CHAPTER II
LITERATURE REVIEW

2.1 Previous Research

Table 2.1 presents the relevant previous studies that serve as references and the foundation for this study.

Table 2.1 Comparison of Research Variables

No	Researcher (Year)	Variables	Analysis Tool	Results	Differences
1	Gustini Sianturi, Sumarno Manrejo, Dewi Puspaningtyas Faeni (2024)	Y=MSME Taxpayer Compliance X1=Tax Knowledge X2=Tax Sanctions X3=Tax Rate Perception	Quantitative; SmartPLS (Outer Model & Inner Model)	Tax Knowledge, tax sanctions, and tax rate perception each have a positive and significant effect on MSME taxpayer compliance.	Uses tax Sanctions as independent variables, which are not examined in the current study. Study was conducted at UMKM Kabupaten Bekasi, not Pekanbaru City. Does not include Digital Literacy.
2	Zhafira & Agustina (2025)	Y = MSME Taxpayer Compliance X1 = Tax Rates X2 = Tax Sanctions X3 = Taxpayer Awareness X4 = Tax Knowledge	Quantitative; Questionnaire-based Survey	Tax rates do not have a significant effect on MSME taxpayer compliance. Tax knowledge has a positive and significant	Includes Tax Sanctions and Taxpayer Awareness as independent variables instead of Digital Literacy. Study does not

No	Researcher (Year)	Variables	Analysis Tool	Results	Differences
	Zhafira & Agustina (2025)			effect on MSME taxpayer compliance.	examine the role of digital literacy in compliance behavior.
3	Anggraini & Novitasari (2025)	Y = MSME Performance X1 = Tax Knowledge X2 = Tax Incentives X3 = Digital Literacy	Quantitative; Multiple Linear Regression	Tax knowledge does not have a significant effect on MSME. Tax incentives and digital literacy each have a positive and significant effect on sustainable MSME performance.	Includes Tax Incentives as an independent variable, which is not examined in the current study. Tax Rates is not examined. Study was conducted in Bengkulu City, not Pekanbaru City.
4	Sholihah & Nugroho (2025)	Y = MSME Taxpayer Compliance X1 = Tax Literacy X2 = Digital Literacy X3 = Tax Stereotypes	Quantitative; Partial Least Square (PLS)	Digital literacy has a positive and significant effect on MSME taxpayer compliance.	Uses Tax Literacy and Tax Stereotypes instead of Tax Rates and Tax Knowledge. Study conducted in Cirebon, West

Based on Table 2.1, the previous studies reviewed in this section have examined factors relevant to MSME taxpayer compliance, particularly in relation to tax rates, tax knowledge, and digital literacy. All three studies employed a quantitative approach, primarily using survey-based questionnaires as the main data collection instrument. Their findings collectively indicate that MSME taxpayer compliance is shaped by a combination of structural, cognitive, and technological factors. While the studies differ in their variable combinations, geographical settings, and analytical methods, each contributes meaningful insight into the mechanisms through which taxpayer behavior is formed and sustained. Reviewing these studies side by side reveals both points of convergence and notable inconsistencies, particularly across different regulatory environments and taxpayer segments, which together underscore the importance of contextualizing compliance research within specific local conditions.

Regarding tax rates, the evidence across studies points in different directions, reflecting the complexity of how taxpayers perceive and respond to the rate structure imposed on them. Sianturi et al. (2024) found that tax rate perception has a positive and significant effect on MSME taxpayer compliance in Kabupaten Bekasi, suggesting that when the applicable rate is perceived as fair and proportionate to taxpayers' actual economic capacity, it encourages rather than discourages voluntary participation in the formal tax system. This finding aligns with the broader premise that a well-calibrated rate structure reduces the perceived burden of compliance and strengthens taxpayers' internal motivation to fulfill their obligations. In contrast, Zhafira & Agustina (2025) found that tax rates do not yield a significant effect on MSME taxpayer compliance, indicating that for some taxpayer segments, the rate level alone may be insufficient to drive behavioral change without being accompanied by other supporting factors such as awareness or enforcement. This divergence in findings across two studies targeting the same taxpayer category highlights the sensitivity of the tax rate variable to contextual differences, and reinforces the need to re-examine its effect specifically within the regulatory and economic environment of Pekanbaru City.

