

THE ROLE OF KALOSARA-BASED TAX CULTURE AND TAX MORALITY ON MSMEs' TAX COMPLIANCE

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ABSTRACT

This study investigates the influence of tax morality and Kalosara values-based tax culture on tax compliance among coffee shop entrepreneurs in Kendari City. Kalosara, a cultural system among the Tolaki people, emphasizes justice, cooperation, and unity, potentially reinforcing tax awareness and compliance. Utilizing a quantitative approach, the study surveyed 140 respondents using purposive sampling. Structural Equation Modeling based on Partial Least Squares (PLS-SEM) was employed for analysis. Findings reveal that both tax morality and Kalosara-based tax culture significantly and positively affect tax compliance. Moreover, Kalosara-based tax culture moderates the relationship between tax morality and compliance. The model explains 60.7% of the variance in tax compliance ($R^2=0.607$). These results contribute theoretically by integrating indigenous cultural values into the tax compliance framework and offer practical implications for localized tax policy strategies.

Keywords: Tax Morality, Tax Culture, Kalosara, Tax Compliance, Msmes.

JEL Classification Codes : H26 - Tax Evasion And Avoidance.

INTRODUCTION

Tax compliance in Kendari City, especially among coffee shop businesses, shows a significant gap between the potential and realization of tax revenue. Although the coffee shop business continues to grow, the contribution of MSMEs to local tax revenue only reaches 9.8% of the total potential estimated at 25% (Directorate General of Taxes, 2023). This disparity indicates structural challenges in improving compliance in the informal sector.

Tax compliance is still a crucial issue in various tax literature, both at the national and international levels. Tax morality and tax culture are touted as internal factors that have a major contribution to improving taxpayer compliance (Joel et al., 2023 ; Kuandykov et al., 2021 ; Hlastec et al., 2023) . However, most studies that address these two variables are still limited to the context of countries with different social and cultural characteristics from Indonesia (Stetsenko & Nishcheretov, 2021 ; Davidescu et al., 2022 ; Al-Asfour & Abu Saleem, 2023) , so the results are not necessarily relevant to be applied at the local level, especially in regions such as Southeast Sulawesi.

Furthermore, some research results show findings that are not always in line. Tax morality is proven to increase compliance in many studies (Joel et al., 2023; Stetsenko & Nishcheretov, 2021; Fadi Al-Asfour et al., 2024), but Amah et al. (2021) actually found that tax morality did not have a significant effect on MSME compliance during the pandemic, while tax sanctions were the dominant factor. This condition shows the inconsistency of empirical findings which indicate that the effectiveness of tax morality is highly dependent on the situational and contextual factors that accompany it.

Tax culture as a variable that bridges tax morality and compliance has also not been studied specifically in relation to the local cultural values of Indonesian society. Kuandykov et al. (2021) and Joel et al. (2023) do show that tax culture affects tax communication and tax compliance, but the approach used is still generic, without considering the peculiarities of local cultural values that are deeply rooted in people's social lives.

The theoretical framework used in tax compliance studies has also been limited. Social Norm Theory and Tax Moral Theory are the main foundations to explain taxpayer compliance behavior (Joel et al., 2023; Stetsenko & Nishcheretov, 2021; Fadi Al-Asfour et al., 2024). However, both theories have not fully accommodated the contribution of local culture that

can influence the formation of social norms and tax morality at the grassroots level.

The Theory of Planned Behavior (TPB) is also used in other studies (Bakar et al., 2022 ; Al-Asfour & Abu Saleem, 2023) to predict tax compliance behavior through attitudes, subjective norms, and perceived behavioral control. However, the TPB in this context has not included aspects of local culture, which is proven to be a factor in shaping collective attitudes and social norms in Indonesian society.

Meanwhile, the study of Hlastec et al. (2023) identified the influence of personal values such as self-enhancement and conservation on individual tax culture. These findings indicate that cultural factors and local values have an important role in shaping tax behavior, so the integration of local culture into the tax compliance behavior model is a theoretical opportunity that deserves further development.

In Indonesia, local cultures such as the Kalosara value system in Southeast Sulawesi have long served as guidelines in people's social lives. Kasim et al. (2022) proved that the application of Kalosara values can increase community participation in village development programs. Values such as unity (*medulu mepoko'aso*), mutual cooperation (*samaturu*), and justice (*ate pute penao moroha*) are an integral part of Tolaki culture that has the potential to be adapted as an instrument to strengthen tax culture and tax morality.

