Preventing Tax Evasion: the moral strength of taxpayers and the power of tax authorities

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Abstract

This study aims to determine the effect of coercive power and the legitimacy of the tax authority on the morale of taxpayers, to prevent tax evasion. This study conducted a moderation test to determine the role of tax morale. This study used a survey approach by distributing 100 questionnaires and analyzed using Partial Least Square (PLS). The results prove that the morale of taxpayers is a force to prevent tax evasion and is proven through a moderation test, tax morals can weaken the influence of government coercion on tax avoidance. Tax morale strengthens the influence of legitimate power on tax avoidance, although the government's legitimate power does not directly affect tax avoidance. This study explains that taxpayer fraud can be anticipated by enforcing government power through sanctions and audits accompanied by moral strength. The moral strength of taxpayers is a factor that plays a role in controlling government behavior.

Keywords: Tax morale, individual taxpayers, coercive power, legitimacy, tax evasion.

INTRODUCTION

The issue of tax evasion or tax fraud is a problem faced by tax authorities in developing and developing countries. Empirical studies collectively seek to identify the factors that cause taxpayer fraud from various scientific perspectives. [1] highlight taxpayers' non-compliance from the perspective of weak law enforcement that fosters tax fraud behavior, [2] emphasize the lack of trust and the lack of integrity and professionalism of tax officials. Meanwhile, [3] linked taxpayers' non-compliance with the low performance of government financial management. The classical crime theory used in [4] research explains that the motivation for economic benefits from obtaining tax savings is the driving force behind tax fraud. Taxpayers intentionally do not report all income tax payable while taking advantage of the low probability of detection and penalty. However, in subsequent studies, the decision to avoid paying taxes is no longer determined by rational cost-benefit considerations and social and moral influences [5] .

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[6] argue that moral and ethical factors can support the honest behavior of taxpayers, thereby reducing the tendency to avoid tax. When associated with tax audits, taxpayers' moral and ethical behavior will make tax audits run correctly. The moral of morality always leads to norms, teachings, and values upheld by society because they are proven to be true and good [7] Moral norms become the benchmark used to measure a person's goodness. The moral is how someone understands that the actions taken are considered good or bad, right or wrong, and right or inappropriate [8].

Tax fraud is not only about morals, but also about the importance of law enforcement. Law enforcement can be interpreted as the authority or use of government power or coercive power. Coercive power is external pressure exerted by governments, regulations, or other institutions to adopt structures or systems that aim to better regulate existing practices [9]. Coercive pressure in tax law is implemented through administrative sanctions and fines regulations as well as tax audits to test compliance. Coercive power represents the power to punish and the power to reward thereby creating positive or negative incentives for taxpayers [10] Although the tax authority as a representative of the government has coercive power, this coercive power can actually increase tax fraud [11]. [11] and [12] argue that tax fraud penalties through sanctions and tax audits are no longer effective for preventing tax fraud itself and are considered inadequate and can even reduce voluntary tax compliance. The use of coercive force according to [13] and [14] can generate suspicion and distrust. Tax authorities use coercive power while taxpayers continue to persist with tax evasion. In the end, coercive power has a positive effect on tax fraud. So that taxpayers feel that tax payments arise not because of obligations as citizens but because of coercion.

In contrast to coercive power, which is coercive in nature, legitimacy power or legitimate power is considered more friendly. It raises taxpayers' trust in tax authorities so that it can affect taxpayer compliance behavior. Through its legitimacy powers and considering taxpayers as

partners, the tax authority also offers cooperation to support the implementation of rights and obligations so that each party can reciprocally provide mutual benefits [15]. Furthermore, the power of legitimacy can interact with the moral awareness of taxpayers because it can build voluntary compliance to reduce fraudulent actions. [14] found that the power of legitimacy is considered to reduce the stress of taxpayers who feel compelled to carry out their tax obligations under audit pressure and fines. Therefore, tax authorities in the concept of legitimate power are expected to reduce coercive power through expensive audits and fines and switch to a more friendly approach through the simplicity of the tax system, wholehearted service, building good communication, and the availability of adequate public services and facilities. These things will form a positive perception that affects voluntary motivation in paying taxes [16]

