

Does Trust in Government Matter for Tax Compliance? Examining the Roles of Tax Digitalization and National Pride

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Abstract: This study examines the relationships of tax digitalization and national pride with tax compliance and the mediating role of trust in government. An online survey of 137 respondents in South Sulawesi was analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM). National pride was positively associated with tax compliance ($\beta = 0.470$, $p = 0.002$), and tax digitalization was positively associated with trust in government ($\beta = 0.373$, $p = 0.007$). The relationships of tax digitalization with tax compliance ($\beta = 0.253$, $p = 0.068$) and national pride with trust in government ($\beta = 0.271$, $p = 0.077$) received only marginal support at the 10% level. Trust in government was not significantly associated with tax compliance ($\beta = -0.062$, $p = 0.567$), and the reported indirect-effect results did not support mediation. The model explained 36.1% of the variance in trust in government and 41.3% in tax compliance. These findings suggest that national pride is relevant to compliance, whereas the evidence for digitalization is more tentative. They do not establish trust as a mediating mechanism in this sample. The cross-sectional design limits causal interpretation.

Keywords: tax digitalization, national pride, trust in government, tax compliance

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INTRODUCTION

Tax is one of the state's main sources of revenue and plays an important role in supporting the sustainability of a country's functions and activities. The success of a tax system is determined not only by the government's ability to formulate policy and impose sanctions, but also by the willingness of citizens to voluntarily fulfill their tax obligations. From the tax morale perspective, the decision to pay tax is based not only on economic considerations related to non-compliance but is also influenced by the relationship between citizens and public institutions. Trust in government, perceptions of governance quality, and perceptions of the benefits of tax are factors that shape public compliance in contributing through tax (Jimenez & Iyer, 2016; Khozen & Setyowati, 2023). Furthermore, an OECD (2019) report shows that individuals with higher levels of trust in government tend to have higher tax morale, which in turn can support voluntary tax compliance.

Digital transformation in the public sector has become a strategic agenda for many countries seeking to improve the quality of government governance. Digital transformation in taxation offers substantial opportunities to improve the effectiveness and efficiency of tax administration (Mara & Munandar, 2025). Digitalization in the tax sector has the potential to reduce compliance burdens and costs, simplify the reporting process, improve access to tax services, and create better interaction between taxpayers and tax authorities (OECD, 2020). Digitalization also strengthens tax administration capacity through data integration and exchange, technology-based analysis, and improved ability to identify risk, tax avoidance, and fraud (OECD, 2025).

Tax digitalization in Indonesia has become increasingly important with the growth of various electronic tax services. Empirical research in Indonesia shows that the digitalization of tax services can increase taxpayer trust and compliance. A study by Dewani & Setiyawati (2025) found that tax service digitalization affects taxpayer trust and tax compliance. Another study shows that tax digitalization, together with trust in government and tax literacy, is related to taxpayer compliance (Aini et al., 2025).

The convenience and efficiency generated by digitalization do not automatically guarantee that taxpayers will become more compliant. An OECD (2020) report states that although digitalization can reduce administrative burdens and make tax interactions easier, improvements in service convenience do not always produce sustained changes in compliance behavior. The effectiveness of digital transformation also depends on how taxpayers perceive and experience the changing nature of their relationship with the tax authority. In this context, digitalization functions not only as an administrative instrument but also has the potential to shape taxpayers' perceptions of government competence, transparency, and credibility. These perceptions can ultimately contribute to the formation of trust in government.

A number of studies show that trust in government is positively related to tax compliance. Güzel et al. (2019) found that trust in government affects tax compliance. Furthermore, in the Indonesian context, a study by Daud & Nuramal (2026) shows that the relationship between trust and compliance can be related to taxpayers' perceptions of fairness. This indicates that improving the quality of interaction between government and taxpayers through digitalization should be assessed not only by the convenience of the tax services provided, but also by the extent to which those services are able to build the trust that ultimately drives compliance.

Beyond institutional and technological factors, tax compliance can also be influenced by psychological factors and social identity. Social Identity Theory explains that individuals act not only based on personal interest but also based on the group identity they hold (Tajfel, 1979). In the taxation context, national pride shapes the perception that paying tax is a form of contribution to the country. An experimental study by Macintyre et al. (2023) shows that national pride and national identity can increase tax compliance. A study in Indonesia by Nurhayati et al. (2025) found that national pride is an important factor in improving taxpayer compliance behavior. National pride can therefore be viewed as a socio-psychological factor that connects the obligation to pay tax with a sense of belonging, responsibility, and contribution to the nation.

