

The influence tax transparency, trust, service quality on SME taxpayers' willingness to pay taxes in Bengkulu

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Abstract

The purpose of the research is to investigate and explain taxpayers' behavior, specifically their willingness to fulfill tax obligations, through the application of The Theory of Planned Behavior (TPB). Employing a quantitative-explanatory approach, this study specifically targets taxpayers involved in the SMEs industry. The sample size is determined using purposive sampling techniques, calculated through the Slovin formula, considering a total population of 3,883 SMEs in Bengkulu. The objective is to collect responses from 100 business actors in the SMEs industry, with selection criteria including individuals engaged in Micro, Small, and Medium Enterprises (MSMEs) in trade, industry, and services within Bengkulu, having a minimum business tenure of one year. Tax transparency has a positive and significant impact on the willingness to pay taxes. Trust has a positive and significant effect on the willingness to pay taxes. Service quality has a positive and significant impact on the willingness to pay taxes in Bengkulu City.

Keywords: *trust, service quality, willingness to pay tax, tax transparency, theory of planned behavior.*

Introduction

In many developing countries, particularly in Indonesia, Micro, Small, and Medium Enterprises (MSMEs) occupy a central position in driving economic growth. Statistical data indicates that approximately 99.99% of business entities operate as MSMEs across various economic sectors (Bank Indonesia, 2015). The significant contribution made by MSMEs to the national Gross Domestic Product (GDP) reaches 62.57%, establishing them as key players in economic development (Latifah et al., 2021). Furthermore, MSMEs play a crucial role in enhancing the country's export income and non-oil state tax revenue (Bank Indonesia, 2015; Arifin et al., 2021). Therefore, it is essential for the government to maximize tax revenue derived from the MSME sector.

As a country with an economy still in development, tax revenue plays a fundamental role for Indonesia. The revenue derived from taxes is allocated and utilized to finance all state expenditures and developments for the welfare of the society (Syafnur et al., 2022). Each year, the government strives to increase tax revenue to meet state expenditures (Kemenkeu, 2023). With the growing population and an increase in businesses in the MSME sector, the number of taxpayers should ideally increase annually. However, a different scenario indicates that the increasing number of taxpayers in Indonesia is not accompanied by taxpayers' compliance in paying and reporting their taxes. This situation is detrimental to the state as it leads to suboptimal revenue collection.

Table 1. The Number of Registered MSMEs at the Tax Office of Bengkulu

Unit	2018	2019	2020	2021	2022	2023	Total
KPP Pratama Bengkulu Satu	766	807	3.738	305	97	42	5.755
KPP Pratama Bengkulu Dua	783	904	4.382	712	529	73	7.383
Total	1.549	1.711	8.120	1.017	626	115	13.138

Source: Kanwil DJP Bengkulu and Lampung, 2023

The table above shows that based on data obtained from the Department of Communication and Information and Statistics, the number of Micro, Small, and Medium Enterprises (MSMEs) in Bengkulu City was 44,472 in 2019. However, only 1,711 MSMEs were registered at the Tax Office of Bengkulu City in the same year. There was an increase in 2020, with 8,120 MSMEs registered at the Tax Office of Bengkulu City, followed by a significant decrease in 2021-2023. This indicates the low willingness of MSME taxpayers in Bengkulu City to pay taxes. The phenomenon arises from the public perception that taxes are merely mandatory levies, and there is a lack of community responsibility in contributing to the country's development. Furthermore, the low willingness of taxpayers to pay taxes is attributed to their perception of not seeing tangible benefits for the country, strengthening the argument for optimizing annual tax revenues in Indonesia (Ramadhanty & Zulaikha, 2020). Therefore, a more in-depth and comprehensive analysis is needed to understand various factors that can influence the willingness of taxpayers to pay taxes.