Facts in the field show that the level of tax compliance of MSME actors in Kendari City, Southeast Sulawesi, is still relatively low, even though this sector has a significant contribution to the regional economy (Amah et al., 2021 ; Bakar et al., 2022) . This condition shows the gap between potential tax revenue and actual realization, while emphasizing the need for a local culture-based approach in an effort to increase community tax compliance.

The inconsistency of previous research results, the limited scope of theories that have not integrated local culture, and the low level of tax compliance in the regions are important bases for this study. Local cultural values, such as Kalosara, are underexplored within compliance frameworks. As a normative system among the Tolaki community, Kalosara embodies principles aligning with tax ethics. Its integration into tax models can enrich existing theories and provide practical insights for improving informal sector compliance.

METHODOLOGY

This research is a survey research that uses descriptive and causal- explanatory approaches. The purpose of this study is to explain the relationship between Kalosara-based tax culture, tax morality, and tax compliance of coffee shop businesses in Kendari City. The research instrument was a closed questionnaire consisting of a number of statements measuring three main constructs using a five-point Likert scale. This scale is used to capture the extent of respondents' perceptions and attitudes towards cultural values, morals, and tax compliance.

The population in this study included all informal coffee shop businesses in Kendari City. A sample of 140 respondents was taken using the Slovin formula and purposive sampling method. Respondent criteria include business actors who have been operating for at least one year, have a fixed business location, Tolaki ethnicity, and are registered as formal taxpayers. The data collection process was carried out for 30 days in March 2025 through direct and structured questionnaire distribution.

The data obtained were processed through three stages, namely filtering and editing, data tabulation, and interpretation. The analysis was conducted using a verification approach through the Structural Equation Modeling (SEM) method with the help of SmartPLS software. Tests were conducted to assess construct validity, indicator reliability, and causal relationships between variables, including the moderating effect of Kalosara-based tax culture on the effect of tax morality on tax compliance.

LITERATURE REVIEW

1. Social Norm Theory

Social Norm Theory explains that individual behavior, including tax compliance, is shaped by social norms that develop in society (Berkowitz, 2004). When social norms view tax compliance as part of moral responsibility and a contribution to the common welfare, individuals tend to follow these norms. Research (Joel et al., 2023) and (Cahyonowati et al., 2023) shows that social norms and trust in authority are more effective in increasing tax compliance than formal mechanisms such as audits and fines.

2. Theory of Planned Behavior (TPB)

Theory of Planned Behavior (TPB) states that a person's behavior is influenced by intentions, which are formed from attitudes, subjective norms, and perceived control over the behavior (Ajzen, 1991). In the context of taxation, tax morality and perceptions of tax authorities can shape subjective norms and taxpayer attitudes towards compliance. TPB is one of the theories that is widely used in understanding tax compliance behavior, although the integration of local cultural values such as Kalosara is still very limited in this theoretical framework.

3. Schwartz's Value Theory

Schwartz's Value Theory explains that individual behavior is influenced by their value system, such as self-enhancement (orientation towards personal achievement) and conservation (orientation towards compliance and social stability) (Schwartz, 1992). In the context of taxation, conservation values are positively related to tax culture, while self-enhancement tends to be negatively related. This finding suggests that the value system embraced by individuals and society plays a major role in shaping tax culture and tax compliance behavior.

While TPB provides the attitudinal and control components of behavior, Social Norm Theory and Value Theory enhance the model by embedding cultural and normative structures, particularly relevant in collectivist societies like Indonesia.

4. Tax Compliance

Tax compliance is defined as the extent to which taxpayers fulfill tax obligations according to applicable regulations, including timely and accurate tax reporting and payment (Joel et al., 2023; Hlastec et al., 2023). The level of compliance is influenced by various factors, both internal such as tax morality and tax culture, and external such as supervision, sanctions, and the level of tax literacy (Kuandykov et al., 2021; Alamien et al., 2023). Therefore, improving tax compliance requires an approach that not only focuses on law enforcement, but also on the social, cultural, and psychological aspects of taxpayers.

5. Tax Morality

Tax morality describes a person's ethical beliefs and commitment to fulfill tax obligations voluntarily, based on the principles of justice, trust in government, and social responsibility (Stetsenko & Nishcheretov, 2021; Davidescu et al., 2022; Joel et al., 2023). This morality plays an important role in improving tax compliance, but its effectiveness is strongly influenced by social conditions and public trust in tax institutions (Fadi Al-Asfour et al., 2024; Bakar et al., 2022). On the other hand, the results of research by Amah et al. (2021) showed that tax morality can lose a significant role in crisis situations, so it is necessary to further study the factors that can strengthen tax morality in society.