On tax knowledge, the evidence across the reviewed studies is comparatively more consistent. Both Sianturi et al. (2024) and Zhafira & Agustina (2025) confirmed that tax knowledge has a positive and significant effect on MSME taxpayer compliance, indicating that a stronger and more comprehensive understanding of tax regulations directly translates into higher levels of compliance behavior. Sianturi et al. (2024) specifically demonstrated this relationship in the context of MSME taxpayers in Kabupaten Bekasi, finding that taxpayers who better understood applicable tax provisions were more likely to fulfill their reporting and payment obligations in a timely and accurate manner. Zhafira & Agustina (2025) reinforced this finding, showing that even when other variables in their model failed to reach significance, tax knowledge remained a robust and statistically meaningful predictor of compliance. However, a contrasting result was reported by Anggraini & Novitasari (2025), who found that tax knowledge does not have a significant effect on MSME in Bengkulu City, suggesting that the strength of this relationship may be conditioned by contextual factors such as taxpayer profile, outcome measure, and the presence of other compliance-driving mechanisms. This divergence in findings reinforces the need to re-examine the effect of tax knowledge within the specific context of KPP Pratama Pekanbaru Senapelan.

On digital literacy, Sholihah & Nugroho (2025) found that digital literacy has a positive and significant effect on MSME taxpayer compliance, demonstrating that taxpayers who are capable of navigating digital platforms and utilizing technology effectively are better positioned to fulfill their tax obligations consistently and on time. Their study highlighted that digital access and competence reduce the perceived complexity of tax administration systems, making compliance more achievable for MSME actors who might otherwise be deterred by the technical demands of platforms such as e-Filing and e-Billing. However, their study was conducted in Cirebon, West Java, using Partial Least Square (PLS) analysis, and examined digital literacy alongside tax literacy and tax stereotypes rather than tax rates and tax knowledge, which limits the direct comparability of their findings with the present study. More broadly, digital literacy remains one of the least examined variables in the MSME tax compliance literature. Very few studies have tested it directly as an independent determinant of compliance, particularly within the Indonesian MSME context, and existing findings are not yet sufficient to establish a definitive pattern. This scarcity of empirical evidence makes digital literacy a variable that warrants further and more targeted investigation, especially as Indonesia's tax administration continues to shift toward fully digital systems that demand a baseline level of technological competence from all registered taxpayers.

Taken together, these studies collectively point to a gap that this research seeks to fill. No prior study has simultaneously examined the effects of tax rates, tax knowledge, and digital literacy on MSME taxpayer compliance within a single unified model, particularly in the context of Pekanbaru City and under the current regulatory framework established by PP No. 23 of 2018. This study addresses that gap by integrating all three variables within a multiple linear regression framework, applied specifically to MSME taxpayers registered at KPP Pratama Pekanbaru Senapelan, encompassing both individual and corporate taxpayer categories within a single analytical scope. Consequently, this research is expected to contribute empirical evidence that both addresses the existing research gap and complements and extends the findings of previous studies, while offering practical insight for tax authorities seeking to strengthen MSME compliance in the Pekanbaru City area.

2.2 Theoretical Foundation

This section discusses the theoretical framework that serves as the foundation of the research, integrating fundamental concepts related to the research topic to provide a more profound understanding of the variables under study.

2.2.1 Attribution Theory

Attribution Theory describes the cognitive process by which individuals interpret and assign causes to their behavior and the behavior of others. As reviewed by Martinko & Mackey (2019), this theory was originally pioneered by the Austrian psychologist Fritz Heider (1958), who argued that individuals act as "naive psychologists" who seek to understand whether a behavior is driven by internal (dispositional) or external (situational) factors.

This framework was further refined by Harold Kelley (1967) through the covariation model and Bernard Weiner (1985), who integrated the theory into human motivation and achievement. According to the dimensions discussed by (Martinko & Mackey, 2019), there are three causal dimensions often used to explain outcomes: Locus of Causality (internal vs. external), Stability, and Controllability.