The relationship between national pride, trust in government, and tax compliance does not always show consistent results across contexts. A study by Abodher et al. (2025) shows that among self-employed taxpayers in Libya, national pride and trust in government are related to tax non-compliance behavior because of political instability and a weak legal system. That study emphasizes the importance of institutional context in understanding the relationship between national identity, trust, and tax behavior. Another study in the Indonesian context by Nurhayati et al. (2025) found that national pride and national identity can increase tax compliance. This

divergence in findings indicates that the relationship between national identity and tax behavior still requires further testing.

Based on these developments in the literature, at least three research gaps can be identified. First, research on tax digitalization generally positions digitalization as a direct determinant of tax compliance, while the institutional mechanism explaining how digitalization shapes taxpayer behavior is still not fully understood. Second, research on national pride has demonstrated its relevance to tax compliance, but the relationship between national identity and trust in government remains relatively underexplored within a single empirical framework. Third, research on trust in government tends to test trust as an independent variable that directly affects compliance, while research positioning trust in government as a mechanism linking digital transformation and national identity to tax compliance remains limited.

This gap becomes increasingly relevant in the Indonesian context because the digital transformation of tax administration is taking place alongside the need to strengthen the trust relationship between government and society. Digitalization can create more efficient and transparent interaction, but its effectiveness in driving compliance still depends on how taxpayers interpret the government and their obligations as citizens. At the same time, national pride can serve as a source of intrinsic motivation to contribute to the country, but that contribution does not always have to occur through a mechanism of trust in government. It is therefore necessary to distinguish between factors that build trust in government and factors that directly drive tax compliance. This distinction is important for understanding whether trust in government truly functions as a linking mechanism or is merely one consequence of taxpayers' experience with government.

Based on this argument, this study develops a model that integrates technological, social identity, and institutional perspectives to explain tax compliance. Tax digitalization is positioned as a technological factor representing changes in the interaction between taxpayers and tax administration, while national pride represents the social identity dimension related to a sense of belonging and contribution to the nation. Trust in government is then positioned as a mediating variable to test whether increased trust in government becomes the mechanism that translates these two factors into tax compliance. This study therefore asks not only whether digitalization and national pride increase compliance, but also whether that effect occurs because taxpayers come to trust the government more.

This study aims to analyze the effect of tax digitalization and national pride on tax compliance, and to test the role of trust in government as a mediating variable. Theoretically, this study is expected to broaden the study of tax compliance by integrating the perspectives of administrative digitalization, social identity, and institutional trust within a single model. Empirically, this study also has the potential to contribute by testing whether trust in government truly is the mechanism that converts perceptions of digitalization and national identity into tax compliance behavior.

THEORY AND HYPOTHESIS DEVELOPMENT

The Effect of Tax Digitalization on Tax Compliance

Digital transformation in tax administration can make it easier for taxpayers to fulfill their obligations by simplifying tax processes, reducing administrative burdens, and providing easier access to tax services and information (OECD, 2020). Digitalization can also increase the transparency and efficiency of the tax process because various services can be carried out electronically. In line with this, a study by Novita & Frederica (2023) shows that digitalization services make the reporting process easier and increase the transparency of information. Tax digitalization therefore has the potential to reduce the time and cost of compliance by making it

easier to fulfill obligations. On the other hand, data integration through digital transformation allows the tax authority to carry out better monitoring mechanisms. Furthermore, a study in Indonesia by Widyari et al. (2021) shows that the use of electronic tax systems and user satisfaction are positively related to taxpayer compliance. These findings indicate that digital tax services are able to increase taxpayer compliance. Based on this argument, the following hypothesis is developed:

H1: Tax Digitalization has a positive effect on Tax Compliance

The Effect of Tax Digitalization on Trust in Government

Government digital transformation does not only affect service efficiency, but can also influence public perceptions of the quality of government governance. Digitalization of tax administration that makes access to services easier, more responsive, transparent, and integrated can provide taxpayers with a positive experience. This can increase perceptions of government competence and accountability. OECD (2020) emphasizes that digital transformation of tax administration focuses on creating a system that is simple, integrated, and minimizes barriers for taxpayers.

A study by Nurlinah et al. (2025) shows that government digital transformation has a positive effect on trust in government. In line with this, Virnandes et al. (2024) state that digital transformation by government can build public trust through improved digital capability, governance, and transparency. In the taxation context, Tjen et al. (2019) also show that trust in government and technology plays a role in shaping trust in the e-filing system. Prior research shows that digitalization in the government sector, including tax administration, can be one of the mechanisms that supports the formation of trust through transparent and accountable service and governance. Based on this argument, the following hypothesis is developed:

H2: Tax Digitalization has a positive effect on Trust in Government.