6. Tax Culture

Tax culture reflects the values, norms, and collective behavior of society related to awareness and compliance with taxation (Joel et al., 2023; Kuandykov et al., 2021). The level of public trust, perceived fairness of the tax system, and social influence are elements that shape tax culture (Stetsenko & Nishcheretov, 2021; Hlastec et al., 2023). A strong tax culture contributes to increased tax compliance through effective communication and internalization

of positive social norms (Kuandykov et al., 2021). In contrast, a weak tax culture often emerges in societies filled with distrust of authority and high levels of corruption.

7. Kalosara

Kalosara is a cultural value system of the Tolaki people in Southeast Sulawesi that teaches principles of justice, unity, and social responsibility, known through the teachings of *ate pute penao moroha* (justice), *samaturu* (mutual cooperation), and *medulu mepoko'aso* (unity) (Kasim et al., 2022). Research by Kasim et al. (2022) proved that the application of Kalosara in development can increase community participation. The values in Kalosara are believed to strengthen tax culture and tax morality, as they are in line with the principles of justice and responsibility as members of society.

8. Empirical Review and Hypothesis Formulation

a. Relationship between Tax Morality and Tax Compliance

Tax compliance behavior is not only influenced by the legal system and tax administration, but also depends heavily on the ethical values and moral norms internalized by taxpayers (Stetsenko & Nishcheretov, 2021; Joel et al., 2023; Davidescu et al., 2022). The concept of tax morality refers to the extent to which individuals feel ethically and morally obliged to fulfill tax obligations, even in the absence of external pressures such as monitoring or sanctions (Al-Asfour et al., 2024; Bakar et al., 2022). This is particularly relevant in the informal sector, such as coffee shop operators, where supervision mechanisms are relatively weak and compliance is mostly determined by individual awareness and morals (Ariana et al., 2024; Alamien et al., 2023).

The study of Joel et al. (2023) empirically shows that tax morality contributes significantly to tax compliance, even together with tax culture is able to explain 71.9% of variations in compliance behavior. This finding is in line with the research results of Davidescu et al. (2022) who found that the level of religiosity is positively related to tax morality and has an impact on increasing compliance, indicating that morality is shaped by the social and spiritual values of society.

In addition, research by Bakar et al. (2022) and Al-Asfour & Saleem (2023) confirmed that tax morality acts as a mediator in the relationship between tax authority and compliance, where external pressures such as the power of authority or fiscal policy will be more effective if internalized through taxpayer morality. Support for these findings is also shown by Al-Asfour et al. (2024) who state that the success of tax incentive or amnesty policies can only be achieved if accompanied by efforts to build taxpayer morality as a foundation for voluntary behavior.

Based on these various empirical evidence, it can be concluded that tax morality is one of the strong predictors that encourage voluntary tax compliance, especially in the informal sector that lacks direct supervision. Therefore, the hypotheses proposed in this study are:

H1: Tax morality has a positive and significant effect on tax compliance of coffee shop business actors in Kendari City.

b. Relationship between Tax Culture and Tax Compliance

The formation of tax compliance behavior is not only influenced by individual factors such as tax morality, but is also strongly related to the social structure, collective norms, and culture of the society in which the individual is located (Joel et al., 2023; Kuandykov et al., 2021; Hlastec et al., 2023). In a society that upholds collective values, tax culture acts as a social system that shapes the perception of tax as a moral, social, and cultural responsibility, not just a legal or administrative obligation (Joel et al., 2023; Stetsenko & Nishcheretov, 2021).

Among the Tolaki people in Southeast Sulawesi, local cultural values such as *samaturu* (mutual cooperation), *medulu mepoko'aso* (unity), and *ate pute penao moroha* (justice and purity) are alive and guiding in various aspects of social life (Kasim et al., 2022). When this

Kalosara value system is internalized in the life of the nation, including the tax system, a Kalosara-based tax culture is formed that strengthens people's tax awareness, responsibility, and compliance (Joel et al., 2023; Kasim et al., 2022).

Research by Joel et al. (2023) shows that tax culture plays a significant role in encouraging tax compliance, alongside morality as an internal factor. Similarly, Stetsenko and Nishcheretov (2021) found that weak tax culture due to low public trust and rampant corruption negatively contributes to tax compliance, making the integration of local social and cultural values very important.