In the context of this study, Tax Knowledge and Digital Literacy are analyzed as internal attributes (internal locus). When an MSME owner attributes their tax compliance to their own proficiency, such as having high tax knowledge and digital skill, they develop a sense of internal control and personal responsibility (Weiner, 1985). According to Martinko & Mackey (2019), internal attributions for success lead to higher motivation and consistent behavior, which in this case results in higher voluntary compliance. Conversely, if a taxpayer perceives the tax system as too complex (external attribution of difficulty), they may justify non-compliance as a result of systemic flaws rather than their own effort.

2.2.2 Technology Acceptance Model (TAM)

The Technology Acceptance Model (TAM), introduced by Davis (1989), is one of the most influential theories for explaining how users come to accept and use a specific technology. According to Davis, an individual's decision to utilize a new system is determined by two primary cognitive beliefs: Perceived Usefulness (PU) and Perceived Ease of Use (PEOU).

a) Perceived Usefulness (PU): The degree to which a person believes that using a particular system would enhance their job performance (Davis, 1989). In the context of MSME taxation, PU means the digital system provides tangible benefits such as accelerating the tax payment process, increasing operational effectiveness, and making the overall tax procedure significantly easier for taxpayers. In this study, if MSME owners believe that the Coretax system or the NIK-NPWP integration simplifies their reporting and reduces administrative errors, their PU will be high.
b) Perceived Ease of Use (PEOU): The degree to which a person believes that using a particular system would be free of effort (Davis, 1989). A tax administration system has high PEOU when it is easy to learn, easy to control, and can be flexibly accessed from anywhere.

Digital Literacy acts as a crucial external variable that directly influences PEOU. High digital literacy ensures that the transition to a digitized tax environment is not perceived as a complex hurdle, but rather as a streamlined tool for efficiency. When the tax authority provides high-quality digital services that are easy to navigate, it fosters a sense of professionalism and support. This reinforces the "Trust" dimension, as taxpayers feel the authority is providing them with the necessary tools to succeed, ultimately leading to higher voluntary tax compliance. This theoretical integration is empirically supported by Sholihah & Nugroho (2025), who found that digital literacy has a positive and significant effect on MSME taxpayer compliance, demonstrating that higher digital competence directly reduces the perceived complexity of digital tax platforms, consistent with the PEOU construct within the TAM framework.

2.2.3 Micro, Small, and Medium Enterprises (MSMEs)

Micro, Small, and Medium Enterprises (MSMEs) are productive business units operated by individuals, households, or small business entities that play a strategic role in sustaining the national economy. According to Tambunan (2019), MSMEs are small-scale economic activities that have consistently shown resilience across various economic crises while also absorbing large numbers of workers. This was clearly demonstrated during the 1998 monetary crisis, when many large enterprises collapsed while MSMEs managed to survive and even continue to grow.

Legally, the classification of MSMEs is governed by Law Number 20 of 2008 on MSMEs, using two main indicators: net asset value and annual sales revenue. The three categories are as follows:

a) Micro Enterprise: Net assets of no more than Rp50,000,000 (excluding land and buildings), with annual revenue of no more than Rp300,000,000.
b) Small Enterprise: Net assets between Rp50,000,000 and Rp500,000,000, with annual revenue between Rp300,000,000 and Rp2.5 billion.
c) Medium Enterprise: Net assets between Rp500,000,000 and Rp10 billion, with annual revenue between Rp2.5 billion and Rp50 billion

Together, these three categories cover a wide range of businesses, from small informal operators to more structured business entities with established production and distribution activities.

2.2.4 Tax Rates

The tax rate is a crucial fiscal element that shapes how MSME taxpayers calculate, justify, and ultimately act on their compliance decisions. When the rate structure is perceived as rational and proportionate to a business's income capacity, the financial burden imposed on taxpayers becomes more measurable and predictable, which in turn fosters a more supportive business climate and encourages business actors to voluntarily transition into the formal tax system. In this study, the tax rate is defined as a statutory provision or percentage based on prevailing laws, used to calculate and determine the amount of tax that must be paid, remitted, and/or collected by the taxpayer (Azzahra et al., 2025). Under Government Regulation No. 23 of 2018, this rate was set at a Final Income Tax of 0.5% of gross turnover for MSME taxpayers with annual turnover not exceeding Rp4.8 billion (Juniarti & Anggrahini, 2020), and was subsequently complemented by Government Regulation No. 55 of 2022, which exempts MSME taxpayers with an annual turnover below Rp500 million from income tax obligations altogether a provision intended to provide meaningful fiscal relief for micro-scale business actors.