An understanding of moral factors as a controller of taxpayer non-compliance behavior has been proven in several studies [17] and [18]. Taxpayers' actions to commit fraud are no longer directly controlled by external factors such as high tax rates, the probability of tax audits, and law enforcement. However, they are influenced by intrinsic motivation called morale. [19] experimental results prove that the mutual attraction of paying taxes with the benefits received from paying these taxes has increased taxpayer morale. In their research, [19] see that tax morale is relatively inelastic. The commitment of taxpayers to uphold morals in carrying out tax obligations can be shaky when taxpayers consider the benefits of tax fraud greater than the actual benefits, they receive from paying taxes. The same thing was also expressed by [20] and [21] that taxpayers will comply with paying taxes when as a society, taxpayers are involved in participating in political life to participate in determining policies related to public services. Better government governance, the judicial system, and the tax administration system will increase taxpayers' morale and reduce tax evasion [11]

Empirical evidence on the effect of coercive power on taxpayer fraud is inconsistent. In some studies, coercive power has a positive effect on tax fraud, but in other studies, it has a negative effect on tax fraud. [22] state that tax audits can backfire on tax officials because it impacts the morale of taxpayers. [23] see that it is not easy to enforce compliance based on voluntary principles without coercive power. [14], [23]–[25] realized that the threat of coercive power through audits and legal sanctions is still considered more effective in having an impact on reducing tax fraud. Law as a force, on the other hand, has a very close relationship with morals because these two rules both regulate human behavior and aim to create a suitable for human life. The moral is able to control taxpayers' actions as a response to the coercive power and legitimacy of taxpayers that can affect taxpayer compliance. The moral effect of taxpayers is considered to reduce the influence of the government's coercive power to reduce tax fraud. On the other hand, tax morale can also strengthen taxpayers' trust in tax authorities through government legitimacy in making policies that favor taxpayers to reduce taxpayer fraud. Therefore, another added value of this research is to place tax morale to examine the influence of strong and weak morals in influencing tax authorities' coercive power and legitimacy against tax fraud. [18], [20]

Tax Evasion

The classic model of tax fraud is often studied by law enforcement. Taxpayers are considered a deterrent when given high tax sanctions for non-compliance. However, this understanding is refuted when examined from the research results. Theoretically, tax compliance is often studied using [4] research results, which explain that taxpayers are willing to receive sanctions if the benefits of tax fraud are more significant than the sanctions. Tax fraud can be analyzed using a rational choice approach from another perspective. [26] emphasizes the effects of social interactions such as social norms, uncertainty about being

audited and subject to tax sanctions, and the possibility of taxpayers acting as free riders. These conditions create a dilemma for taxpayers so that they can act rationally whether they are obedient or disobedient in carrying out their tax obligations. General Provisions and Tax Procedures based on Law Number 28 of 2008 in article 39 regulates forms of tax fraud, including, among others, not submitting a tax return (SPT) or submitting an SPT. General Provisions and Tax Procedures based on Law Number 28 of 2008 in Article 39 regulates forms of tax fraud, including, among others, not submitting a Tax Return (SPT) or submitting an SPT but it is not true and complete, intentionally not registering to be given Taxpayer Identification Number, does not report his business to be confirmed as a Taxable Entrepreneur, refuses to be audited, shows false or falsified books, records, or other documents, and does not keep books or records. Understanding tax evasion is easier when compared to tax avoidance. Tax avoidance describes the implementation of taxation strategies within tax law limits, while tax evasion is an illegal taxation strategy for taxpayers because it contradicts tax provisions ([27].

