

Tax Morale and Sales Tax Compliance Behaviour: Examining the Attitudinal Component of Planned Behaviour Theory

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ABSTRACT

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Sales tax remains a key source of revenue under Malaysia's self-assessment system, yet persistent noncompliance continues to challenge its effectiveness. While enforcement measures have been strengthened, they have not sufficiently addressed the behavioural drivers of compliance. This study examines the role of tax morale in influencing sales tax compliance behaviour among registered businesses, with intention to comply acting as a mediating variable within the Theory of Planned Behaviour (TPB) framework. Using survey data from 400 sales tax registrants and analysed through Partial Least Squares Structural Equation Modelling, the findings indicate that tax morale significantly influences both intention to comply and compliance behaviour, with intention partially mediating this relationship. The findings underscore the critical role of intrinsic motivation in enhancing sustainable voluntary compliance, providing important implications for behavioural-based tax policy design in self-assessment systems.

Contribution/Originality: This study contributes to literature by extending the Theory of Planned Behavior to sales tax compliance among Malaysian sales tax registrants. The paper's contribution is finding that tax morale significantly influences intention to comply and compliance behaviour. This study documents the mediating role of intention to comply within self-assessment systems.

1. Introduction

Sales tax plays a central role in Malaysia's indirect tax system, contributing significantly to national revenue and supporting essential public expenditures such as healthcare, education, and infrastructure. Under the Sales Tax Act 2018, the administration of sales tax operates within a self-assessment system, where registered businesses are responsible for calculating, reporting, and remitting their own tax liabilities. While this system enhances administrative efficiency, it also increases reliance on voluntary

compliance, thereby exposing the system to risks of misreporting, under-declaration, and noncompliance.

Despite continuous efforts by the Royal Malaysian Customs Department to strengthen enforcement through digitalisation, audits, and penalty mechanisms, noncompliance remains a persistent issue. Evidence of misuse of exemption certificates, underreporting of sales, delayed return submissions, and failure to register indicates that enforcement-based approaches alone are insufficient to ensure sustainable compliance. These patterns suggest that compliance behaviour cannot be fully explained by deterrence alone but must also consider behavioural and psychological factors influencing taxpayer decisions.

In a self-assessment environment, taxpayers exercise considerable discretion in interpreting tax rules and determining their liabilities. This creates a behavioural space in which compliance decisions are influenced not only by external enforcement but also by internal motivations, values, and ethical considerations. Prior research has increasingly emphasised that tax compliance is shaped by non-economic factors, including trust in government, perceived fairness, and moral obligation. Among these, tax morale, defined as the intrinsic motivation to comply with tax obligations, has been identified as a critical determinant of voluntary compliance behaviour.

However, existing tax compliance studies in Malaysia have largely focused on enforcement and deterrence mechanisms, with limited empirical attention given to behavioural factors within the context of indirect taxes, particularly sales tax under the post-2018 SST regime. Furthermore, while the TPB has been widely applied in tax research, its application in explaining sales tax compliance behaviour among registered businesses remains relatively underexplored. This gap is particularly significant given the increasing reliance on voluntary compliance within Malaysia's sales tax system.

Accordingly, this study applies the TPB to examine the influence of tax morale on sales tax compliance behaviour among sales tax registrants in Malaysia, with intention to comply acting as a mediating variable. This study focuses specifically on the attitudinal component of the TPB by positioning tax morale as the primary behavioural determinant, thereby providing a deeper understanding of intrinsic motivation in shaping tax compliance behaviour.

This study makes three key contributions. First, it extends the application of the TPB to the underexplored context of sales tax compliance under Malaysia's self-assessment system. Second, it provides empirical evidence on the dominant role of tax morale as an attitudinal construct influencing both intention and actual compliance behaviour. Third, it demonstrates the partial mediating role of intention to comply, thereby strengthening the explanatory power of TPB in indirect tax compliance settings.

