the tax rate as excessively high or unfair, their attitude toward compliance can turn negative, viewing evasion as a justifiable means to protect their earnings (Rantelangi & Majid, 2017; Pui Yee et al., 2017; Ogungbade et al., 2021).

This perspective is supported by numerous studies that have found a positive correlation between the level of tax rates and the propensity for tax evasion. For instance, research by Ramli & Arifin (2020) and Permana & Susianto (2020) concluded that higher tax rates positively and significantly influence the intention to commit tax evasion. Similarly, Dissanayake & Damayanthi (2024) and Nabilah (2023) reported that perceptions of unfair tax burdens strengthen taxpayers' justifications for evasion behavior. When the perceived cost of compliance (high taxes) outweighs the perceived benefits (public goods and services), the motivation to evade increases (Amin & Mispa, 2020; Widati et al., 2023). Based on this theoretical reasoning and prior empirical evidence, the following hypothesis is proposed:

H1: The tax rate has a positive and significant effect on the taxpayer's perception of tax evasion.

C. The Moderating Role of Taxation Technology and Information

Taxation Technology and Information refers to the use of modern information systems, digital platforms, and data analytics by tax authorities to manage tax administration (Permana & Susianto, 2020; Ramli & Arifin, 2020). This includes online registration, e-filing systems for tax returns, e-payment portals, and data-matching mechanisms to verify taxpayer information. The modernization of tax administration is designed to increase efficiency, transparency, and ultimately voluntary compliance (Dissanayake & Damayanthi, 2024; Kassa, 2021).

According to the Theory of Planned Behavior (TPB), these technological tools directly affect a taxpayer's Perceived Behavioral Control (Shafika & Fakhroni, 2020; Widati et al., 2023). By making the process of filing and paying taxes simpler, faster, and more accessible, technology reduces the perceived difficulty of compliance, while simultaneously increasing the perceived risk of detection for evaders (Amin & Mispa, 2020; Terzic et al., 2020). The enhanced capacity of tax authorities to identify discrepancies and unreported income therefore serves as a deterrent to noncompliance (Ogungbade et al., 2021; Lee, 2018).

This study posits that such technological infrastructure not only has a direct effect but also acts as a moderating factor that shapes behavioral intentions. Specifically, it can weaken the positive relationship between tax rates and the perception of tax evasion (Deb & Chakraborty, 2017; Dissanayake & Damayanthi, 2024). When tax technology is robust and effectively implemented, the incentive to evade due to high tax rates is counteracted by a higher perceived probability of detection and punishment (Rantelangi & Majid, 2017; Hakki et al., 2023). Even if a taxpayer has a negative attitude toward high taxes, their intention to evade will likely be suppressed when they perceive the act of evasion to be difficult and risky under technological oversight (Nabilah, 2023; Ludigdo et al., 2023).

Consistent with this reasoning, previous studies (Ulfa, 2015; Ikhsan et al., 2021, as cited in Permana & Susianto, 2020) found that technological advancement in tax administration reduces the likelihood of tax evasion. Extending this argument, we propose that in an environment of high technological sophistication, the effect of tax rates on evasion perception will be significantly diminished.
H2: Taxation Technology and Information weakens the relationship between the tax rate and the taxpayer's perception of tax evasion.

2. METHOD

This study employs a quantitative research design with an associative approach to test the proposed hypotheses. The research was conducted at the Tax Service Office (KPP) Pratama Denpasar Barat. The population consisted of all 61,351 individual taxpayers registered as of November 2023. From this population, a sample of 100 respondents was determined using Slovin's formula. A 10% margin of error was deemed acceptable and appropriate for this study for two main reasons: first, given the exploratory nature of examining psychological perceptions, this margin provides a practical balance between statistical power and the significant resource constraints (time and cost) of accessing a large, diverse taxpayer population. Second, this margin is common in behavioral and social science studies where the goal is to identify relationships and interaction effects rather than achieve the high precision of a population census. A non-probability sampling technique, specifically accidental sampling, was employed. This method was chosen due to its practical feasibility and efficiency. It allowed the researchers to access respondents (individual taxpayers) who were physically present and available at the KPP Pratama Denpasar Barat during the data collection period. However, the authors acknowledge a key limitation of this method: the results may have limited generalizability to the entire 61,351 taxpayer population, as the sample inherently excludes taxpayers who did not visit the KPP office during that specific timeframe.