The tax rate functions as a fiscal policy instrument that bridges the interests of state revenue and business sustainability. It involves not only a fixed deduction percentage but also affirmative, adaptive policies that give taxpayers room to grow before being fully taxed. In the context of MSMEs, the low Final Income Tax rate of 0.5% combined with the Rp500 million non-taxable turnover threshold reflects an effort to strengthen taxpayers' trust toward tax authorities while easing their transition into the formal tax system. Setting a fair and proportionate rate is therefore essential to building a transparent fiscal ecosystem, one that encourages voluntary compliance without imposing a burden heavy enough to discourage small business growth. Given these regulatory developments, it becomes relevant to assess how taxpayers themselves perceive both the fairness of the applicable rate and the extent to which it eases their tax burden.

The indicators used to measure tax rate in this study are adapted from Sianturi et al. (2024), as follows:

a) Reduces tax burden, refers to the taxpayer's perception that the applicable tax rate does not impose an excessive financial obligation relative to their business scale and income capacity, making compliance feel financially manageable rather than burdensome.
b) Provides a sense of fairness, refers to the taxpayer's perception that the tax rate imposed is equitable and proportionate, meaning that the amount required to be paid aligns with what they consider a just contribution given their level of income and business activity.
c) The tax imposed is simpler, refers to the taxpayer's perception that the tax calculation mechanism under the applicable rate is straightforward and easy to understand, reducing the administrative complexity involved in fulfilling their tax obligations.

2.2.5 Tax Knowledge

Tax knowledge is a fundamental element underlying taxpayer compliance behavior, particularly within Indonesia's self-assessment system, in which taxpayers are independently responsible for calculating, remitting, and reporting their own tax liabilities without direct guidance from tax authorities. Tax knowledge refers to the level of understanding possessed by MSME taxpayers regarding the function of taxation, their tax obligations, and the procedures required for proper reporting (Azzahra et al., 2025). This understanding is not merely theoretical but practical, since most MSME owners manage their own tax affairs without the assistance of a dedicated accounting department. A taxpayer who possesses adequate tax knowledge is better equipped to interpret regulations correctly, avoid miscalculations, and recognize the deadlines and procedures required for proper reporting, including the completion of the Annual Tax Return (SPT). Such knowledge also shapes taxpayers' attitudes toward compliance: individuals who understand the rationale and mechanics of taxation tend to view their obligations as manageable rather than burdensome, whereas a lack of information often leads to administrative errors, unintentional non-compliance, or, in some cases, avoidance born out of confusion rather than deliberate dishonesty. This issue is particularly relevant for MSMEs, many of which operate informally and have limited exposure to structured tax education. Given the importance of this variable, the indicators of tax knowledge used in this study are adapted from Sianturi et al. (2024), as follows:

a) Knowledge of general tax provisions and procedures (KUP), refers to the taxpayer's understanding of the fundamental legal framework governing taxation in Indonesia, including their rights, obligations, and the administrative procedures required to register, calculate, pay, and report their taxes.
b) Knowledge of the tax system currently in effect, refers to the taxpayer's familiarity with the self-assessment system adopted in Indonesia, whereby taxpayers are independently responsible for calculating, remitting, and reporting their own tax liabilities without direct intervention from tax authorities.
c) Knowledge of the functions of taxation, refers to the taxpayer's awareness that taxes serve not only as a primary source of state revenue but also as an instrument for regulating economic activity and financing public goods and services that benefit society as a whole.