2. Literature Review

2.1. Tax Compliance Behaviour

Tax compliance behaviour refers to the extent to which taxpayers fulfil their tax obligations in accordance with tax laws and regulations, including accurate reporting, timely submission, and correct tax payment. In self-assessment systems, compliance behaviour is largely dependent on voluntary actions, as taxpayers are responsible for

assessing and reporting their own tax liabilities. This increases the importance of behavioural and psychological factors in explaining compliance outcomes.

Research on tax morale and compliance behaviour reveals multiple interconnected factors influencing taxpayer decisions across different countries. Tax morale, defined as individuals' intrinsic motivation to comply with tax obligations, significantly affects compliance behaviour (Ibn e Hassan et al., 2021). Tax morale also plays a central role in shaping voluntary compliance behaviour across different institutional environments (Puklavac et al., 2025). Cultural values play a crucial role, with individualism and femininity associated with higher tax morale, while power distance and uncertainty avoidance correlate with lower compliance (Andriani et al., 2022).

These findings highlight that tax compliance behaviour is not solely driven by economic considerations but is embedded within broader social and institutional contexts. Taxpayers' decisions are influenced by their moral values, perceptions, and environmental factors, which collectively shape compliance behaviour. Recent studies also suggest that effective tax administration and digital transformation significantly enhance compliance behaviour by improving transparency and reducing complexity (OECD, 2024).

Key determinants of tax compliance include perceived fairness of the tax system, trust in government and tax authorities, tax knowledge, and simplicity of tax legislation (Ibn e Hassan et al., 2021). Moral attitudes, including moral imperatives and alignment, strongly influence compliance alongside state coercion mechanisms (Robbins & Kiser, 2020). Social networks also matter, as individuals adjust their tax morale by observing neighbors' behaviour (Di Gioacchino & Fichera, 2020). Low tax morale countries show evidence of international tax evasion through cross-border equity flows (Kemme et al., 2020). Tax compliance behaviour is also influenced by organisational and administrative factors, including tax governance practices and internal control systems within firms (Pratama & Muhammad, 2025).

2.2. Tax Morale

Tax morale represents the intrinsic motivation of taxpayers to comply with tax obligations and reflects their moral and ethical orientation toward taxation. It is widely recognised as a key behavioural determinant that explains why individuals comply even in the absence of strict enforcement mechanisms.

Research on tax morale and compliance intention reveals multiple interconnected factors influencing taxpayer behaviour. Personality traits, particularly agreeableness, conscientiousness, and openness to experience, positively predict tax morale, which in turn negatively correlates with tax evasion intention (Owusu et al., 2023). Cultural values significantly shape tax morale, with individualism and femininity associated with higher compliance, while power distance and uncertainty avoidance reduce it (Andriani et al., 2022). Trust in government, perceived tax complexity, and intervention strategies are key predictors of compliance intentions among self-employed individuals (Owusu et al., 2023). Life satisfaction emerges as a novel psychological factor enhancing tax morale (Ciziceno & Pizzuto, 2022). Social networks influence compliance through peer effects and reputation concerns (Di Gioacchino & Fichera, 2020). Perceived fairness, tax penalties, and awareness significantly affect compliance behaviour (Naeem Hayat et al., 2022). Moral attitudes, including moral imperatives and alignment, strongly predict

compliance alongside state coercion (Robbins & Kiser, 2020). However, fairness sensitivity may paradoxically reduce tax morale in developing countries (Castañeda, 2024). Tax morale has also been conceptualised as a multidimensional construct shaped by institutional trust and cultural norms across countries (Horodnic, 2018).

These findings indicate that tax morale is a multidimensional construct shaped by psychological, cultural, institutional, and social factors. It functions as an internalised moral driver that influences compliance decisions beyond external enforcement. Recent literature further emphasises that tax morale is a dynamic construct influenced by evolving socio-economic and institutional contexts (Puklavec et al., 2025).