The data utilized are primary data, collected through the distribution of questionnaires designed with a 5-point Likli scale to measure the latent variables. The unit of analysis for this research is the individual taxpayer. Prior to hypothesis testing, all instrument items were subjected to validity (Pearson correlation) and reliability (Cronbach's Alpha) tests. Furthermore, the model was verified using classical assumption tests (normality, multicollinearity, and heteroscedasticity) to ensure the robustness and accuracy of the regression estimates. The collected data were analyzed using Moderated Regression Analysis (MRA) with SPSS software. MRA was specifically chosen over other techniques because it directly and parsimoniously tests the core hypothesis of this study: the interaction effect. The primary goal is not to build a complex latent model, but to determine precisely if the independent variable's (Tax Rates) effect on the dependent variable (Evasion Perception) changes at different levels of the moderator (Taxation Technology). MRA is the most direct and appropriate statistical tool for quantifying the strength and significance of this specific interaction term. The hypothesized relationships between the variables are summarized in the following research framework.

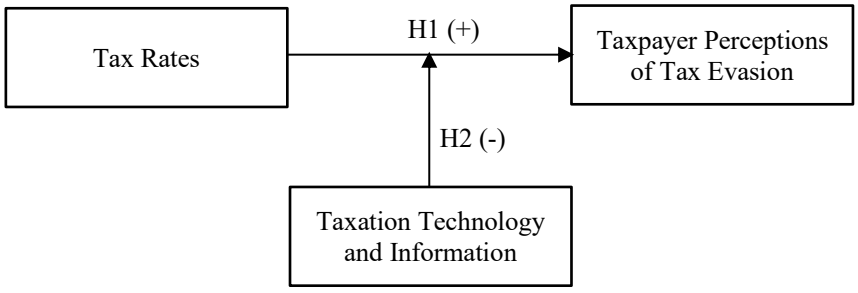

Figure 1. Research framework

3. RESULT AND DISCUSSION

This section is specifically dedicated to presenting and elaborating the empirical findings obtained from a series of rigorous statistical data analyses, where the results will be presented systematically, starting from the demographics of respondents, descriptive statistics that provide an overview of the variables, followed by the results of assumption testing, to hypothesis testing in order to comprehensively answer the research questions that have been formulated.

A. Respondent Demographics

Table 1 presents the demographic characteristics of 100 respondents. Based on gender, the majority are female (60%), while male respondents make up 40%. In terms of age, most respondents are between 35–40 years old (37%) and over 40 years old (35%), indicating that the sample is dominated by mature individuals. Regarding educational background, nearly half of the respondents hold a bachelor's degree (46%), followed by diploma holders (32%) and master's degree holders (22%), suggesting that most respondents have a relatively high level of education. From the perspective of occupation, the largest group consists of private-sector employees (45%), followed by self-employed or entrepreneurial individuals (25%), others (20%), and civil servants (10%). Overall, these demographics show that the respondents represent a well-educated and experienced group, primarily composed of working adults in the productive age range.

Tabel 1. Respondent demographics

No	Characteristic	Number of People	Percentage (%)
1	Gender		
	a) Male	40	40
	b) Female	60	60
	Total	100	100
2	Age		
	a) 20-24 tahun	11	11
	b) 25–34 tahun	17	17
	c) 35–40 tahun	37	37
	d) > 40 tahun	35	35
	Total	100	100
3	Highest Education		
	a) Diploma (D3)	32	32
	b) Bachelor's (S1)	46	46
	c) Master's (S2)	22	22
	d) Doctoral (S3)	-	-
	e) Other	-	-
	Total	100	100
4	Occupation Type		
	a) Self-employed/Entrepreneur	25	25
	b) Private-sector Employee	45	45
	c) Civil Servant	10	10
	d) Other	20	20
	Total	100	100

B. Data Quality and Assumption Testing

Preliminary analysis confirmed the quality and suitability of the data. All measurement items for the variables Tax Rate (X), Taxpayer Perception of Tax Evasion (Y), and Taxation Technology and Information (M) were found to be valid, with corrected item-total correlations exceeding the 0.30 threshold. The constructs also demonstrated strong reliability, with Cronbach's Alpha coefficients for all variables surpassing the recommended value of 0.70. Furthermore, the classical assumption tests yielded favorable results: the data were normally distributed as per the Kolmogorov-Smirnov test ($p > 0.05$), free from multicollinearity (VIF < 10 and Tolerance > 0.1), and exhibited no signs of heteroscedasticity based on the Glejser test ($p > 0.05$). These results confirm that the data are robust and appropriate for hypothesis testing via moderated regression analysis.