The taxpayers' behavior, including their willingness to fulfill their obligations, can be explained through the grand theory presented by Ajzen (1991), known as The Theory of Planned Behavior (TPB). Ajzen (1991) in his theory explains that human behavior is influenced by three main factors: attitude toward behavior, subjective norm, and perceived behavior control. If an individual has a positive attitude toward a behavior, perceives social pressure, and believes that they have control over that behavior, they tend to have a strong intention to perform it (Ajzen, 2020). Ajzen (2020) further asserts that this theory recognizes that intention is a strong predictor of actual behavior. Nevertheless, TPB also acknowledges that factors beyond individual control can influence human behavior (La Barbera & Ajzen, 2021). In the context of tax compliance, if taxpayers have a positive attitude toward this action, viewing it as a significant contribution to supporting public services and development, it can strengthen their intention to voluntarily pay taxes (Anto et al., 2021). Furthermore, subjective norm takes into account the perceived social pressure on taxpayers. If society or family sees paying taxes as a moral or social responsibility, this norm can influence taxpayers' intentions to fulfill their tax obligations (Owusu et al., 2020). Additionally, perceived behavior control highlights the extent to which taxpayers feel they have the ability and control over the action of paying taxes. If they believe they can do it without significant difficulty, it can enhance their intention to actively pay taxes (Yunianti et al., 2019).

Referring to the TPB, to enhance taxpayers' compliance in meeting their obligations, taxpayers must be able to perceive the government's transparency in tax management (Gribnau & Jallai, 2019). When tax-related information is clearly and easily accessible to the public, it creates a more open and trustworthy environment (Kabir, 2021). Transparency allows citizens to understand how the tax system operates, including the use of tax funds for public service programs. Citizens who feel that their taxes are well-managed and used for the common good are more likely to support the tax system and comply with their tax obligations (Carrillo et al., 2021). If tax information is unavailable or difficult to access, it can create suspicion and speculation about the

management of tax funds. Therefore, it can be concluded that tax transparency can have a positive impact on the willingness to pay taxes. This relationship is also confirmed by research conducted by (Capasso et al., 2021; Kusuma et al., 2022).

The influence of tax transparency on the willingness to pay taxes is based on the trust held by taxpayers. Trust plays a key role in shaping citizens' perceptions of transparency, fairness, and efficiency in tax fund management (Stiglingh et al., 2022). When the public has high trust in the government and believes that the taxes they pay will be used effectively for the common good, they are more likely to have a strong willingness to pay taxes voluntarily. This trust creates a social bond between citizens and the government, strengthening their commitment to support the tax system (Tanny et al., 2019). If public trust in the government or the integrity of the tax system is low, it can lead to a decrease in the willingness to pay taxes. Distrust can encourage tax avoidance or even tax evasion, as citizens feel that their tax contributions will not bring real or fair benefits. Low trust can also trigger tax non-compliance, where citizens tend to view tax payments as a burden rather than a positive contribution to society (Jajja & Bhatti, 2022). Thus, it can be concluded that taxpayer trust has a positive impact on their willingness to pay taxes. This aligns with the research conducted by Mariganto et al., (2023), indicating that the higher the trust held by taxpayers, the higher their willingness to fulfill their tax obligations.

Transparency and trust can be reflected in how the tax payment system is conducted, including how the quality of tax services provided can create efficiency, clarity of procedures, administrative simplicity, and responsiveness to taxpayers' needs (Tafa, 2020). When tax services operate well, provide easily understandable information, and offer efficient services, it can enhance taxpayer satisfaction (Artawan et al., 2020). Taxpayers who are satisfied with tax services tend to feel valued and recognized as meaningful contributors to community development (Rahayu & Adikara, 2022). Quality tax services can minimize administrative barriers and facilitate the tax payment process, thus enhancing citizens' comfort and trust in the tax system. Therefore, it can be concluded that the quality of services provided can have a positive impact on taxpayers' willingness to pay taxes. This relationship is also confirmed by research conducted by (Kumala & Ayu, 2021).