2.2.6 Digital Literacy

Digital literacy is a fundamental adaptation element that bridges taxpayers with the ongoing modernization of tax administration. When taxpayers possess adequate digital literacy, technological barriers can be effectively overcome, making the process of fulfilling tax obligations significantly more efficient. This creates an environment of ease of use, where individuals feel capable of navigating digital platforms independently, which in turn improves the overall smoothness of the tax reporting process. In general terms, digital literacy is defined as an individual's ability to safely and effectively find, evaluate, use, and operate information and communication technology, including those specifically designed for tax reporting and payment such as e-Filing and e-Billing (Sholihah & Nugroho, 2025).

Referring to the Technology Acceptance Model (Davis, 1989), digital literacy functions as a crucial external variable that directly shapes Perceived Ease of Use (PEOU) the belief that using a particular system will be free of excessive effort. When MSME taxpayers possess sufficient digital literacy, they tend to perceive digital tax platforms as easier to learn, more controllable, and flexible enough to be accessed anytime and anywhere, rather than as a complex technological hurdle. This technical proficiency is not merely a basic operational skill; it also encompasses competence in navigating specific features within digital tax systems, such as independently generating a billing code through the relevant online application.

The indicators of digital literacy used in this study refer to Sholihah & Nugroho (2025), namely:

a) Ability to use digital tax services, the taxpayer's capability to operate and navigate digital tax platforms required for fulfilling their tax obligations.
b) Familiarity with e-filing and e-payment, the extent to which the taxpayer is accustomed to and comfortable using e-filing and e-payment systems specifically.
c) Trust in digital tax systems, the taxpayer's confidence in the reliability and security of digital tax platforms when used to report and pay taxes.

2.2.7 Tax Compliance

a) Definition of Tax Compliance

Tax compliance is one of the central concepts in taxation studies, reflecting the extent to which taxpayers fulfill their tax obligations in accordance with the applicable laws and regulations. This concept encompasses not only the technical and administrative dimensions but also the behavioral, cognitive, and social dimensions of taxpayers in their interaction with the tax system. According to Azzahra et al. (2025), tax compliance refers to a condition in which taxpayers fulfill all of their tax obligations and exercise their tax rights. This definition emphasizes that compliance is bidirectional: taxpayers are not only required to fulfill their obligations, but are also entitled to exercise the rights embedded within the tax system, such as the right to tax refunds or objections.

Grounded in Attribution Theory, as reviewed by Martinko & Mackey (2019), taxpayer compliance behavior can be understood through the lens of how individuals interpret the causes of their own actions. Taxpayers who attribute their compliance to internal factors such as a sense of personal responsibility and civic duty are more likely to fulfill their obligations voluntarily, while those who attribute non-compliance to external factors such as the perceived burden of the tax system are more inclined to justify avoidance as a situational response rather than a deliberate violation.

In the context of Indonesia's self-assessment system, taxpayer compliance constitutes a highly critical element. This system places full trust in taxpayers to independently calculate, remit, and report their own tax liabilities. Consequently, the level of understanding and awareness among taxpayers becomes the primary determinant of this system's success (Azzahra et al., 2025).

b) Indicators of Tax Compliance

Azzahra et al. (2025), outlines that tax compliance is manifested through a series of formal obligations that must be fulfilled by taxpayers. These compliance dimensions include:

1) Timeliness of tax reporting, refers to whether the taxpayer submits

their tax returns within the deadlines established by tax regulations, reflecting punctuality and consistency in fulfilling reporting obligations.

2) Accuracy in tax payment, refers to whether the taxpayer correctly calculates the amount of tax owed and pays it in full, without underreporting or miscalculating their tax liability.
3) Adherence to tax regulations, refers to the taxpayer's general conformity with applicable tax laws, rules, and administrative procedures beyond just reporting and payment, reflecting overall compliance with the legal framework.

These three dimensions serve as the primary reference in this study for measuring the level of tax compliance among MSME taxpayers in Pekanbaru City, particularly with respect to the Final Income Tax regulated under Government Regulation (PP) Number 23 of 2018 and PP Number 55 of 2022.

2.3 Conceptual Framework

The conceptual framework constitutes a logical elaboration of arguments aimed at clarifying the relationships among the variables under study, which consist of the Dependent Variable (MSME Taxpayer Compliance) and the Independent Variables (Tax Rates, Tax Knowledge, and Digital Literacy).