C. Descriptive Statistics

Based on Table 2, this study involved 100 respondents (N=100) for all three variables examined. The Tax Rates variable exhibited the highest mean (20.11), with scores ranging from 15 to 25, and displayed the narrowest data spread (Std. Deviation = 2.550), indicating that respondent perceptions regarding tax rates were relatively uniform. The Taxation Technology variable had a mean of 17.84 (range 8-24) with a standard deviation of 2.898. Meanwhile, Taxpayer Perceptions of Tax Evasion recorded the lowest mean (16.20) but possessed the highest standard deviation (3.172) and the widest score range (6-25), suggesting that responses concerning perceptions of tax evasion were the most varied or diverse among the three variables. The relatively

low mean for Tax Evasion Perception suggests that, on average, respondents in this sample did not strongly perceive evasion as a justifiable or viable option. This high level of variance in the dependent variable is particularly noteworthy, as it indicates a diverse range of opinions and confirms the data's suitability for explaining this variation through regression analysis.

Tabel 2. Descriptive statistics

Variable	N	Minimum	Maximum	Mean	Std. Deviation
Tax Rates	100	15	25	20.11	2.550
Taxation Technology	100	8	24	17.84	2.898
Taxpayer Perceptions of Tax Evasion	100	6	25	16.20	3.172

D. Hypothesis Testing

After the data was declared valid and reliable through a series of instrument tests and classical assumption tests, the analysis continued to the hypothesis testing stage to examine the significance of the relationships or influences between the formulated variables, in order to provide empirical evidence for the proposed research model. Table 3 below shows the results of the hypothesis testing.

Tabel 3. Hypothesis testing

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-28.323	12.446		-2.276	0.025
	TR	1.763	0.659	1.417	2.674	0.009
	TT	2.442	0.676	2.231	3.613	0.000
	TR*TT	-0.095	0.034	-2.875	-2.758	0.007

Dependent Variable: Taxpayer Perceptions of Tax Evasion

The results of the Moderated Regression Analysis (MRA) are presented to test the proposed hypotheses. The analysis reveals a significant overall model fit, indicating that the independent and moderator variables collectively explain a substantial portion of the variance in taxpayers' perception of tax evasion. The analysis shows that the tax rate has a statistically significant positive coefficient (β = 1.763, sig. = 0.009). This indicates a strong, direct relationship between the tax rate and the taxpayer's perception of tax evasion. As taxpayers perceive the tax rate to be higher, their perception of tax evasion as a viable option also increases. Therefore, Hypothesis 1 is supported. The interaction term between the tax rate and taxation technology and information yielded a statistically significant negative coefficient (β = -0.095, sig. = 0.007). This result confirms the moderating effect of technology. The negative sign signifies that taxation technology and information weakens the positive relationship between the tax rate and the perception of tax evasion. Therefore, Hypothesis 2 is supported.

E. Coefficient Determinant (R^2)

The Coefficient of Determination (R^2) analysis is conducted as an essential step to quantify the explanatory capacity of the research model, which specifically measures the percentage of total diversity (variation) in the dependent variable that can be explained jointly (simultaneously) by all independent variables entered into the model. Table 4 below shows the results of the coefficient of determination test.

Tabel 4. Coefficient determinant (R^2) test's result

R Square	Adjusted R Square	Std. Error of the Estimate
0.356	0.336	2.58556

Based on the results, the Adjusted R Square value is 0.336. This indicates that 33.6% of the variation in the dependent variable can be explained by the independent variables included in this model, while the remaining 66.4% is influenced by other factors not examined in this study. The Standard Error of the Estimate is 2.58556, which represents the average deviation of the data points from the fitted regression line.

F. Discussion

The findings of this study provide significant insights into the dynamics of tax compliance behavior in the digital age, offering a more detailed interpretation of the interplay between fiscal policy and administrative technology.

The confirmation of our first hypothesis (H1) establishes a clear and positive relationship between tax rates and the perception of tax evasion, consistent with the economic theories of crime, particularly the Allingham–Sandmo model, which posits that tax evasion is a rational decision based on a cost–benefit analysis (Lee, 2018; Deb & Chakraborty, 2017). A higher tax rate directly increases the potential benefit or financial gain from successful evasion, thereby making it a more tempting proposition (Ramli & Arifin, 2020; Permana & Susianto, 2020).