Focuses on taxpayers operating in the MSME sector as the research subject. The research aims to conduct a deeper analysis of taxpayer behavior and factors such as transparency, trust, and service quality concerning taxpayers' willingness to pay taxes. Research within this scope is still relatively scarce, as previous studies have predominantly focused on analyzing the willingness to pay taxes for individual taxpayers (PPH 21), rather than taxpayers as MSME participants (Final Income Tax). Furthermore, the novelty of this research lies in the implementation of The Theory of Planned Behavior, aiming to understand and explain the phenomena and constructs utilized in this study.

Transparency is acknowledged as a tool for building public trust in local governments (Pina & Avellaneda, 2019). In the realm of taxation, transparency entails openness in providing information regarding the utilization and management of taxes (Gribnau & Jallai, 2019). This transparency instills a sense of trust in tax management practices (Augustine & Enyi, 2020). Furthermore, high transparency levels can mitigate opportunistic actions, where individuals take advantage by disregarding governing principles, often exhibited by leaders (Wagner, 2019). Therefore, to foster voluntary taxpayer compliance, public authorities must adopt greater openness and transparency towards taxpayers. However, research by Ramadhanty & Zulaikha (2020) suggests that transparency does not exert a positive and significant influence on the willingness to pay taxes. In contrast, a study by Kusuma et al. (2022) demonstrates that transparency has a positive and significant impact on the willingness to pay taxes. This study formulates the proposition that increased transparency in the perceived use of tax funds for the welfare of the populace corresponds to heightened taxpayer compliance. This concept

of transparency aligns with the Theory of Planned Behavior, which elucidates various components influencing individual behavior, including normative beliefs (Ajzen, 1991). This suggests that when individuals voluntarily comply with their tax obligations, they expect tangible contributions or outcomes from the taxes they have paid.
H1 : Transparency Has a Positive Effect on the Willingness to Pay Taxes.

Trust is an attitude from one party toward another in conducting transactions based on the belief that the trusted party fulfills all obligations well as expected and does not cause disappointment (Strohmaier et al., 2019). Several factors can reduce taxpayers' interest in paying taxes, one of which is taxpayers' perception of corruption and misuse of taxes in the government system, which can lead to a loss of spirit and tax refusal. This can decrease the interest of the public or taxpayers in paying taxes (Kurniasari, 2023). Therefore, taxpayer compliance behavior toward tax payments greatly depends on trust indicators. In other words, trust is a key factor in achieving tax compliance. Without taxpayers' trust in the system or institution that regulates taxation management, there will be a decrease in taxpayers' interest or willingness to pay taxes. This aligns with research conducted by (Mariganto et al., 2023), which shows that the level of trust correlates positively and significantly with taxpayer compliance in paying taxes.

H2 : Level of Trust Positively Influences Willingness to Pay Taxes, Service Quality and Willingness to Pay Tax

In the self-assessment system, the tax authority (fiscus) directly involved with taxpayers is the Tax Service Office (KPP) Pratama. The duties and functions of KPP Pratama are regulated in the Directorate General of Taxes Decision Number KEP-75/PJ/2020 concerning the Determination of Changes in the Duties and Functions of KPP Pratama. According to this regulation, KPP Pratama essentially has the task of providing services, guidance, supervision, and law enforcement for taxpayers in the taxation field within its jurisdiction. The perceived quality of service by taxpayers depends on how tax officials serve them (Nurdhiana & Tiarani, 2022). This service quality reflects the taxpayer's perception of how persuasively, honestly, and problem-solving the tax officials are, and how they enforce tax regulations, resulting in taxpayer satisfaction. Several studies have shown empirical evidence of the impact of service quality on taxpayers' willingness to pay taxes, such as the research conducted by (Rabiyah et al., 2021), indicating that service quality positively influences the willingness to pay taxes. However, research by (Lovihan, 2011) showed that service quality has an influence but not significantly on the willingness of individual taxpayers to pay taxes. Another study by (Andinata, 2015) produced different results, indicating that service quality does not significantly affect tax compliance.

H3 : The Quality of Service Positively Affects the Willingness to Pay Taxes.