Government Power

The development of tax fraud research is then linked to government power through coercive and legitimacy power. Coercive power, in many definitions, is often associated with coercion. Using Hobbes's view, [28] explains that the state cannot rely solely on sovereignty without a sword. The law is just law as well as the constitution. The law is order and will be carried out if equipped with coercive power. Likewise, it is stated by [29] that coercive power contains coercion and even threats to expect sustainable change. In the context of tax compliance, coercive power is related to the extent to which the tax authorities' efforts with their authority to force taxpayers to carry out tax compliance. Several studies have looked at the counterproductive impact of coercive power on increasing taxpayer compliance. [13] explain that tax authorities need to understand the psychology of taxpayers, not just press

through strict audit mechanisms, and apply sanctions and fines to improve taxpayer compliance. In [14], tax compliance creates a social dilemma for taxpayers because there is a conflict of economic interest between the taxpayer and the tax authority. However, [14] explained that coercive power and trust could solve this social dilemma. Legitimate power is a form of power through authority to exercise control over an organization [30]. The government is considered to have legitimate power because it has broad authority to regulate through a set of legal rules that control the behavior of its citizens. [31] explains the relationship between the power of legitimacy that leads to voluntary compliance when interacting with trust in authority. [32] underlined that the power of legitimacy is seen as a trusted way so that someone is willing and confident to follow a policy direction. In [33], the power of legitimacy is the concept of Max Weber, who explains that it is important to add the concept of legitimate power or legitimate power to regulate expected behavior. Individuals in the concept of legitimate power will place orders as obligations that must be carried out by someone who has a higher formal position or position or is given the authority to regulate. Legitimacy power is considered softer than coercive power because it contains elements of reciprocity or the principle of reciprocity (reciprocity), the principle of justice (Equity), and the principle of dependence (Responsibility) [33].

Tax Morale

The classic concept behind the taxpayer is reviewed using the moral perspective of the taxpayer. Tax morale represents the intrinsic motivation of taxpayer compliance related to the taxpayer's awareness. Taxpayers' morale is widely used in tax studies to measure individual attitudes and attitudes regarding tax payment obligations. Taxpayers with good morals will feel guilty or ashamed if they fail to carry out their tax obligations [34] .In addition, according to [34] good taxpayers will not think that the benefits of not paying taxes are more significant

than the compensation provided by the state for paying taxes. The traditional tax compliance model that departs from the research of [4] focuses more on the economic principle that taxpayers choose to avoid taxes because they get greater cash savings than paying taxes, especially in conditions of low audit probability. Then the paradigm shift in tax compliance research occurred when the psychological factors of taxpayers began to be involved in measuring taxpayer compliance behavior [13], [35]. In their research, [36] and [37] identify factors that influence taxpayer morale, including demographic statuses such as education, occupation, income, gender, institutional factors such as government performance in managing state finances, and trust in the government, the government's efforts to make policies to redistribute income, tariff rates, and social stigma.

Hypotheses Development

Coercive power and Tax Evasion

The obligation to pay taxes arises because of a contractual bond between the taxpayer and the government; as stated in [38] "... *the tax system is based on an unwritten social contract between the government and its taxpayers: taxpayers agree to report and pay the taxes they owe. and the government agrees to provide the service and oversight necessary to ensure that taxpayers can and will do so*". However, the government has the legitimacy to make laws that include laws and regulations to regulate the behavior of taxpayers in carrying out their tax rights and obligations. Taxpayers are subject to the law because there is a power that compels them to obey unconditionally. In [39] view, penalties for taxpayers make it increasingly difficult for tax authorities to find aggressive tax avoidance transactions. However, compared to the application of fines, [40] explains that the effect of coercive power is better able to increase taxpayer compliance. [40] explain that taxpayers' beliefs about tax authorities continuously reported in the media or through internal letters can affect taxpayer compliance. Likewise, [41] prove that coercive power can influence taxpayer compliance because the

government's power to impose penalties and fines is effective enough to provide a deterrent effect. Based on the explanation above, the formulation of the hypothesis in this study is:

H1: Coercive power has a positive effect on tax evasion

Tax Morale and Tax Evasion

In the view of [42], tax morale is the intrinsic motivation of taxpayers, which arises by itself to take any action that is realized freely without any coercion from the outside environment. According to [43], willingness to comply with tax provisions has a relatively strong impact on taxpayer morale. Taxpayers with high moral awareness will voluntarily carry out their tax obligations without any external parties' pressure or coercion. However, sometimes some factors make taxpayers sacrifice moral ideals to not comply like other taxpayers if the tax system is unfair and discriminatory. In this case, the government and tax administration cannot respect the good intentions of taxpayers who are obedient in paying taxes because the government and tax authorities cannot be trusted or have low credibility. Based on the results of a survey conducted by World Value Surveys (WVS), certain countries with low tax morale tend to take advantage of tax exemption facilities provided by tax haven countries [21]. Based on the WVS index, taxpayers in countries with low tax morale consider that tax avoidance, even though it is aggressive, is acceptable and considered rational. In addition, [44] also observe the high morale of taxpayers in developed countries whose governments can implement robust legal and financial systems. Based on the explanation above, the formulation of the hypothesis in this study is:

H2: Tax morale has a positive effect on tax evasion

Legitimacy Power and Tax Evasion

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In contrast to coercive power, which relies on law enforcement through sanctions and the possibility of auditing, legitimacy power rests on embracing and creating a synergistic relationship between taxpayers and tax authorities [14] Legitimacy power allows tax authorities to adopt friendlier approaches to be more effective in encouraging compliance [45]. Whether legitimate or coercive, the power allows the government and tax authorities to require taxpayers to carry out their tax obligations. Concerning the power of legitimacy, compliance pressure on taxpayers is given by creating responsive tax provisions. [26] explain the importance of the legitimate power of tax authorities in creating responsive regulations to reduce tax fraud by emphasizing the use of information technology and the exchange of information between countries. Legitimacy power also leads to a decision-making process that is considered fair for taxpayers. This statement was stated by [46] that legitimacy does not only speak that the tax authority can legally enforce the tax provisions agreed with the taxpayer, but also how the decision making of the tax authority in determining tax policy has involved the taxpayer. Therefore, the formulation of the hypothesis based on the description above is:

H3: Legitimacy power has a negative effect on tax evasion

Tax Morale, Kekuatan Koersive, Kekuatan Legistimasi dan Tax Evasion

Previous research has focused more on trust interactions on, coercive power, and legitimacy. Both coercively and legitimately, the power of authority cannot affect taxpayer compliance without the taxpayer's trust (Hofmann et al., 2014). This study examines the role of morals in the interaction with coercive power and the legitimacy of tax authorities on tax evasion. Is (2015) explains that morals are associated with good and bad individual behavior. The moral norms that exist in the individual's environment become the benchmark for determining whether the attitudes and actions of individuals as actors in specific roles are correct.

Coercive power is a factor that is considered to provide pressure and fear for individuals so that it becomes an effective tool in controlling compliance. Although it is realized that excessive coercive power can lead to resistance of individuals or group members so that they are resistant to committing to the given task (Burke & Barron, 2012). In taxation, coercive power is relevant to coercion, which can affect taxpayers' psychology because it creates fear and an antagonistic climate, impacting tax compliance (Hofmann, Gangl, Kirchler, & Stark, 2014). Coercive power tends to get rejected because taxpayers, especially obedient taxpayers, do not like it. However, on the other hand, taxpayers will also not comply and will cooperate voluntarily without adequate law enforcement. Taxpayers expect the government to be firm in implementing effective law enforcement. Therefore, the moral factor in this study is considered to be able to move the intrinsic motivation of taxpayers not to evade taxes even though the power of the tax authorities is considered sufficient so that the formulation of the hypothesis is:

H4a: Moral influence can strengthen the positive effect of coercive power on tax evasion

H4b: Moral influence can strengthen the positive influence of legitimacy power on tax evasion

RESEARCH METHOD

This study uses a Likert scale to measure perception of the behavioral and moral responses of taxpayers to the existence of coercive and legitimacy forces that lead to tax fraud behavior.. Answer respondents were measured with a scale of 1 = very disagree, 2 = disagree, 3 = neutral, 4 = agree, and 5 = strongly agree. Data analysis in this study, using Structural Equation Model (SEM) with approach WarpPLS.

Sample Selection

Respondents involved in this study are individual taxpayers who have NPWP. The sample selection is adjusted to the formulation of the problem to be answered in this study. The

sampling technique used is simple random sampling, which is a random sampling technique that does not consider other criteria. The method of data collection was done by using an online questionnaire. One hundred respondents filled out the online questionnaire and met the data analysis criteria.