Beyond pure economics, this finding also touches upon the psychological dimension of tax morale the intrinsic motivation of individuals to comply with tax obligations (Pui Yee et al., 2017; Ogungbade et al., 2021). When tax rates are perceived as excessively burdensome or unfair, they can erode taxpayers' intrinsic motivation to comply, fostering a negative attitude toward the tax system and making evasion seem morally justifiable (Rantelangi & Majid, 2017; Nabilah, 2023). This pattern is particularly relevant in the Indonesian context, where public trust in the efficiency of tax revenue utilization remains limited (Tarmidi et al., 2020; Dissanayake & Damayanthi, 2024). A high tax rate, coupled with low trust in government spending, can create a potent combination that legitimizes the idea of evasion in the minds of taxpayers. Our findings empirically validate this challenge for fiscal policy, reaffirming that tax rates are a powerful yet sensitive instrument in influencing compliance behavior (Widati et al., 2023; Amin & Mispa, 2020).

Furthermore, our findings offer a potential resolution to the ambiguity highlighted in the literature, where some studies found no significant link between tax rates and evasion (Rantelangi & Majid, 2017; Ogungbade et al., 2021). Our moderation analysis suggests that the effect of tax rates is not uniform and is highly contingent upon the enforcement context. The "conflicting" studies may have sampled populations where the perceived probability of detection (driven by technology or other factors) was already high, thus neutralizing the incentive to evade caused by high rates. Our study empirically demonstrates that this interaction is key: tax rates only strongly predict evasion perception when technology is perceived as weak.

The most critical finding of this research, however, is the support for our second hypothesis (H2), which reveals the powerful moderating role of Taxation Technology and Information. The significant negative interaction term indicates that a robust technological infrastructure can effectively weaken the positive link between tax rates and perceptions of evasion (Permana & Susianto, 2020; Ramli & Arifin, 2020; Dissanayake & Damayanthi, 2024). This result provides strong empirical support for the application of the Theory of Planned Behavior (TPB) in the digital tax era (Shafika & Fakhroni, 2020; Widati et al., 2023).

While a high tax rate may negatively influence a taxpayer's attitude toward compliance, technology directly affects their Perceived Behavioral Control by making evasion more difficult and risky (Amin & Mispa, 2020; Terzic et al., 2020). A sophisticated tax system enhances transparency through digital footprints, such as e-filing and pre-filled tax returns, reducing the opportunity to conceal income (Kassa, 2021; Ogungbade et al., 2021). It also strengthens enforcement through data analytics and third-party information integration, thereby increasing the perceived probability of detection and punishment (Ludigdo et al., 2023; Hakki et al., 2023). This heightened risk alters the taxpayer's rational calculus, making evasion a less attractive option even under high tax pressure (Jun & Yoon, 2018; Nabilah, 2023). In essence, technology acts as a deterrent, not by changing the desire to evade but by undermining the confidence that one can do so successfully and without consequence (Abit et al., 2023).

Synthesizing these two findings, our study offers a comprehensive perspective on modern tax compliance behavior. Policy decisions regarding tax rates cannot be made in isolation; the tendency for higher rates to encourage evasion can be counteracted by strategic investments in tax technology (Deb & Chakraborty, 2017; Dissanayake & Damayanthi, 2024). This introduces technology as a third policy lever, complementing fiscal rate design and enforcement strategy (Hakki et al., 2023). For policymakers at Indonesia's Directorate General of Taxes (DGT), this finding supports the ongoing digital transformation agenda, underscoring that technology's goal extends beyond administrative efficiency to shaping taxpayers' perception of enforcement capability thereby strengthening voluntary compliance even amid fiscal and economic pressures (Permana & Susianto, 2020; Tarmidi et al., 2020).

4. CONCLUSION

Tax rates are positively and significantly correlated with taxpayer perceptions of tax evasion, according to this study's analysis and discussion. This finding confirms that higher rates promote the impression of tax evasion as a realistic choice. Most importantly, though, we found that taxing technology significantly reduces the strength of this beneficial correlation. This research adds to the Theory of Planned Behavior (TPB) by

showing how technology, an outside force, can affect taxpayers' perceptions of their own behavioral control, which in turn reduces the likelihood that they will attempt to avoid taxes, even when faced with high rates of taxation. The practical implications of this result are clear: the Directorate General of Taxes (DGT) and lawmakers should keep pouring money into digital transformation to boost administrative efficiency and encourage voluntary compliance through a strong technological foundation. The results may not be applicable to a larger population because this study relies on accidental sampling at only one tax office (KPP Pratama Denpasar Barat). Hence, to improve data representativeness, future study should use probability sampling methods and broaden the sample scope to include other geographical areas. To fill in the blanks and explain the remaining 66.4% of the variation in the impression of tax evasion, future research could look into additional moderating variables like tax morale or trust in government, which were not part of this model.

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