However, despite the growing body of literature, limited empirical studies have examined tax morale specifically within indirect tax systems under self-assessment regimes. This highlights a gap that this study aims to address.

H1: There is a significant influence of tax morale towards sales tax compliance behaviour.

2.3. Intention to Comply and Mediating Role

Intention to comply refers to the willingness of taxpayers to adhere to tax regulations and represents a key determinant of actual compliance behaviour. Within behavioural models, intention acts as the immediate predictor of behaviour, linking psychological factors to observable outcomes.

Research on intention to comply and sales tax compliance behaviour reveals several key determinants across different contexts. Studies consistently demonstrate that intention to comply significantly influences actual tax compliance behaviour (Naeem Hayat et al., 2022). Behavioural intention has also been widely validated as a predictor of compliance within the TPB framework (Kautonen et al., 2013). Key factors affecting compliance intention include perceived fairness of the tax system, tax penalties, and tax awareness (Naeem Hayat et al., 2022), while trust in the tax system, perceived tax complexity, and moral obligation serve as important predictors (Owusu et al., 2023). The TPB component are attitude, subjective norms, and perceived behavioral control which consistently predict compliance intentions (Owusu et al., 2023). Empirical studies in digital and e-commerce contexts also confirm the relevance of TPB in explaining tax compliance intention (Ariaf et al., 2025). Additional factors include patriotism and public governance for SMEs (Alshira'h et al., 2020), compensation and counterproductive work behaviour in corporate settings (Harinurdin et al., 2024), and personal financial constraints and knowledge of tax legislation (Trifan et al., 2023). Financial strain and trust in government have also been found to influence taxpayer intention and compliance decisions (Taing & Chang, 2021).

These findings demonstrate that intention to comply is shaped by both internal motivational factors and external institutional influences, reinforcing its role as a central construct in explaining compliance behaviour.

H2: There is a significant influence of tax morale towards intention to comply.

Research on the mediating role of intention to comply spans multiple domains, revealing consistent patterns across tax compliance, environmental behaviour, and organizational

contexts. In tax compliance, studies demonstrate that user satisfaction mediates the relationship between e-tax system quality and compliance intention (Saptono et al., 2023), while trust mediates the relationship between tax authority responsiveness and compliance intentions, though this effect is conditional on perceived responsibility (Farrar et al., 2020). The TPB proves effective in predicting compliance intentions, with perceived behavioral control, attitudes, and subjective norms significantly influencing compliance behaviour (Owusu et al., 2023). Organizational contexts show that prosocial motivation mediates relationships between empathy, moral judgment, and social entrepreneurial intentions (Tiwari et al., 2020), while ethical behaviour mediates the influence of professionalism and enforcement on procurement regulatory compliance (Sarawa & Mas'ud, 2020).

These findings highlight intention's crucial mediating role across diverse compliance behaviours and support its function as a key mechanism linking tax morale and compliance behaviour.

H3: There is a significant influence of intention to comply towards sales tax compliance behaviour.

2.4. The Theory of Planned Behaviour (TPB)

The Theory of Planned Behaviour (Ajzen, 1991) provides the theoretical foundation for this study. The theory posits that behaviour is determined by behavioural intention, which is influenced by attitude, subjective norms, and perceived behavioural control. The TPB has been extensively validated across behavioural studies and continues to demonstrate strong predictive capability in explaining intention and behaviour (Kautonen et al., 2013).

In this study, tax morale represents the attitudinal component, reflecting taxpayers' moral beliefs and ethical values toward taxation. Intention to comply represents behavioural intention, while sales tax compliance behaviour reflects actual behaviour. Behavioural approaches emphasise that interaction between tax authorities and taxpayers also influences compliance outcomes (Gangl et al., 2015).

The TPB framework supports both direct and indirect relationships between constructs, allowing for the examination of mediation effects. The theory has been widely applied in tax compliance research and has demonstrated strong predictive capability in explaining taxpayer behaviour.