Variable Measurement

Each variable in this study was measured using a questionnaire consisting of 8 questions using using the Linkert scale of 5 points from strongly disagree, disagree, neutral, agree, strongly agree. Small points indicate disapproval and conversely, large points indicate agreement. Data were analyzed using partial least square structural equation modeling (PLS-SEM) method using WarpPLS software. The analysis used WarpPLS to see the relationship of tax morale variables as a moderating variable to the relationship of coersive and legitimation power to tax evasion.

RESULTS AND DISCUSSION

The object of this research is individual taxpayers throughout Indonesia. Data collection was carried out in 2021 by distributing questionnaires online and the total sample taken was 100 individual taxpayers.

Table 1 shows that all indicators have a cross loading value greater than 0.3 and a significant p-value with a value smaller than 0.05 after adjustment for indicators that do not meet the loading factor and cross loading value. After removing the indicators TM3, TM7, TM8, TE1, TE7, TE8, CP6,CP7,CP8, LP2, LP7 and LP8, these results indicate that all indicators are convergently valid.

Table 1 Results of Validity and Reliability Test

Variabel	Indikator	Loading Factor	P value	Cross Loading	Conclusion
Tax Moral (TM)	TM1	0.817	<0.001	<0.817	Valid
	TM2	0.819	<0.001	<0.819	Valid
	TM4	0.877	<0.001	<0.877	Valid
	TM5	0.855	<0.001	<0.855	Valid
	TM6	0.831	<0.001	<0.831	Valid
Tax Evasion (TE)	TE2	0.758	<0.001	<0.758	Valid
	TE3	0.867	<0.001	<0.867	Valid

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	TE4	0.810	<0.001	<0.810	Valid
	TE5	0.864	<0.001	<0.864	Valid
	TE6	0.747	<0.001	<0.747	Valid
Coercive Power (CP)	CP1	0.921	<0.001	<0.921	Valid
	CP2	0.900	<0.001	<0.900	Valid
	CP3	0.901	<0.001	<0.901	Valid
	CP4	0.863	<0.001	<0.863	Valid
	CP5	0.887	<0.001	<0.887	Valid
Legitimate Power (LP)	LP1	0.761	<0.001	<0.761	Valid
	LP3	0.786	<0.001	<0.786	Valid
	LP4	0.867	<0.001	<0.867	Valid
	LP5	0.923	<0.001	<0.923	Valid
	LP6	0.815	<0.001	<0.815	Valid

Tabel 2. *Discriminant Validity*

Variabel	TM	TE	CP	LP	TM*CP	TM*LP
TM	0.846					
TE	-0.569	0.811				
CP	-0.132	0.316	0.895			
LP	0.165	-0.164	0.037	0.794		
TM*CP	0.204	-0.107	-0.151	-0.110	0.782	
TM*LP	-0.096	-0.022	-0.132	-0.010	0.144	0.682

[1] Table 2 shows that all variables have fulfilled discriminant validity. The validity for TM has been fulfilled because the AVE root is 0.846 which is the largest value compared to other numbers. The [1] validity for TE has been fulfilled because the AVE root is 0.811 which is the largest value compared to other numbers. [1] Validity for CP and LP has been fulfilled because the AVE root is 0.895 and 0.794 which is bigger than other numbers.

Tabel 3. *Reliability*

| Variable	Composite reliability	Cronbach's alpha	AVE	Conclusion
TM	0.926	0.900	0.716	Reliable
TE	0.905	0,868	0.657	Reliable
CP	0.952	0.938	0.800	Reliable
LP	0.917	0,885	0.689	Reliable
TM*CP	0.975	0,973	0.612	Reliable
TM*LP	0.956	0,951	0,466	Reliable

[1] Table 3 above shows that the variable is declared reliable by the reliability value of each variable composite greater than 0.7 and Cronbach's alpha value for each variable is greater than 0.6.