The Effect of National Pride on Tax Compliance

According to Social Identity Theory, individual identity is formed not only by personal characteristics but also by the social groups embedded within a person. A person's social identity can influence how they behave toward the group that forms part of their identity (Tajfel & Turner, 1979). When a person identifies with a particular group, the interests of that group can become a consideration in determining their behavior. In the taxation context, national pride reflects a positive feeling toward the nation that can encourage a person to pay tax as a form of contribution to the country and society. The stronger a person's sense of pride in their country, the greater their tendency to fulfill their tax obligations.

A study by Macintyre et al. (2023) found that national pride and national identity increase the level of tax compliance. This finding is in line with a study by Wardani et al. (2022), which states that national pride has a positive effect on tax compliance. A recent study by Nurhayati et al. (2025) states that national pride is an important factor in improving taxpayer compliance behavior. Referring to these prior findings, national pride can therefore be seen as a psychological factor that drives a person to fulfill their tax obligations. Based on this argument, the following hypothesis is developed:

H3: National Pride has a positive effect on Tax Compliance.

The Effect of National Pride on Trust in Government

Social Identity Theory explains that a person's identification with a particular group can influence how they view that group and ultimately shape attitudes that support the group's interests (Tajfel & Turner, 1979). National pride, in the context of a nation, reflects a person's

positive feelings and attachment toward their country. This feeling can lead a person to hold a more positive assessment of the government. National pride can therefore be one of the factors that supports the formation of trust in government.

A study by Macintyre et al. (2023) shows that national pride and national identity increase tax compliance and confirm the importance of national identification in driving taxpayers' cooperative behavior. This finding provides a basis for the view that national identity and pride influence individual attitudes toward public institutions. Furthermore, Abodher et al. (2025) state that national pride and trust in government are relevant psychological factors in explaining tax behavior. Individuals who feel pride in and attachment to their country will tend to have a greater tendency to trust the government as an institution that represents society's interests. The following hypothesis is therefore developed:

H4: National Pride has a positive effect on Trust in Government

The Effect of Trust in Government on Tax Compliance

Trust in government reflects taxpayers' confidence that the government has the capability and integrity to carry out its governmental functions and manage public interests. When taxpayers believe the government can carry out its functions, they tend to hold positive perceptions of the tax administration process and the benefits of tax. This can encourage taxpayers' willingness to voluntarily fulfill their tax obligations.

Empirically, Novita et al. (2024) found that trust in government has a positive effect on tax compliance. In line with this finding, Atito & Masripah (2024) show that the level of trust in government has a positive effect on taxpayer compliance. A similar finding by Shelvi & Rachmawati (2025) found that trust in government has a positive effect on voluntary tax compliance among taxpayers in Indonesia. Based on prior research, the higher taxpayers' trust in government, the greater their tendency to fulfill their tax obligations. Based on this argument, the following hypothesis is developed:

H5: Trust in Government has a positive effect on Tax Compliance

Trust in Government Mediates the Effect of Tax Digitalization on Tax Compliance

Tax digitalization provides benefits not only by increasing administrative efficiency but also by influencing taxpayer behavior through improving the quality of interaction between government and society. Night & Bananuka (2020) show that the implementation of an electronic tax system can increase taxpayer compliance because of the benefits and ease of using the system. These findings show that tax technology functions not only as an administrative instrument but also creates a positive experience for taxpayers in fulfilling their tax obligations.

Digital transformation can also create public value through improved transparency, service quality, accountability, and the relationship between government and society (Twizeyimana & Andersson, 2019). Tax administration services that are easy, transparent, responsive, and integrated can shape taxpayers' positive perceptions of government capacity and credibility. Tax digitalization therefore has the potential not only to increase compliance directly but also to build trust in government.

A study by Dewani & Setiyawati (2025) shows that tax service digitalization has a positive effect on taxpayer trust and tax compliance. That study also shows that taxpayer trust mediates the relationship between tax service digitalization and tax compliance. These findings indicate that trust can become an institutional mechanism that drives the relationship between tax digitalization and compliance. Therefore, the better taxpayers perceive tax digitalization to be, the more it can increase taxpayer trust in government, which can in turn increase taxpayers' tendency to fulfill their tax obligations. The following hypothesis is developed:

H6: Trust in Government mediates the effect of Tax Digitalization on Tax Compliance

Trust in Government Mediates the Effect of National Pride on Tax Compliance

Social Identity Theory shows that individuals form their identity based on their membership in social groups. Strong identification with a group can drive a person to hold attitudes and behaviors that support that group's interests (Tajfel & Turner, 1979). A person's feeling of pride toward their nation reflects a positive feeling and shapes a more favorable view of government. This can strengthen trust in government.