In addition, Kuandykov et al. (2021) found that tax culture is also determined by the effectiveness of social communication and public awareness. The lack of understanding of the tax system and weak social education reflect a tax culture that is not yet strong, as is the case in Kazakhstan, which has an impact on the low level of compliance.

The findings of Hlastec et al. (2023) further strengthen the argument that personal values such as conservation, which prioritizes social stability, harmony, and adherence to norms, are positively correlated with tax culture. These values are substantively in line with the essence of Kalosara, so local culture can be the foundation for a strong and cohesive tax culture at the community level.

Based on these arguments and empirical evidence, it can be assumed that a tax culture built on Kalosara values has significant potential to increase tax compliance among Tolaki people, especially informal sector businesses. Therefore, the proposed hypothesis is:

H2: Kalosara values-based tax culture has a positive and significant effect on tax compliance of coffee shop business actors in Kendari City.

c. Kalosara-based Tax Culture Moderates the Relationship between Tax Morality and Tax Compliance

Tax morality does not develop separately from the social environment, but is influenced and shaped by collective norms, cultural structures, and value systems prevailing in society (Joel et al., 2023; Stetsenko & Nishcheretov, 2021; Cahyonowati et al., 2023). In this context, the tax culture that grows from local values such as Kalosara acts as a social framework that can strengthen or weaken the translation of tax morality into real tax compliance behavior (Kasim et al., 2022; Hlastec et al., 2023).

Social Norm Theory asserts that individual behavior is not only determined by internal factors, but also influenced by social norms and expectations of the surrounding community (Joel et al., 2023; Cahyonowati et al., 2023). When a strong tax culture is present in society, these social norms can strengthen the influence of tax morality on compliance. The findings of Joel et al. (2023) show that tax culture acts as an amplifier of the relationship between moral attitudes and tax compliance, in line with the findings of Hlastec et al. (2023) which revealed that social values such as conservation can strengthen the influence of moral attitudes on fiscal behavior, especially when framed in an established tax culture.

The study of Cahyonowati et al. (2023) also strengthens this argument by showing that social norms and the level of trust in tax authorities act as moderators that increase the effectiveness of tax morality in encouraging compliance. Similar findings were revealed by Mohd Allif Anwar Abu Bakar et al. (2022) who stated that the influence of tax morality on compliance becomes stronger when it grows amid a supportive social environment and has a strong collective value system.

The Kalosara values lived and lived by the Tolaki people, such as samaturu, medulu mepoko'aso, and ate pute penao moroha, not only function as cultural norms, but also as social institutions that encourage the internalization of moral values into real behavior (Kasim et al., 2022). Thus, Kalosara has great potential as a moderating mechanism that strengthens the relationship between tax morality and tax compliance at the local community level.

Based on these theoretical explanations and empirical evidence, the proposed hypotheses are:

H3: Kalosara-based tax culture moderates the effect of tax morality on tax compliance of coffee shop business actors in Kendari City.

Based on the development of these hypotheses, the conceptual framework model in this study can be described as follows:

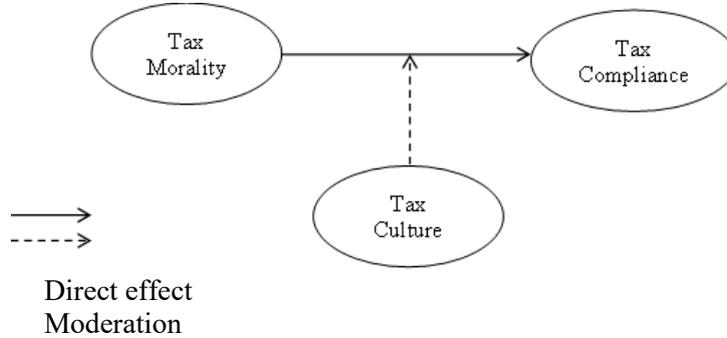


Figure 1. Conceptual Framework Model

RESULTS AND DISCUSSION

Respondents' Profile

Based on gender, the distribution of respondents is quite even. There is no significant difference between the number of male and female respondents. The number of male respondents was 72 (51%), while the number of female respondents was 68 (49%). Based on the length of the coffee shop business, most respondents (88 respondents or 63%) have been in business for less than five years. The number of respondents who have been in business for 6 to 10 years is 42 people (30%). Another 10 respondents (7%) have been in business for more than 10 years. Based on the level of education, most respondents (82 respondents or 58%) have a high school / equivalent education, 34 respondents (24%) have an S1 / D4 (S1) education, 18 respondents (13%) have a S2 (Masters) education, and only 6 respondents (4%) have a D3 (Diploma 3) education.