Tabel 4. *Model fit and quality indices*

	Indeks	value	Criteria	Description
APC	0.259	P= 0.002	P<0.05	Acceptable
ARS	0.592	P<0.001	P<0.05	Acceptable
AARS	0.571	P<0.001	P<0.05	Acceptable
AVIF	1.630		≤5, ideal ≤3.3	Ideal
AFVIF	1.272		≤5, ideal ≤3.3	Ideal
GoF	0.624		*Small ≥0.1, Medium ≥0.25, Large ≥0.36*	*Large*
SPR	1.000		≥0.7, ideal=1	Ideal
RSCR	1.000		≥0.9, ideal=1	Ideal
SSR	1.000		≥0.7	Acceptable
NLBCDR	1.000		≥0.7	Acceptable

Table 4 above describes the estimated values of 10 indices for the fit model and the quality index. Based on the existing values, it can be concluded that the overall research model has a good fit and is considered appropriate, where the p-value for APC, ARS, and AARS <0.05 with APC = 0.390, ARS = 0.454, and AARS = 0.443. Likewise, the resulting AVIF and AFVIF values are < 3.3, which means that there is no multicollinearity problem between indicators and between exogenous variables. The SPR, RSCR, SSR, and NLBCDR indices also show a fit measure, which means that there is no causality problem in the research model.

Hypothetical Testing
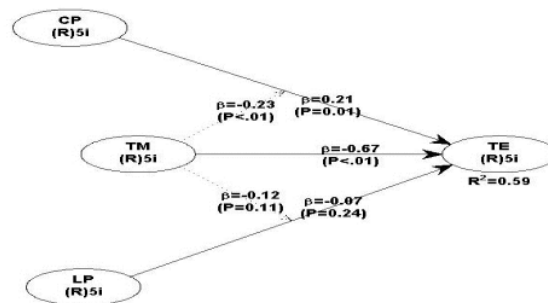
Figure 1. Structural Model

From Figure 4.1, the value of β=0.21 between the independent variable coersive power and the dependent variable tax evasion., then the value of β=-0.12 between legitimation power and tax evasion and the value of β=-0.67 between tax morale and tax evasion. The moderating variable, tax morale

can moderate the relationship between coersive power and tax evasion negatively. with a value of β=-0.23 but tax morale does not moderate the relationship between legitimation power and tax evasion.

Tabel 5. Indirect and total effects

Direct Effect			Path Coefficient	p-value	Description
TM	→	TE	-0.666	<0.001	Supported
LP	→	TE	-0.071	0.237	Not Supported
CP	→	TE	0.210	0.014	Supported
TM*CP	→	TE	-0.227	0.009	Supported
TM*LP	→	TE	-0.122	0.106	Not Supported

The hypothesis test was built in this study to explain taxpayers' behavioral and moral responses to the existence of coercive and legitimacy forces that lead to tax fraud behavior. There are five hypotheses proposed to test the effect of coercive, legitimacy, and moral power on tax evasion and examine the moderating role of tax morale on the relationship between legitimate power to tax evasion and coercive power on tax evasion. The results of hypothesis testing are shown in table 5. The results of hypothesis testing in table 5 explain that hypothesis 1 states that coercive power has a positive effect on tax evasion, p-value = 0.014, and a coefficient value of -0.666 is accepted. The test results for hypothesis 2 in table 5 show that taxpayer morale has a negative effect on tax evasion with a p-value <0.01 and a coefficient value of -0.666. The test results for hypothesis 3 in table 5 show that the power of legitimacy has no effect on tax evasion with a p-value = 0.237 and a coefficient value of -0.071. The test results for hypothesis 4, namely the hypothesis regarding the moderating role of taxpayer morale, in table 5, show support for hypothesis 4a, that tax morale can moderate the relationship between coercive power and tax evasion with a p-value = 0.009 and a coefficient value of -0.227. However, it is different from hypothesis 4b, where tax morale does not moderate the relationship between legitimacy power and tax evasion with a p-value = 0.106 and a coefficient value of -0.122

Discussion

This study aims to determine the effect of coercive power and the legitimacy of the tax authority on the morale of taxpayers, to prevent tax evasion. These results indicate that tax sanctions imposed on taxpayers for non-compliance in fines or interest increase taxpayer fraud. Likewise, with tax audits, this study explains that the higher the probability of tax audits taxpayers, the more tax fraud will increase. A *tax audit* is a mechanism implemented by the tax authorities to test the obedience of taxpayers in carrying out tax compliance based on the Self Assessment system. The results of this study are not in line with [39]–[41], who explained that sanctions and the probability of tax audits could provide a deterrent effect to taxpayers to reduce tax fraud. However, coercive power in this study is counterproductive because tax sanctions and audit mechanisms are considered a form of suspicion and distrust of tax authorities to taxpayers. As a result, law enforcement increases tax avoidance [13]