Trust in government makes taxpayers confident in the government's competence, integrity, and responsibility. This can ultimately drive tax compliance. A study by Macintyre et al. (2023) shows that national pride is related to increased tax compliance. Furthermore, a study by Abodher et al. (2025) states that national pride and trust in government are important factors related to tax compliance. Individuals who feel pride toward their country therefore tend to hold positive perceptions of the country and its institutions, which ultimately shapes trust in government. The stronger an individual's sense of pride toward their country, the greater the tendency for trust in government to form, which in turn increases a person's tendency to fulfill their tax obligations. Based on this argument, the following hypothesis is developed:

H7: Trust in Government mediates the effect of National Pride on Tax Compliance

METHOD

This study uses a quantitative approach with an explanatory research design to analyze the effect of tax digitalization and national pride on tax compliance, and to test the role of trust in government as a mediator. The research model is developed with reference to the Slippery Slope Framework, which emphasizes the importance of trust in authority in shaping tax compliance (Kirchler et al., 2008). The population of this study is individual taxpayers domiciled in South Sulawesi Province who have experience using digital tax services. The sample was determined using a purposive sampling technique with the criteria of (1) individual taxpayers domiciled in South Sulawesi Province, (2) holding an active Taxpayer Identification Number (NPWP), and (3) having used digital tax services within the last two years. Data were collected through an online questionnaire using a 5-point Likert scale. The final number of respondents in this study was 137.

Tax digitalization refers to taxpayers' perception of the use of digital technology in tax administration that improves ease of use, efficiency, accessibility, security, and service benefits. The final measurement model includes 10 indicators (TD4–TD13), drawn from an initial set of 13 items developed with reference to the literature on digital tax system adoption and tax administration transformation (Night & Bananuka, 2020; OECD, 2020). National Pride refers to an individual's pride, attachment, and identification with the country, as well as their commitment to contributing to national interests. This variable is measured using 12 indicators (NP1–NP12), all of which are retained in the final analysis. These indicators were developed with reference to the concepts of national identity, patriotism, and attachment to country (Meier-Pesti & Kirchler, 2003). Trust in Government refers to taxpayers' confidence in the competence, integrity, and benevolence of the government, represented by the Directorate General of Taxes, in managing tax administration. This variable is measured with 9 indicators grounded conceptually in trust in authority within the Slippery Slope Framework (Kirchler et al., 2008). Tax compliance refers to taxpayers' willingness and behavior in fulfilling their tax obligations through reporting compliance, payment compliance, and voluntary compliance. This variable is measured using nine indicators developed based on the concepts of enforced compliance and voluntary compliance (Kirchler & Wahl, 2010).

Data analysis was conducted using Partial Least Squares Structural Equation Modeling (PLS-SEM) with SmartPLS. This approach was selected to examine relationships between latent constructs and direct and indirect effects (Hair et al., 2022). The final model includes 40 indicators across four reflectively measured constructs. Measurement-model evaluation considered indicator loadings, internal consistency reliability, average variance extracted, and discriminant validity. Hypothesis testing used the reported bootstrap coefficients, standard deviations, t-statistics, and p-values. Results with $p < 0.05$ are distinguished from marginal evidence at $0.05 \leq p < 0.10$; the latter is not treated as equivalent to conventional 5% significance. Supplementary numerical calculations using the same data and model specification completed the structural-model diagnostics. These calculations used PLS Mode A with path weighting and standardized indicators and reproduced the reported loadings and direct coefficients to three decimal places. They are distinguished from the original SmartPLS bootstrap output.

RESULT AND DISCUSSION

Result

Descriptive Statistics

The respondents in this study consisted of 137 respondents in South Sulawesi. The respondent profile in this study is presented in Table 1. Of the total 137 respondents, the majority were female, amounting to 82 respondents (59.9%), while male respondents amounted to 55 respondents (40.1%). Based on age group, most respondents were in the 25-34 year age range, amounting to 97 respondents (70.8%), while the smallest group was in the ≥ 55 year age range, amounting to 2 respondents (1.5%). This age composition shows that most respondents are of productive age.

Table 1. Respondent Profile

Characteristic	Category	Count	Percentage (%)
Gender	Male	55	40.1
	Female	82	59.9
Age	< 25 years	11	8.0
	25–34 years	97	70.8
	35–44 years	24	17.5
	45–54 years	3	2.2
	≥ 55 years	2	1.5
Last Education	High School	6	4.4
	Diploma	3	2.2
	Bachelor's (S1)	30	21.9
	Master's (S2)	93	67.9
	Doctoral (S3)	5	3.6
Occupation	Civil Servant (ASN)	67	48.9
	Private Employee	18	13.1
	Entrepreneur	4	2.9
	Professional	3	2.2
	Academic/Lecturer	38	27.7
	Other	7	5.1
NPWP Ownership	Yes	131	95.6
	No	6	4.4

Source: Processed by the Researchers (2026)

In terms of educational background, 93 respondents held a Master's degree and 30 held a Bachelor's degree. The largest occupational category was civil servants (67 respondents). A total of 131 respondents reported owning an NPWP, whereas six reported no NPWP. The analysis reported here retains all 137 observations. The sample is concentrated among younger, highly educated respondents, which limits its representativeness of the broader taxpayer population.