The Result of Descriptive Statistics

Table 1. Descriptive Statistics

| Variable | N | Minimum | Maximum | Mean | Std. Dev. |
|----------------------------|-----|---------|---------|--------|-----------|
| Tax morality | 140 | 0,75 | 5,00 | 2,9464 | 0,76911 |
| Kalosara-based tax culture | 140 | 0,67 | 4,67 | 3,0052 | 0,81408 |
| Tax compliance | 140 | 0,75 | 4,75 | 2,8857 | 0,83017 |

Source: SmartPLS output results (processed)

The results of descriptive statistical analysis for the three main variables in this study. The results show that tax morality, which is the first variable, has a standard deviation of 0.76911, higher than the mean value of 2.9464. This indicates that there is significant variation in respondents' views on tax morality. Furthermore, Kalosara-based tax culture also shows a fairly high standard deviation of 0.81408, with a mean of 3.0052. This indicates that while most respondents have a positive view of this tax culture, there is still variation among them. For tax compliance, the mean was recorded at 2.8857 with a standard deviation of 0.83017. This indicates that there is considerable variation in the level of tax compliance among the respondents. Overall, the results of the analysis illustrate that there is significant variation in tax morality, Kalosara-based tax culture, and tax compliance among respondents, indicating the importance of these factors in understanding tax behavior.

Measurement model

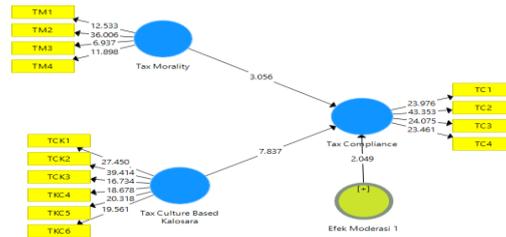


Figure 2. Final Research Model in SmartPLS

Evaluation of the measurement model (outer model) consists of validity and reliability tests. The validity test is to see the loading factor value of each indicator, where the indicator is said to be valid when it has a loading factor value ≥ 0.7 .

Table 2. Recapitulation of the Loading Factor Value of Research Indicators

| Indicator | Loading Factor Value | Conclusion |
|-----------|----------------------|------------|
| TC1 | 0,794 | Valid |
| TC2 | 0,851 | Valid |
| TC3 | 0,799 | Valid |
| TC4 | 0,812 | Valid |
| TCK1 | 0,814 | Valid |
| TCK2 | 0,860 | Valid |
| TCK3 | 0,728 | Valid |
| TKC4 | 0,799 | Valid |
| TKC5 | 0,767 | Valid |
| TKC6 | 0,753 | Valid |
| TM1 | 0,714 | Valid |
| TM2 | 0,857 | Valid |
| TM3 | 0,725 | Valid |
| TM4 | 0,720 | Valid |

Source: SmartPLS output results (processed)

Based on the results of data processing using SmartPLS, all indicators in this model show a loading factor value above 0.70, which means they meet the requirements of convergent validity. In detail, indicators for Tax Compliance (TC) constructs such as TC1, TC2, TC3, and TC4 have a loading factor value of 0.774; 0.856; 0.841; and 0.796, respectively. This indicates that the four indicators are consistently able to represent the Tax Compliance construct. Furthermore, in the Tax Culture Based Kalosara construct, indicators TCK1 to TKC6 show loading factor values between 0.713 to 0.849. The TCK3 indicator has the lowest value (0.713), but it is still above the set threshold, so it is still considered valid. Similarly, other indicators such as TKC4 (0.822), TKC5 (0.797), and TKC6 (0.780) also show good consistency. For the Tax Morality (TM) construct, all indicators namely TM1 to TM4 also show satisfactory values, amounting to 0.780; 0.844; 0.736; and 0.838, respectively. These results strengthen the evidence that the indicators used have appropriately measured the dimensions of tax morality in the context of this study.