In this study, it was found that the morale of taxpayers related to taxation has a negative effect on tax evasion. The results of this hypothesis test are in line with the research of [41], [47], [48] which state that taxpayers with good morals will feel guilty if they commit tax fraud. The greater the moral awareness of taxpayers, the more they have a tendency not to commit tax fraud. This study also highlights the ability of taxpayers to maintain their respective tax morals so that they can get out of the pressure of social dilemmas when other taxpayers commit tax fraud. This indicates that the moral level of research respondents' taxpayers has grown based on intrinsic motivation.

The test results above suggest that there is an influence between the power of legitimacy and tax evasion. The legitimacy of the government and tax authorities through the implementation of responsive tax provisions, placing taxpayers as partners, and the professionalism of the tax authorities in carrying out their duties and responsibilities and authorities cannot influence taxpayer fraud. The results differ in [14], [26], [42] The ineffectiveness of the power of legitimacy can be explained by the views of [40]. Legitimacy

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does not only speak that the tax authority can legally enforce the tax provisions that have been agreed upon with the taxpayer but also how the decision-making of the tax authority in determining tax policy has involved the taxpayer. Even though the tax provisions are responsive and fair, according to [49], taxpayers will consider procedural justice when the individual is interested in positive or beneficial results from a decision.

In testing the role of taxpayer moral moderation on taxation, both on the relationship between coercive power on tax evasion and legitimacy on tax evasion, it gives different results. Taxpayer morale has succeeded in moderating the relationship between coercive power and tax evasion. it can be explained that the morale of taxpayers can moderate with a negative coefficient which can be interpreted as the role of weakening the influence of coercive power on tax fraud. The intrinsic motivation that underlies the payment of taxes by taxpayers can control the fraudulent behavior of taxpayers. The taxpayer's moral awareness can control the desire of taxpayers who are not afraid of coercive power through sanctions and audit probabilities to commit tax fraud. As rational individuals with economic considerations, taxpayers see that taxes are a burden. Therefore, there are efforts to make tax savings aggressively even though tax sanctions and the probability of tax audits are high. However, on the other hand, taxpayers still involve ethical considerations that tax fraud is contrary to ethical principles. This indicates that taxpayers do not sacrifice their idealism that paying taxes is part of their obligations as citizens [47], [50].

CONCLUSION

From the study results, it can be concluded that coercive power and tax morale significantly affect tax evasion, while legitimacy power does not affect tax evasion. Tax morale as a moderator succeeded in moderating the relationship between coercive power and tax

evasion. However, it was not the same for the relationship between legitimacy and tax evasion, where tax morale failed to moderate either negatively or positively. These results can help understand individual behavior related to tax evasion in Indonesia, especially if it is related to the government's power and the morale of taxpayers. The traditional approach through sanctions and tax audits is still an effective tool in reducing tax fraud. The government and tax authorities still need to enforce tax compliance to reduce tax fraud by implementing coercive powers through sanctions and tax audits. Taxpayers, in this case, also do not want to sacrifice morality or uphold their ideals by being influenced to do fraudulent things related to taxation aspects. Therefore, taxpayer compliance is carried out because of the pressure of power in the form of sanctions and audit probabilities. Compliance due to sanctions and audit probabilities leads to a tax compliance model with a traditional approach.

This study has several limitations. First, the number of relatively small samples in this study, which was selected using the convenience sampling method, could not represent the entire population, so further research with a more adequate and representative sample is needed. Second, the measurement of tax evasion needs to be improved. Variables with specific indicators may not describe variables well, so it is necessary to develop an appropriate tax evasion measurement tool and avoid confusion with tax avoidance. Future research is expected to be able to build a more integrated model to explain tax morale, coercive power, and legitimacy power with other variables,

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