2.3.1 The Effect of Tax Rates on MSME Taxpayer Compliance

The tax rate constitutes a fundamental fiscal instrument that directly shapes the perception and behavioral response of taxpayers toward their obligations. Grounded in Attribution Theory as reviewed by Martinko & Mackey (2019), a tax rate that is perceived as proportionate and fair encourages taxpayers to attribute their compliance behavior to an internal sense of fairness and civic responsibility, rather than to external compulsion. In the context of MSMEs in Indonesia, the Final Income Tax rate of 0.5% of gross turnover under PP No. 23 of 2018, applicable to MSME taxpayers with annual turnover not exceeding Rp4.8 billion (Juniarti & Anggrahini, 2020), was subsequently complemented by PP No. 55 of 2022, which exempts taxpayers with an annual turnover below Rp500 million from income tax obligations altogether. This reflects a deliberate governmental effort to align the tax burden with the financial capacity of small business actors. Empirically, Harmana (2023) found that tax rate changes have a positive and significant effect on MSME taxpayer compliance, both partially and simultaneously, suggesting that a rate perceived as fair and proportionate encourages voluntary participation in the formal tax system. In contrast, Zhafira & Agustina (2025) found that tax rates do not yield a significant effect on MSME taxpayer compliance, indicating that rate levels alone may be insufficient to drive behavioral change without the support of other factors such as awareness or enforcement. This inconsistency in findings underscores the need to re-examine the effect of tax rates specifically within the context of KPP Pratama Pekanbaru Senapelan. Based on these theoretical and empirical foundations, the following hypothesis is proposed:

H1: Tax rates have a positive effect on MSME taxpayer compliance at KPP Pratama Pekanbaru Senapelan.

2.3.2 The Effect of Tax Knowledge on MSME Taxpayer Compliance

Tax knowledge represents an internal cognitive resource that enables taxpayers to correctly interpret, calculate, and report their tax obligations. Drawing upon Attribution Theory as reviewed by Martinko & Mackey (2019), taxpayers who attribute their compliance behavior to internal factors, such as the possession of sufficient tax knowledge, tend to develop a stronger sense of personal responsibility and self efficacy, which systematically drives voluntary compliance. Tax knowledge itself is defined as the process by which taxpayers acquire knowledge in the field of taxation and subsequently apply that knowledge for the purpose of fulfilling their tax obligations (Azzahra et al., 2025). In the MSME context, a comprehensive understanding of tax functions, regulations, and reporting procedures significantly reduces administrative confusion and minimizes errors in tax reporting. This theoretical premise is empirically supported by Harmana (2023) and Zhafira & Agustina (2025), both of whom demonstrated that tax knowledge has a positive and significant effect on MSME taxpayer compliance, indicating that a stronger and more comprehensive understanding of tax regulations directly translates into higher levels of compliance behavior. However, a contrasting result was reported by Anggraini & Novitasari (2025), who found that tax knowledge does not have a significant effect on MSME in Bengkulu City, suggesting that the strength of this relationship may be conditioned by contextual factors such as taxpayer profile, outcome measure, and geographical setting. Accordingly, the following hypothesis is proposed:

H2: Tax knowledge has a positive effect on MSME taxpayer compliance at KPP Pratama Pekanbaru Senapelan.

2.3.3 Digital Literacy on MSMEs Taxpayer Compliance

Digital literacy constitutes a critical determinant of taxpayers' capacity to effectively engage with digitalized tax administration systems, including e-Filing, e-Billing, and the Coretax platform. Grounded in the Technology Acceptance Model introduced by Davis (1989), digital literacy directly influences both Perceived Ease of Use and Perceived Usefulness, the two primary cognitive determinants of technology acceptance. MSME owners who possess adequate digital literacy are more likely to perceive online tax systems as accessible and operationally efficient, thereby reducing technological barriers and facilitating more consistent compliance behavior. Digital literacy itself is defined as an individual's ability to safely and effectively find, evaluate, use, and operate information and communication technology in the context of fulfilling tax obligations. This theoretical argument is empirically corroborated by Sholihah & Nugroho (2025), who found that digital literacy has a positive and significant effect on MSME taxpayer compliance, demonstrating that taxpayers capable of accessing and using digital platforms with confidence tend to fulfill their reporting and payment obligations more consistently and on time. However, digital literacy remains one of the least examined variables in the MSME tax compliance literature, with very few studies having tested it directly as an independent determinant of compliance, particularly within the Indonesian MSME context. In light of these findings, the following hypothesis is proposed:

H3: Digital literacy has a positive effect on MSME taxpayer compliance at KPP Pratama Pekanbaru Senapelan.