Table 3. Construct Validity and Reliability

| Variable | Cronbach's Alpha | Composite Reliability | AVE |
|----------------------------|------------------|-----------------------|-------|
| Moderation Effect 1 | 1,000 | 1,000 | 1,000 |
| Tax Compliance | 0,831 | 0,887 | 0,663 |
| Tax Culture Based Kalosara | 0,878 | 0,907 | 0,621 |

| | | | |
|--------------|-------|-------|-------|
| Tax Morality | 0,712 | 0,822 | 0,539 |
|--------------|-------|-------|-------|

Source: SmartPLS output results (processed)

The Tax Compliance construct has a Cronbach's Alpha value of 0.831, a composite reliability of 0.887, and an AVE of 0.663. These three values indicate that this construct has a good level of reliability and convergent validity. The Tax Culture Based Kalosara construct shows a Cronbach's Alpha value of 0.878, a composite reliability of 0.907, and an AVE of 0.621, indicating that this construct is highly reliable and its indicators are able to adequately explain the construct variance. The Tax Morality construct also meets the test criteria, with a Cronbach's Alpha of 0.712, composite reliability of 0.822, and AVE of 0.539, indicating moderately strong internal consistency and convergent validity. Meanwhile, the Moderation Effect construct shows perfect scores (1.000) on all indicators, which generally occurs because this construct is formed by a single interaction result indicator, and is considered technically stable.

Table 4. Fit Model

| Item | Index | P-Values | Criteria | Description |
|---------------|-------|----------|---|-------------|
| R Square | 0,607 | | | |
| APCs | 0,307 | 0,041 | $P < 0.05$ | Accepted |
| ARS | 0,607 | 0,000 | $P < 0.05$ | Accepted |
| AVIV | 1,826 | | Accepted if ≤ 5 , Ideal ≤ 3.3 | Accepted |
| AFVIF | 1,771 | | Acceptable if ≤ 5 , Ideal ≤ 3.3 | Accepted |
| Tenenhaus Gof | 0,607 | | Small ≥ 0.1 , Medium ≥ 0.25 , Large ≥ 0.36 | Accepted |

Source: SmartPLS output results (processed)

The model evaluation results show that the R Square value is 0.607, which means that the endogenous Tax Compliance construct can be explained by the independent variables by 60.7%, indicating a fairly high predictive power. The Average Path Coefficient (APCs) value is 0.307 with a p-value of 0.041 (< 0.05), and the Average R-Square (ARS) is 0.607 with a p-value of 0.000, both of which show statistical significance and support the structural acceptability of the model. Furthermore, the AVIV value of 1.826 and AFVIF of 1.771 are both below the ideal threshold of ≤ 3.3 , which indicates that there is no multicollinearity problem in the model. Finally, the Tenenhaus GoF value of 0.607 exceeds the minimum limit of 0.36, indicating that the model has a high global fit.

Hypothesis Testing

Table 5. Hypothesis Testing Results

| Variable Relationship | Path Coefficient | P-Values | Description |
|--|------------------|----------|-------------|
| Moderation Effect 1 -> Tax Compliance | 0,089 | 0,041 | Significant |
| Tax Culture Based Kalosara -> Tax Compliance | 0,616 | 0,000 | Significant |
| Tax Morality -> Tax Compliance | 0,216 | 0,002 | Significant |

Source: SmartPLS output results (processed)

The first hypothesis (H1) states that tax morality has a positive effect on tax compliance. The analysis results show a path coefficient of 0.216 with a p value of 0.002 ($p < 0.05$), which means that the effect is statistically significant. This finding indicates that the higher the tax morality of business actors, the higher their tendency to comply with tax obligations. This result is consistent with the study of Joel et al. (2023) and Davidescu et al. (2022) which confirms the significant role of tax morality in increasing compliance, and strengthens the argument that intrinsic motivation and ethical norms are important foundations in fiscal behavior, especially in the informal sector with minimal supervision.

The second hypothesis (H2) tested the effect of Kalosara values-based tax culture on tax compliance. The test results show a path coefficient of 0.616 with a p value of 0.000 ($p < 0.05$), which means that the effect is significant and has a large relationship strength. This finding suggests that a tax culture built on Kalosara local values, such as samaturu (mutual cooperation), medulu mepoko'aso (unity), and ate pute penao moroha (fairness), markedly increases taxpayer compliance. Kalosara-based tax culture not only functions as a social norm, but also as a social institution that shapes people's perception of tax as a moral and collective responsibility, in line with the findings of Joel et al. (2023), Kuandykov et al. (2021), and Kasim et al. (2022).

The third hypothesis (H3) tested the moderating effect of Kalosara-based tax culture on the relationship between tax morality and tax compliance. The results show an interaction coefficient of 0.089 with a p value of 0.041 ($p < 0.05$), so it can be concluded that the moderating effect is significant. In other words, a strong tax culture rooted in Kalosara values can strengthen the influence of tax morality on tax compliance. This finding is in line with the Social Norm Theory perspective (Joel et al., 2023; Cahyonowati et al., 2023) which explains that social norms and local culture act as reinforcers of the relationship between moral attitudes and actual behavior. In addition, this result is also supported by the study of Hlastec et al. (2023) which shows that social values such as conservation have the potential to strengthen the relationship between morality and fiscal behavior when framed within an established tax culture.