Accordingly:

H4: Intention to comply significantly mediates the relationship between tax morale and sales tax compliance behaviour.

Recent developments in behavioural tax research further emphasise the importance of integrating psychological and institutional perspectives in explaining tax compliance behaviour. Empirical evidence suggests that taxpayers' perceptions of legitimacy and fairness of tax authorities significantly influence both tax morale and compliance decisions (Gangl et al., 2015). When taxpayers perceive tax authorities as transparent and fair, they are more likely to internalise compliance as a social norm rather than a

compulsory obligation. This reinforces the argument that compliance behaviour is shaped by a combination of internal motivations and external institutional factors.

TPB can be enhanced by incorporating contextual and situational variables, particularly in complex regulatory environments such as self-assessment tax systems (Kautonen et al., 2013). This is particularly relevant in the Malaysian context, where taxpayers are required to interpret tax rules independently, increasing the role of individual judgment and behavioural intention. Furthermore, recent studies highlight that digitalisation and modern tax administration systems play a significant role in influencing compliance behaviour by reducing compliance costs and improving taxpayer engagement (OECD, 2024).

From a broader perspective, tax morale has been increasingly recognised as a dynamic construct that evolves in response to economic conditions, governance quality, and societal expectations (Puklavec et al., 2025). This suggests that compliance behaviour should not be viewed as static but rather as a behavioural outcome shaped by continuous interaction between taxpayers and institutional environments. Collectively, these insights reinforce the relevance of the TPB framework in capturing the complexity of tax compliance behaviour, thereby supporting its application in this study and justifying its suitability for explaining sales tax compliance behaviour within self-assessment tax systems.

2.5. Conceptual Framework

This study adopts the TPB as the underlying theoretical framework to explain sales tax compliance behaviour among registered taxpayers in Malaysia. The TPB posits that behaviour is primarily determined by behavioural intention, which in turn is influenced by attitudinal factors (Ajzen, 1991). In the context of this study, tax morale is conceptualised as the attitudinal component, intention to comply represents behavioural intention, and sales tax compliance behaviour reflects actual behaviour.

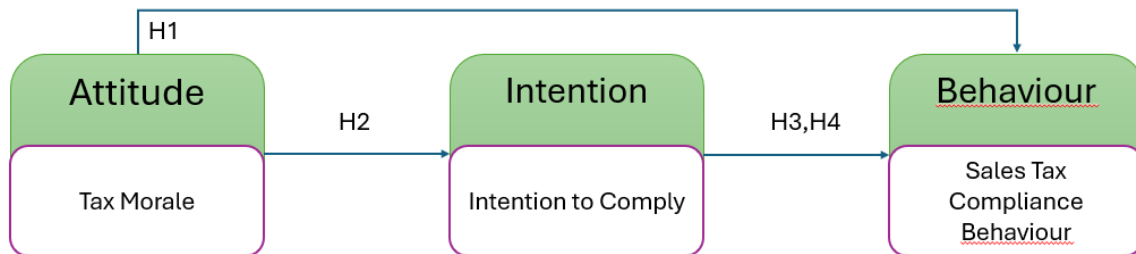
The proposed conceptual framework focuses on the role of tax morale as a key determinant of compliance behaviour, both directly and indirectly through intention to comply. Tax morale captures the intrinsic motivation, ethical values, and moral obligation of taxpayers toward fulfilling their tax responsibilities. Individuals with higher levels of tax morale are expected to exhibit stronger compliance behaviour, as they perceive tax compliance as a moral duty rather than merely a legal obligation (Torgler, 2007).

In line with TPB, intention to comply is positioned as a mediating variable that translates moral attitudes into actual behaviour. Taxpayers with strong tax morale are more likely to develop a higher intention to comply, which subsequently leads to actual compliance behaviour. This mediating mechanism reflects the theoretical assumption that intention serves as the immediate predictor of behaviour (Ajzen, 1991). Empirical studies have also confirmed that behavioural intention significantly influences tax compliance outcomes (Naeem Hayat et al., 2022).