Research Methods

Employing a quantitative-explanatory approach, this study specifically targets taxpayers involved in the SMEs industry. The sample size is determined using purposive sampling techniques, calculated through the Slovin formula, considering a total population of 3,882 SMEs in Bengkulu. The objective is to collect responses from 100 business actors in the SMEs industry, with selection criteria including individuals engaged in Micro, Small, and Medium Enterprises (MSMEs) in trade, industry, and services within Bengkulu, having a minimum business tenure of one year.

Data collection utilizes a paper-based questionnaire distributed to the respondents, employing a Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree). The analysis involves descriptive statistical analysis and Structural Equation Modeling (SEM-PLS), facilitated by SmartPLS 4 software. The SEM-PLS analysis encompasses three stages: outer model analysis, inner model analysis, and hypothesis

testing, following the methodology outlined by Hair et al. (2019). Figure 1 illustrates the research framework.

In this research, the variables of Transparency, Trust, Service Quality, and Willingness to Pay Taxes are utilized. Table 2 provides the operational definitions of these variables, outlining the measurement criteria for assessing the relationship associated with each variable.

Table 2. List of Indicators Employed to The Study

Variable	Indicator	Item	References
Tax Transparency	1. Implementation of tax education and socialization. 2. Information regarding the amount of tax revenue. 3. Accuracy in distributing tax revenue.	1. The socialization or counseling conducted by the Directorate General of Taxation regarding new taxation provisions to the public (taxpayers) has been carried out effectively.	Wardani et al. (2022)
		2. The Directorate General of Taxation has conducted annual taxation socialization.	
		3. Information about the amount of tax revenue at the tax office for each fiscal year is clear and accessible to the public.	
		4. The public needs to be informed about the amount of tax revenue, both at the central tax office and the primary tax offices.	
		5. The allocation of tax revenue by the government has been used for the welfare of the people through the development of infrastructure and public facilities (schools, hospitals, roads, etc.).	
		6. Tax revenue is distributed by the appropriate authorities evenly for development that truly needs it (targeted accurately).	
Level of Trust	1. Trust in the government system. 2. Trust in the legal system. 3. Trust in politicians. 4. Trust in the allocation of tax collection redistributed to the people.	1. Taxpayers have confidence in the government system in taxation.	Kristanti & Subardjo (2021)
		2. Taxpayers have confidence in the laws established in taxation.	
		3. Taxpayers have trust in the government's political system.	
		4. Taxpayers have trust in the allocation of tax funds for development.	

Service Quality	1. Understanding of tax regulations.	5. Taxpayers have trust in the collection of tax funds for development.	Atarwaman, R. J. (2020)
	2. Accurate and quality services.	6. Taxpayers have trust in the allocation of tax funds for the benefit of the people.	
	3. Provision of socialization on the latest taxation system, changes, and programs in taxation.	1. The officers at the Tax Service Office understand and master the regulations related to taxation.	
	4. Providing an understanding of the importance of reporting Annual Tax Returns (SPT) and tax payments.	2. In providing services, officers pay attention to the accuracy of service procedures and procedural compliance.	
		3. Tax officers provide services with courtesy, friendliness, and patience.	
		4. Tax officers always consider taxpayers' objections to the imposed taxes.	
		5. Tax officers respond promptly to issues or complaints from taxpayers.	
		6. Tax officers provide taxation services to completion.	
		7. Tax officers provide socialization on the use of e-filing and e-billing.	
		8. Tax officers provide understanding to taxpayers about the importance of submitting the Annual Tax Return (SPT) and paying taxes through appeals, counseling, examinations, and, if necessary, enforcement and investigation.	
		9. Tax officers provide socialization on changes to the Non-Taxable Income Threshold (PTKP).	
Willingness to Pay Taxes	1. A non-burdensome amount of taxes.	1. Taxes imposed on taxpayers are in accordance with their income.	Purnamasari & Oktaviani (2020)
	2. Equity in tax sanctions.	2. Taxpayers do not feel burdened when making tax payments.	
	3. Appropriate utilization of taxes.	3. Taxpayers will pay taxes because it complies with the applicable regulations.	
	4. Good services.	4. The government imposes sanctions on taxes fairly.	