Table 2. Experience Using Digital Tax Services

Type of Digital Tax Service	Number of Respondents	Percentage (%)
Coretax	123	89.8
DJP Online	106	77.4
e-Filing	50	36.5
e-Billing	27	19.7
e-Faktur	24	17.5

Source: Processed by the Researchers (2026)

Table 2 summarizes respondents' reported experience with digital tax services. Coretax was reported by 123 respondents (89.8%), followed by DJP Online (77.4%). The percentages exceed 100% when combined because the service categories are not mutually exclusive. These figures describe reported service use and do not independently establish respondents' proficiency with each system.

Table 3. Descriptive Statistics

Construct	Mean	Median	Min	Max	Std. Dev
TD	4.15	4.10	1.00	5.00	0.62
NP	4.30	4.33	1.00	5.00	0.67
TIG	3.70	3.78	1.00	5.00	0.84
TC	4.35	4.44	1.00	5.00	0.71

Source: Processed by the Researchers (2026)

Table 3 reports descriptive statistics calculated from the mean of the retained indicators for each construct. Tax digitalization had a mean of 4.15 (SD = 0.62), and national pride had a mean of 4.30 (SD = 0.67), based on 12 indicators. Trust in government had a mean of 3.70 (SD = 0.84), whereas tax compliance had a mean of 4.35 (SD = 0.71). Respondents therefore reported comparatively lower trust than compliance. These are descriptive differences and do not establish a causal relationship between the constructs.

Validity and Reliability Testing

Table 4. Outer Model Evaluation

Panel A. Convergent Validity and Construct Reliability Testing

Variable	Item	Factor Loadings	Cronbach's Alpha	Composite Reliability	AVE
Tax Digitalization (TD)	TD 4	0.787	0.936	0.946	0.635
	TD 5	0.863			
	TD 6	0.757			
	TD 7	0.803			
	TD 8	0.822			
	TD 9	0.723			

Variable	Item	Factor Loadings	Cronbach's Alpha	Composite Reliability	AVE
National Pride (NP)	TD 10	0.706	0.957	0.962	0.676
	TD 11	0.843			
	TD 12	0.867			
	TD 13	0.783			
	NP 1	0.810			
	NP 2	0.837			
	NP 3	0.837			
	NP 4	0.829			
	NP 5	0.824			
	NP 6	0.763			
	NP 7	0.852			
	NP 8	0.824			
Tax Compliance (TC)	NP 9	0.837	0.980	0.982	0.860
	NP 10	0.823			
	NP 11	0.813			
	NP 12	0.818			
	TC 1	0.884			
	TC 2	0.936			
	TC 3	0.943			
	TC 4	0.929			
	TC 5	0.932			
	TC 6	0.944			
	TC 7	0.904			
	TC 8	0.940			
Trust in Government (TIG)	TC 9	0.933	0.974	0.977	0.826
	TIG 1	0.875			
	TIG 2	0.897			
	TIG 3	0.924			
	TIG 4	0.924			
	TIG 5	0.901			
	TIG 6	0.917			
	TIG 7	0.916			
	TIG 8	0.917			
	TIG 9	0.906			

Panel B. Discriminant Validity Testing (Fornell-Larcker Criterion)

Construct	TD	NP	TC	TIG
Tax Digitalization (TD)	0.797			
National Pride (NP)	0.731	0.822		
Tax Compliance (TC)	0.561	0.621	0.927	
Trust in Government (TIG)	0.572	0.544	0.339	0.909

Source: Processed by the Researchers (2026)

Table 4 reports convergent validity and construct reliability. All 40 retained indicators have loadings above 0.70, and all AVE values exceed 0.50. Cronbach's alpha ranges from 0.936 to 0.980,

while composite reliability ranges from 0.946 to 0.982. These results indicate high internal consistency. However, the very high reliability estimates, particularly for tax compliance and trust in government, also warrant attention to possible item redundancy rather than being interpreted as unqualified evidence of measurement quality.

Panel B of Table 4 presents the Fornell–Larcker assessment. For each construct, the square root of AVE exceeds its correlations with the other constructs. The measurement model therefore satisfies this criterion of discriminant validity. Structural-model diagnostics and hypothesis tests are reported separately below.