2.3.4 The Simultaneous Effect of Tax Rates, Tax Knowledge, and Digital Literacy on MSME Taxpayer Compliance

The three independent variables examined in this study, namely tax rates, tax knowledge, and digital literacy, do not operate in isolation; rather, they collectively constitute an integrated system of fiscal, cognitive, and technological determinants that jointly shape MSME taxpayer compliance behavior. Grounded in Attribution Theory (Martinko & Mackey, 2019), when taxpayers perceive the applicable tax rate as fair, possess adequate tax knowledge, and are capable of navigating digital tax platforms, they are more likely to attribute their compliance behavior to internal factors; such as personal responsibility, competence, and civic awareness, thereby reinforcing voluntary fulfillment of tax obligations. Conversely, when any of these dimensions is deficient, taxpayers tend to externalize non-compliance as a response to systemic burdens or complexity. Attribution Theory (Martinko & Mackey, 2019) thus suggests that the simultaneous presence of these three variables is theoretically expected to produce a stronger and more sustained compliance outcome than any single variable could achieve independently. Empirically, the studies summarized in Table 2.1 each modeled MSME taxpayer compliance using a combination of structural, cognitive, and technological determinants. Harmana (2023) confirmed that tax socialization, tax rate changes, and tax understanding jointly produce a significant effect on compliance, while Zhafira & Agustina (2025) likewise confirmed that tax rates, tax penalties, taxpayer awareness, and tax knowledge jointly produce a significant effect on compliance. By contrast, Sholihah & Nugroho (2025) using a Partial Least Square approach, found that digital literacy together with tax literacy and tax stereotypes explain only a modest share of the variance in compliance, suggesting that no single combination of determinants has yet provided a comprehensive explanation of MSME taxpayer compliance behavior. Based on these theoretical and empirical considerations, the following hypothesis is proposed:

H4: Tax rates, tax knowledge, and digital literacy simultaneously have a positive and significant effect on MSME taxpayer compliance at KPP Pratama Pekanbaru Senapelan.

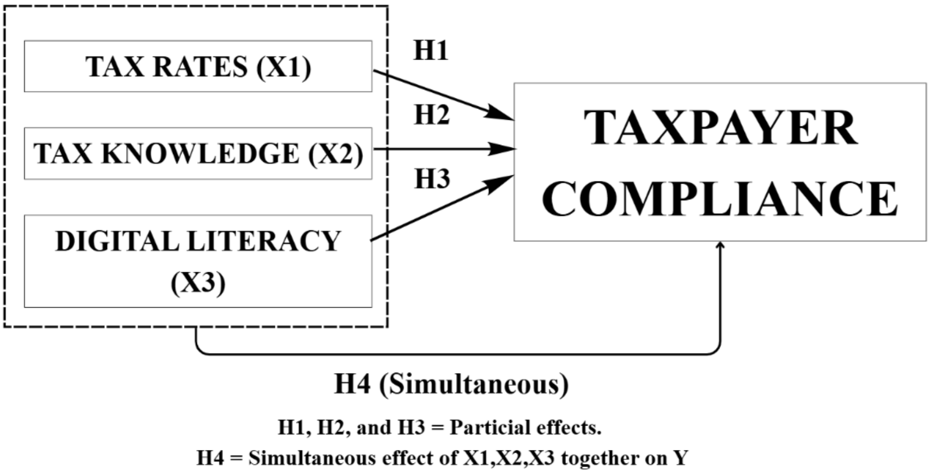

Figure 2.1 Conceptual Framework