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5. Taxpayers are confident that taxes are used for development.
 6. Taxpayers will pay taxes because they believe it will be used for the welfare of the community.
 7. Taxpayers will pay taxes because of the good service provided by tax authorities.
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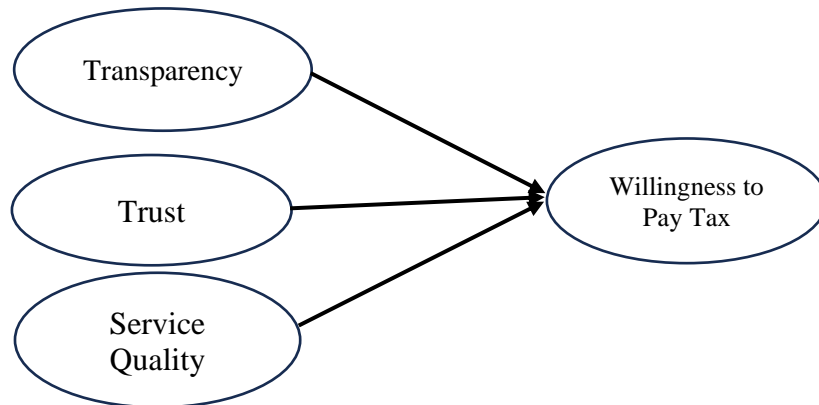


Figure 1. Research Framework

Result and Discussions

The data analysis of the research model employs Structural Equation Modeling-Partial Least Squares (SEM-PLS) with the assistance of SmartPLS 4 software. The evaluation of the research model consists of three main stages: outer model analysis, inner model analysis, and hypothesis testing pertaining to the latent constructs investigated in the study.

During the outer model analysis phase, the primary focus is on scrutinizing the validity and reliability of the latent variable constructs. Validity assessment relies on factor loading values, deeming indicator values valid and high if the factor loading coefficient is > 0.7 . It is stipulated that other factor loading values should also exceed 0.7 on the construct variable being measured. As delineated in Table 2, the reflective measurement in this study attains a high level of validity. This is confirmed through the elimination process, which involved nine rounds of layering and ensured that no single outer loading is less than < 0.7 . Consequently, the correlation values of each item on all indicator variables, depicting factor loading values > 0.7 with the measured construct variable, affirm that all items in this study are valid and exhibit high correlations.

The validity test results are reinforced by the outcomes of the Average Variance Extracted (AVE) test. To be considered valid, the AVE value for indicators in this study must be greater than 0.50, adhering to established guidelines (Hair et al., 2019; Ghazali and Latan, 2012). All variables investigated in this study, including transparency, trust, service quality, and willingness to pay tax, exceed an AVE value of 0.50, confirming the validity of these variables.

Moreover, regarding reliability measurement, Hair et al. (2019) stipulated that the value must be greater than 0.7 (>0.7) to be considered reliable, along with the standard of the Composite Reliability value (>0.7). In this research, both the values of Cronbach's Alpha and Composite Reliability exceed 0.7 (>0.7). Therefore, all these variables remain reliable and are eligible to proceed to the next stage of analysis.

Table 3. Validity and Reliability

Variables	Items	Loading Factor	Cronbach's Alpha	Composite Reliability	AVE	Interpretation
Transparency	TP1	0.880	0.856	0.897	0.637	Valid
	TP2	0.788				Valid
	TP3	0.772				Valid
	TP5	0.723				Valid
	TP6	0.818				Valid
Trust	K1	0.719	0.873	0.905	0.614	Valid
	K2	0.749				Valid
	K3	0.803				Valid
	K4	0.742				Valid
	K5	0.840				Valid
	K6	0.839				Valid
Willingness to Pay Tax	KMP2	0.746	0.775	0.856	0.597	Valid
	KMP4	0.816				Valid
	KMP5	0.738				Valid
	KMP6	0.789				Valid
Service Quality	KP1	0.835	0.795	0.867	0.620	Valid
	KP2	0.740				Valid
	KP7	0.772				Valid
	KP9	0.800				Valid