Structural Model Assessment

Supplementary diagnostics assess explanatory power, predictive relevance, effect sizes, model fit, and collinearity. R^2 and adjusted R^2 describe explained variance. Effect size f^2 is calculated from the change in R^2 after removing a path and re-estimating the PLS model. Inner VIF assesses collinearity among predictors of the same endogenous construct. Full collinearity VIF is calculated by regressing each construct score on all other construct scores and is used as a diagnostic for common method bias (Kock, 2015).

Table 5. Explained Variance and Predictive Relevance

Endogenous construct	R^2	Adjusted R^2	Q^2 estimate
Trust in Government	0.361	0.352	0.268
Tax Compliance	0.413	0.399	0.254

Note: Supplementary calculations, $n = 137$. Q^2 is an independently calculated blindfolding estimate with omission distance $D = 7$; it has not been verified against a SmartPLS blindfolding export.

The model explains 36.1% of the variance in trust in government and 41.3% in tax compliance. The corresponding adjusted R^2 values are 0.352 and 0.399. These figures quantify explanatory power within the observed sample and do not demonstrate causal effects.

Blindfolding was performed separately for the indicators of each endogenous construct. Every seventh cell was omitted in a column-wise sequence over seven rounds; omitted values were replaced by the mean of the retained values for that indicator before re-estimation. Predictions combined the structural paths and indicator loadings. Prediction errors and baseline deviations were standardized by each original indicator's standard deviation, and construct-level Q^2 was calculated as $1 - \Sigma SSE / \Sigma SSO$. Both estimates are positive, indicating predictive relevance under this procedure. They are provisional supplementary estimates, not Q^2 predict statistics or evidence of prediction on an external sample.

Table 6. Effect Sizes and Inner Collinearity

Structural relationship	f^2	Effect size	Inner VIF
TD → TIG	0.102	Small	2.146
NP → TIG	0.053	Small	2.146
TD → TC	0.046	Small	2.364
NP → TC	0.165	Medium	2.262
TIG → TC	0.004	Very small	1.565

Note: TD = Tax Digitalization; NP = National Pride; TIG = Trust in Government; TC = Tax Compliance. Effect-size benchmarks are 0.02 (small), 0.15 (medium), and 0.35 (large); values below 0.02 are described as very small.

National pride has the largest incremental contribution to tax compliance ($f^2 = 0.165$), while digitalization has a small contribution ($f^2 = 0.046$). Trust contributes very little additional explained variance in compliance ($f^2 = 0.004$). The effects of digitalization and national pride on trust are small, at 0.102 and 0.053, respectively. All inner VIF values are below 3.3, indicating no

substantial predictor collinearity under this diagnostic. Effect sizes are reported separately from bootstrap significance.

Table 7. Approximate Model Fit

Model	SRMR
Saturated model	0.082
Estimated model	0.082

SRMR was calculated from the discrepancies between observed and model-implied indicator correlations, using the lower triangle including the diagonal. The saturated and estimated models yield the same value because the recursive structural specification includes all preceding predictors and permits the two exogenous constructs to correlate. SRMR = 0.082 is below the more lenient 0.10 benchmark but slightly exceeds the stricter 0.08 benchmark. Accordingly, the model should not be described as satisfying the stricter fit criterion.

Table 8. Full Collinearity Assessment

Construct	Full collinearity VIF
Tax Digitalization	2.473
National Pride	2.638
Trust in Government	1.572
Tax Compliance	1.703

All full collinearity VIF values are below 3.3. This assessment does not indicate common method bias under the criterion proposed by Kock (2015). It does not establish the absence of every form of method bias, and the limitations of the single-source, self-reported design remain relevant.

Hypothesis Testing

Table 9. Direct and Specific Indirect Effects

Panel A. Path Coefficients

Relationship	Path Coefficient	Std. Dev	t-value	p-value	Decision
Tax Digitalization → Tax Compliance	0.253*	0.138	1.826	0.068	Marginal support (10%)
Tax Digitalization → Trust in Government	0.373***	0.137	2.718	0.007	Supported
National Pride → Tax Compliance	0.470***	0.149	3.148	0.002	Supported
National Pride → Trust in Government	0.271*	0.153	1.775	0.077	Marginal support (10%)
Trust in Government → Tax Compliance	-0.062	0.108	0.573	0.567	Not Supported

Panel B. Specific Indirect Effects

Relationship	Path Coefficient	Std. Dev	t-value	p-value	Decision
Tax Digitalization → Trust in Government → Tax Compliance	-0.023	0.041	0.560	0.576	Not Supported
National Pride → Trust in Government → Tax Compliance	-0.017	0.037	0.451	—†	Pending verification†

*** Significant at the 1% level; ** Significant at the 5% level; * Significant at the 10% level.

† The p-value for NP → TIG → TC requires verification against the original bootstrap output. The coefficient, standard deviation and t-statistic are retained from the manuscript.