This moderation finding confirms that tax morality does not always automatically translate into compliance behavior if it is not supported by a conducive social and cultural context. In this case, Kalosara-based tax culture acts as a social mechanism that encourages the internalization of moral values into obedient behavior, especially in Tolaki communities that have traditionally upheld Kalosara values.

Discussion

1. The Effect of Tax Morality on Tax Compliance

The results showed that tax morality has a positive and significant effect on tax compliance of coffee shop business actors in Kendari City. The path coefficient value of 0.216 with a significance level of 0.002 proves that the higher a person's tax morality, the greater their tendency to comply with tax obligations. This finding is in line with the research of Joel et al. (2023) which confirms that tax morality and tax culture are simultaneously able to explain more than 70% of variations in tax compliance behavior. The concept of tax morality not only serves as an individual's psychological drive, but also becomes an ethical foundation that motivates voluntary compliance behavior (Stetsenko & Nishcheretov, 2021; Davidescu et al., 2022).

The role of morality as a mediator in encouraging compliance is also evidenced by the research of Al-Asfour et al. (2024) who found that the success of tax incentive programs such as amnesty is strongly influenced by the level of taxpayer morality. This finding suggests that fiscal policy will be more effective if accompanied by efforts to strengthen people's tax morality.

Socio-economic dynamics such as the pandemic have the potential to weaken the influence of tax morality on compliance. Research by Amah et al. (2021) found that tax sanctions and relaxation are the main determinants of compliance during a crisis, while the influence of morality tends to decline. This condition confirms that tax morality remains important, but its implementation requires support from a stable social, economic and political system.

The level of public trust in tax authorities also affects the formation of tax morality. Research by Bakar et al. (2022) proved that the power of fiscal authorities, both in the form of coercive power and legitimacy, has contributed to the formation of tax morality. Credible

taxation institutions are a supporting factor so that the moral value of taxpayers can be internalized optimally.

The social attribution framework explains that compliance behavior arises from the interaction between internal factors in the form of moral values and external factors in the form of social norms and institutional systems (Joel et al., 2023). Tax morality acts as an internal justification that encourages taxpayers to comply with regulations not for fear of sanctions, but because they feel they are fulfilling ethically correct moral obligations.

The religious and communal culture of Indonesian society strengthens the potential of tax morality as a driver of compliance. Research by Davidescu et al. (2022) shows that religiosity contributes to the formation of tax morality, which in turn has a positive impact on compliance. The integration of religious values and social ethics into tax education is an effective and relevant strategy in improving voluntary compliance.

Improving tax morality requires a comprehensive approach, not only focusing on individuals, but also involving institutional reform, transparent public communication, and efforts to build public trust in the tax system (Bakar et al., 2022). Tax morality needs to be positioned as an integral part of the social contract between the state and citizens, where fiscal compliance is not only born from legal obligations, but also from moral awareness that grows in society.

2. The Effect of Tax Culture Based on Kalosara on Tax Compliance

This study proves that Kalosara-based tax culture has a positive and significant effect on tax compliance. The path coefficient value of 0.616 with a significance level of 0.000 indicates that internalized Kalosara values in society have a major contribution in encouraging voluntary and consistent tax compliance behavior. This finding is in line with the research of Joel et al. (2023) which shows that tax culture plays an important role in shaping compliance behavior.

The Kalosara value structure includes samaturu (mutual cooperation), ate pute penao moroha (justice), and medulu mepoko'aso (unity), which serve as guidelines for the life of the Tolaki people (Kasim et al., 2022). These values encourage people to view tax not only as an administrative obligation, but as a form of collective participation in building social justice and social harmony.

The relationship between conservative values and tax culture is also confirmed by Hlastec et al. (2023) who found that conservation values in Schwartz's theory are positively related to tax culture. Kalosara represents conservative values through respect for norms, social harmony, and collective responsibility to the community.

Research by Kuandykov et al. (2021) emphasizes the importance of cultural awareness and social communication in improving the effectiveness of the tax system. Kalosara as part of the local cultural structure has the potential to be an effective communication instrument to increase public understanding and acceptance of taxes.