The coefficient of determination (R-squared or R^2) is utilized to evaluate the extent to which the variability in the dependent variable can be explained by the variability in the independent variables in a regression model, with the R^2 value ranging from 0 to 1. As it approaches 1, the model is considered more effective in elucidating the variability present in the data. According to Table 4, the R^2 value for Willingness to Pay Tax is 0.687, signifying that 68,7% of the variability in PU can be explained by the variability in the independent variables used in this study. However, the rest of 31,3% explains the variable of Willingness to Pay Tax by other factors out of this research model. the result might be represented into the table below:

Table 4. R Square

Variable	R Square	R Square Adjusted
Willingness to Pay Tax	0,687	0,677

Hypotheses testing was carried out to determine the acceptance or rejection of the hypotheses. The assessment of hypotheses is based on the path coefficient values with a significance level set at 5%, denoting a probability significance level of ≤ 0.05 ($\alpha = 5\%$) and t statistic exceed its critical value 1.96. Table 3 reveals that the significance values for the influence of Transparency (X1), Trust (X2), and Service Quality (X3) on Willingness to pay Tax (Y) are $0.034 < 0.05$ and $2,123 > 1.96$; $0.030 < 0.05$ and $2,168 > 1.96$ (H2); $0,018 < 0.05$ and $2,364 > 1,96$ (H3), thereby H1, H2, and H3 are considered to be supported. The result of hypotheses testing showed in the Table 5.

Table 5. Hypotheses Testing

Path	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
Transparency -> Willingness to Pay Tax	0,327	0,350	0,154	2,123	0,034
Trust -> Willingness to Pay Tax	0,334	0,312	0,154	2,168	0,030
Service Quality -> Willingness to Pay Tax	0,250	0,247	0,106	2,364	0,018

Based on the results of the first hypothesis testing, the original sample value of Tax Transparency has a positive effect on Willingness to Pay Tax by 32.7%. This value is significant with a t-statistic of 2.123, exceeding the critical value of 1.96, and p-values of 0.034, which is lower than the significance level of 0.05. Therefore, it can be concluded that the first hypothesis is accepted. This research indicates that the willingness of SME taxpayers to pay taxes is influenced by the level of tax transparency. Transparency in tax management can increase taxpayer trust, which, in turn, encourages them to fulfill their tax obligations. In light with this, increased tax transparency contributes to building trust between SME taxpayers and the government. When tax policies, procedures, and outcomes are communicated clearly and comprehensively, it reduces ambiguity and uncertainty for taxpayers. This, in turn, enhances their confidence in the fairness and legitimacy of the tax system. Furthermore, the level of trust that needs improvement is related to the transparency of tax management allocation. This is reflected through the indicator with the lowest outer loading value, TP.5, which discusses the transparency of tax revenue allocation by the government for the welfare of the people through the development of infrastructure and public facilities (schools, hospitals, roads, etc.). This means that the management of tax revenue, which should be used to improve the welfare of the community, is still not felt. People still feel that many public facilities are not suitable for use, uneven access to education, low quality of built infrastructure, and so on. This ultimately reduces the willingness to pay from taxpayers.

These findings are consistent with previous research conducted by Kusuma et al. (2022), which also shows that tax transparency has a positive effect on taxpayer compliance. Additional support comes from Pakpahan's study (2015), demonstrating that transparency in taxation has a significant impact on corporate taxpayer compliance. Additionally, Nasution et al. (2020) states that tax transparency has a positive influence on the level of tax compliance. Overall, the findings in this study contribute to strengthening the understanding of the relationship between tax transparency and the willingness to pay taxes among SME taxpayers.