Source: Processed by the Researchers (2026)

Table 9 presents the reported bootstrap results. Tax digitalization is positively associated with tax compliance ($\beta = 0.253$, $p = 0.068$), providing marginal support for H1 at the 10% level. Its association with trust in government is significant at the 1% level ($\beta = 0.373$, $p = 0.007$), supporting H2. National pride is positively associated with compliance ($\beta = 0.470$, $p = 0.002$), supporting H3. The association between national pride and trust is positive but marginal ($\beta = 0.271$, $p = 0.077$), providing weaker support for H4. Trust is not significantly associated with compliance ($\beta = -0.062$, $p = 0.567$), so H5 is not supported. The marginal results should not be interpreted as equivalent to evidence at the 5% level.

The specific indirect effect of tax digitalization through trust in government is -0.023 ($p = 0.576$), providing no evidence of mediation. For national pride, the reported indirect coefficient is -0.017 with $t = 0.451$. The p -value for this pathway is not reported here because its transcription could not be verified. The available estimates do not establish trust as a mediator, although the H7 decision remains provisional.

Discussion

The Effect of Tax Digitalization on Tax Compliance

Tax digitalization is positively associated with tax compliance, but the evidence is marginal ($\beta = 0.253$, $p = 0.068$) and the effect size is small ($f^2 = 0.046$). The relationship does not reach the conventional 5% significance level. This pattern is compatible with Night and Bananuka (2020) and Novita and Frederica (2023), who discuss the relevance of electronic tax systems and digital services to compliance. Easier reporting and payment processes are plausible explanations, but the present cross-sectional results do not establish these mechanisms or a causal effect of digitalization.

The Effect of Tax Digitalization on Trust in Government

The test results show that tax digitalization has a positive effect on trust in government. This result shows that the better the tax digitalization implementation perceived by each taxpayer, the higher their level of trust in the government. This finding is in line with a study by Nurlinah et al. (2025), who found that government digital transformation significantly increases trust in government. That study shows that the digital transformation of public services is positively related to trust in government. Furthermore, this finding is in line with Virnandes et al. (2024), who show that digital government transformation can build public trust through aspects of governance and transparency.

Tax digitalization allows the tax administration process to be carried out more easily, quickly, in an integrated manner, and transparently. This condition reduces barriers in the interaction between taxpayers and the government and provides a better service experience. Therefore, good digital service quality becomes evidence of the government's capacity to provide public services, which in turn shapes a positive assessment of the government's competence and governance.

The Effect of National Pride on Tax Compliance

The analysis results show that national pride is positively related to tax compliance. This shows that the stronger a person's sense of pride in their country, the higher their tendency to fulfill their tax obligations. Referring to Social Identity Theory, individuals form their social identity based on membership in certain groups and tend to adjust their behavior to the interests of the group that forms part of their identity (Tajfel & Turner, 1979). When a taxpayer has a strong sense of pride and attachment to their country, paying tax is regarded as a form of contribution and loyalty to the country. In the present model, this relationship has a medium effect size ($f^2 = 0.165$), the largest incremental contribution to compliance among the three predictors.

This finding is in line with Wardani et al. (2022), who found that national pride has a positive effect on taxpayer compliance. In addition, a study by Nurhayati et al. (2025) also found that national pride is an important factor in improving individual taxpayer compliance behavior in Indonesia. Therefore, this study's findings reinforce the argument that pride in one's country is a psychological factor that drives tax compliance behavior. Taxpayers with stronger national pride tend to regard paying tax as a form of contribution to national development and interests, and therefore have a greater tendency to fulfill their tax obligations.

The Effect of National Pride on Trust in Government

National pride has a positive coefficient for trust in government ($\beta = 0.271$), but the evidence is marginal ($p = 0.077$) and the effect size is small ($f^2 = 0.053$). The relationship is therefore suggestive rather than conclusive at the conventional 5% level. Social Identity Theory provides a possible explanation: attachment to a national group may be associated with more favorable perceptions of institutions representing that group.

This finding is in line with Gustavsson & Stendahl (2020), who state that national pride is related to political trust. Their study explains that national pride can increase trust in political institutions. A study by Abodher et al. (2025) also states that national pride and trust in government are relevant psychological factors in explaining tax behavior. Taxpayers with a stronger sense of pride in their country will hold a more positive assessment of state institutions, making them more likely to trust the government in carrying out its function of managing the public interest.