Weak tax culture is often influenced by low public trust in state institutions (Stetsenko & Nishcheretov, 2021). The presence of Kalosara can bridge this distrust, because Kalosara has been tested as a social norm that is respected and trusted by the community in organizing life together (Kasim et al., 2022).

The theoretical implications of the results of this study provide evidence that local culture such as Kalosara not only serves as a symbol of custom, but also as an effective instrument in strengthening tax culture. The integration of Kalosara into tax strategies can strengthen the social legitimacy of the fiscal system and increase compliance based on awareness, rather than solely on legal coercion. Involving traditional leaders, local communities, and cultural narratives are relevant strategic steps to maximize the role of Kalosara in improving tax compliance, as recommended by Joel et al. (2023) and Kasim et al. (2022). The integration of local culture amplifies the moral obligation to pay taxes, confirming

Social Norm Theory and expanding TPB by incorporating indigenous norms.

3. The Moderating Role of Kalosara in the Relationship Between Tax Morality and Tax Compliance

The results show that Kalosara acts as a significant moderator in the relationship between tax morality and tax compliance. The coefficient value of 0.089 and the significance level of 0.041 prove that the existence of Kalosara culture strengthens the influence of tax morality on compliance behavior.

Kalosara values such as samaturu, ate pute penao moroha, and medulu mepoko'aso strengthen individual commitment to translate moral beliefs into concrete actions that are in line with respected social norms (Kasim et al., 2022). Tax morality as an internal attitude will be more effective if supported by collective social norms such as Kalosara.

Social Norm Theory explains that individual behavior, including tax compliance, is influenced by social norms and collective expectations (Joel et al., 2023; Cahyonowati et al., 2023). The findings of this study are consistent with the theory, where Kalosara acts as a local social norm that strengthens the relationship between tax morality and tax compliance.

Religiosity that affects tax morality also shows a parallel with Kalosara. Research by Davidescu et al. (2022) proved that religiosity increases tax morality and compliance. Kalosara as a local social institution has a similar position, which instills the values of justice, social responsibility, and compliance with norms as part of the collective consciousness.

The concept of fiscal sociology places local culture such as Kalosara as an important element in building an effective tax system. Kalosara serves as a bridge between individual moral norms and state fiscal obligations, thus creating compliance that is not only based on coercion, but also based on awareness and social legitimacy (Stetsenko & Nishcheretov, 2021).

The effectiveness of Kalosara as a moderator suggests that tax compliance improvement strategies need to take into account local cultural factors. Traditional value-based approaches such as Kalosara can strengthen the influence of tax morality and create more stable, sustainable, and contextualized compliance.

CONCLUSION

This study provides empirical evidence that tax morality, Kalosara-based tax culture, as well as the interaction between the two, have a significant role in improving the tax compliance of coffee shop businesses in Kendari City. Tax morality is shown to be a key driver of voluntary compliance, where taxpayers' ethical beliefs encourage awareness to fulfill fiscal obligations without having to rely entirely on sanctions or formal supervision.

Kalosara values-based tax culture contributes greatly to building people's positive perceptions of tax as a form of social and moral responsibility. Values such as gotong royong, justice and unity encourage the formation of a strong tax culture, thereby increasing compliance based on collective consciousness.

The existence of Kalosara culture also plays a role in strengthening the influence of tax morality on compliance behavior. Taxpayer morality becomes more effective in driving compliance when supported by social norms that are collectively respected and accepted. This finding confirms the importance of a local value-based approach in efforts to improve tax compliance, especially in the informal sector.

The results of this study provide theoretical implications that behavioral models of tax compliance need to consider local socio-cultural factors as important elements in building fiscal awareness and compliance. The integration of cultural values into the analytical framework not only enriches the theory, but also increases the relevance of research in the real context of society. Theoretically, this study advances tax compliance literature by embedding indigenous moderation into behavioral models. Future research should consider

longitudinal designs and other cultural constructs across varied regions.

From a practical perspective, the results of this study provide a basis for local governments and taxation authorities to develop tax socialization, education, and communication strategies that are more adaptive to the socio-cultural character of the community. The involvement of traditional leaders, local communities, and cultural narratives in tax campaigns is a strategic step to increase the social legitimacy of the tax system and encourage sustainable compliance.

This study has limitations on the scope of business sectors and research areas. Generalization of results needs to be done with caution, so it is recommended that future research expand the object and location of research, as well as consider other variables that have the potential to affect tax compliance, such as tax literacy, perceptions of tax justice, and the effectiveness of fiscal policy.

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