Based on the results of the hypothesis testing, it was found that the original sample value of Trust has a positive effect on Willingness to Pay Tax by 33.4%, and this effect is significant with a t-statistic value ($2.168 > 1.96$) and p-values ($0.030 < 0.05$). Therefore, it can be interpreted that the second hypothesis is accepted. This research demonstrates that taxpayers' trust in the government in implementing the tax system can enhance public or taxpayer trust in the government, thereby influencing the willingness of the public to pay taxes. In consonance, Trust in the government's ability to implement a fair and effective tax system plays a pivotal role in shaping public attitudes towards taxation. When taxpayers perceive the government as trustworthy in managing tax revenues responsibly and using them for the benefit of the public, it fosters a sense of confidence and positive expectations. Hence, high levels of trust in the government create a positive environment that influences individuals' willingness to comply with tax obligations voluntarily. Regarding the level of trust, it is recommended that the government improve the existing tax system. This is confirmed by the lowest outer

loading value of K.1, which discusses the public's trust in the tax system organized by the government. Improvements to this system can include a more accountable allocation process of tax revenues to the public and minimizing system gaps for misuse. Once these improvements are achieved, the willingness to pay taxes may increase.

This is consistent with the research conducted by Amaliati et al. (2020), which indicates that trust has a significant influence on taxpayer compliance in paying taxes. Additionally, it also supports the study by Djajanti (2020), proving that the level of trust in the government and legal system has a positive impact on taxpayer compliance in fulfilling their tax obligations.

Based on the results of the hypothesis testing for the third hypothesis, the original sample value for Service Quality has a positive effect on Willingness to Pay Taxes is 25%, and it is significant with a t-statistic value ($2.364 > 1.96$) and a p-value ($0.018 < 0.05$). Therefore, it can be interpreted that the third hypothesis is accepted. This research demonstrates that the service quality provided by tax authorities in fulfilling their duties to meet the needs of taxpayers can enhance the willingness of taxpayers to pay taxes. Going deeper, when individuals perceive a high level of service quality in tax-related services, such as efficient and transparent processes, accurate information, and responsive customer support, they are likely to experience greater satisfaction. This positive experience, in turn, fosters a sense of trust in the government's ability to manage public funds responsibly and provide essential services effectively. This is confirmed by the lowest outer loading (KP2), which discussed about services providing and attention to the accuracy of service procedures and procedural compliance. This is because many taxpayers, especially those who have to pay Final Income Tax (PPH Final), still find it challenging to fill out the e-filing form. Therefore, tax officials are required to act professionally in serving each taxpayer, as this will ultimately increase the willingness of the public to pay taxes.

This is consistent with the study conducted by Indriani et al. (2015), which proves that tax service has a positive effect on taxpayer compliance. Additionally, it also supports the research conducted by Sukesi & Yunaidah (2020), which shows that service quality has a significant positive effect on the willingness to pay taxes. Moreover, it aligns with the study conducted by Harefa and Sidabutar (2021), which demonstrates that service quality has a positive and significant impact on the compliance of individual taxpayers.

Conclusion

Based on the research results and discussions presented earlier, it can be concluded that tax transparency has a positive and significant impact on the willingness to pay taxes. This implies that the more transparent the government's tax management, the higher the level of willingness to pay taxes among SME taxpayers in Bengkulu City. Trust has a positive and significant effect on the willingness to pay taxes, indicating that the higher the level of trust in the government's and legal system's management of taxes, the higher the willingness to pay taxes among SME taxpayers in Bengkulu City. Service quality has a positive and significant impact on the willingness to pay taxes, meaning that the better the quality of service provided by tax officials in serving taxpayers, the higher the willingness to pay taxes among SME taxpayers in Bengkulu City.

The limitations of this study include the restriction of respondents to individual taxpayers engaged in business activities in Bengkulu City, which may not fully represent all taxpayers in the city. Additionally, the data collection method employed a survey through a questionnaire, which has the drawback that not all respondents may answer the questionnaire seriously and sincerely. Suggestions for future research include expanding the scope of respondents to include taxpayers beyond SME owners and extending the study to locations beyond Bengkulu City. Furthermore, incorporating additional independent variables beyond tax transparency, trust levels, and service

quality that may influence taxpayers' willingness to pay taxes, such as the income of taxpayers, could enhance the comprehensiveness of the study.

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