The Effect of Trust in Government on Tax Compliance

Trust in government is not significantly associated with tax compliance in the specified model ($\beta = -0.062$, $p = 0.567$). Its incremental effect size is very small ($f^2 = 0.004$). This result indicates limited additional explanatory contribution after accounting for digitalization and national pride; it does not establish that trust is irrelevant to all forms of compliance or in other populations.

A study by Inasius et al. (2020) shows that trust in government does not affect enforced tax compliance. This finding indicates that trust is more relevant when compliance arises from taxpayers' internal willingness. This argument is in line with the findings of Batrancea et al. (2019), who found that trust is not a significant factor in explaining enforced tax compliance. Therefore, trust in government is not always sufficient to shape compliance behavior. Based on the analysis results and prior findings, this study's results explain that trust in government is not always a direct determinant of tax compliance, but its effect can depend on the characteristics and mechanisms underlying compliance behavior.

Trust in Government Mediates the Effect of Tax Digitalization on Tax Compliance

The reported indirect effect does not support trust in government as a mediator of the relationship between tax digitalization and tax compliance ($\beta = -0.023$, $p = 0.576$). Although digitalization is positively associated with trust, the trust-compliance path is not statistically significant. This finding is specific to the measured constructs and sample. Inasius et al. (2020) suggest that the relevance of trust can depend on the form of compliance being examined. The present study combines compliance dimensions and does not separately test those mechanisms.

The small direct effect of digitalization and the unsupported indirect effect suggest that the model provides limited evidence for the proposed trust mechanism. Administrative convenience is a plausible alternative explanation, but it is not established by the present mediation test. A nonsignificant indirect effect should not be interpreted as proof that trust can never transmit the relationship.

Trust in Government Mediates the Effect of National Pride on Tax Compliance

The reported national-pride indirect coefficient is negative and close to zero ($\beta = -0.017$; $t = 0.451$), offering no persuasive evidence of mediation through trust. The inference for this pathway remains provisional. The marginal national-pride–trust relationship and nonsignificant trust–compliance relationship also call for caution. Wardani et al. (2022) provide a relevant comparison by distinguishing national pride from trust in authority in explaining compliance.

The available estimates are compatible with a direct association between national pride and compliance, but do not establish the mechanism responsible for that association. Other pathways, including tax morale and perceived risk, remain possibilities for subsequent research. Pangesti et al. (2023) discuss trust and perceived risk in relation to voluntary compliance. Such mechanisms should be tested directly rather than inferred solely from an unsupported mediation result.

Research Limitations and Suggestions for Future Research

Several limitations qualify these findings. First, the sample is concentrated among highly educated respondents (67.9% held a Master's degree), with civil servants representing 48.9%; generalization to the wider taxpayer population is therefore limited. Six respondents reported no NPWP despite the stated eligibility criterion, which limits confidence in the sample-screening consistency. Second, the cross-sectional, single-source self-report design cannot establish causality. Full collinearity VIF values did not indicate common method bias under the selected diagnostic, but this does not eliminate all possible method effects. Third, the model includes only one mediator. Fourth, SRMR slightly exceeds 0.08, and the supplementary blindfolding Q^2 estimates have not been verified against a SmartPLS export; they should be interpreted cautiously. The marginal H1 and H4 results and the unresolved H7 bootstrap p-value further limit strong conclusions. Future studies could use broader sampling, longitudinal or experimental designs, separate measures of voluntary and enforced compliance, and out-of-sample prediction assessments.

CONCLUSION

This study aims to develop an understanding of the role of tax digitalization and national pride in improving tax compliance, and to test whether trust in government functions as a mechanism bridging that relationship. Based on the testing and discussion that have been carried out, this study shows that technological and psychological factors play a role in explaining tax compliance, but an increase in trust in government has not been shown to be the mechanism linking these two factors with compliance.

National pride is positively associated with tax compliance, while tax digitalization is positively associated with trust in government. The digitalization–compliance and national-pride–trust relationships receive only marginal support at the 10% level. The model explains 36.1% of the variance in trust and 41.3% in compliance. Trust has a very small incremental contribution to compliance and a nonsignificant direct coefficient. The available indirect-effect estimates do not establish mediation, with inference for the national-pride indirect effect remaining provisional. These conclusions describe associations within the analyzed sample rather than causal effects.

The findings suggest that national pride merits attention in understanding compliance, alongside continued efforts to improve the accessibility and usability of digital tax services. The weaker evidence for digitalization should temper policy claims. Future research should examine additional mechanisms, including tax morale, perceived fairness and risk, while testing whether the relationships persist across populations and over time.

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