The framework therefore proposes both direct and indirect relationships. The direct relationship suggests that tax morale influences sales tax compliance behaviour independently of intention. The indirect relationship suggests that tax morale influences compliance behaviour through intention to comply. This dual pathway allows for a more

comprehensive understanding of how internal motivations translate into observable compliance behaviour. Accordingly, the conceptual framework of this study is illustrated in Figure 1.

Figure 1: Conceptual Framework



The framework incorporates the following hypotheses:

H1: There is a significant influence of tax morale towards sales tax compliance behaviour.

H2: There is a significant influence of tax morale towards intention to comply.

H3: There is a significant influence of intention to comply towards sales tax compliance behaviour.

H4: Intention to comply significantly mediates the relationship between tax morale and sales tax compliance behaviour.

3. Method

This study adopts a quantitative research design to examine the influence of tax morale on sales tax compliance behaviour, with intention to comply acting as a mediating variable. A cross-sectional survey approach was employed, targeting registered sales tax taxpayers in Malaysia who operate under a self-assessment system. This context is particularly relevant as taxpayers are required to independently assess, report, and remit their tax liabilities, making behavioural factors critical in determining compliance outcomes. As noted by Ajzen (1991), behavioural intention plays a central role in predicting actual behaviour, particularly in contexts where individuals exercise discretion in decision-making.

Data were collected from 400 sales tax registrants using a structured self-administered questionnaire. The sample size is considered adequate for Partial Least Squares Structural Equation Modelling (PLS-SEM), as it exceeds the minimum threshold recommended for analysing complex models with mediating relationships (Hair et al., 2021). Respondents were selected based on their direct involvement in tax reporting and compliance processes to ensure the relevance and reliability of the data.

The measurement instrument was developed based on established literature, ensuring content validity and alignment with prior tax compliance studies. The constructs measured in this study include tax morale, intention to comply, and sales tax compliance behaviour. Tax morale captures intrinsic motivation, ethical values, and moral obligation toward tax compliance (Torgler, 2007). Intention to comply reflects the willingness and

readiness of taxpayers to adhere to tax regulations, which has been widely recognised as a key predictor of compliance behaviour (Ajzen, 1991). Sales tax compliance behaviour measures actual compliance practices, including accurate reporting, timely submission, and adherence to tax rules. All items were measured using a Likert scale and modelled as reflective constructs, consistent with behavioural research (Hair et al., 2021).

Data analysis was conducted using PLS-SEM via WarpPLS, which is suitable for predictive and exploratory research involving latent constructs and mediation effects. PLS-SEM is particularly appropriate when the objective is to maximise explained variance and assess complex relationships among variables (Hair et al., 2021). It is also widely applied in tax compliance studies due to its robustness in handling non-normal data and its ability to estimate indirect effects simultaneously (Sarstedt et al., 2022).

The measurement model was evaluated based on reliability and validity criteria, including Cronbach's alpha, composite reliability, and average variance extracted (AVE). These criteria are commonly used to assess internal consistency and convergent validity in structural equation modelling (Hair et al., 2021). The structural model was assessed using path coefficients, coefficient of determination (R^2), and model fit indices. Bootstrapping procedures were applied to determine the statistical significance of both direct and indirect relationships, particularly the mediating effect of intention to comply, as recommended in mediation analysis studies (Sarstedt et al., 2022).

Ethical considerations were observed throughout the study. Participation was voluntary, respondents were assured of confidentiality and anonymity, and all data were used solely for academic purposes.

4. Findings and Discussion

4.1. Model Fit and Quality Assessment

The structural model was evaluated using WarpPLS 7.0 to determine its adequacy in explaining the relationships among tax morale, intention to comply, and sales tax compliance behaviour. The results indicate that the model demonstrates strong explanatory power and satisfactory fit as per Table 1.

Table 1: Structural Model Fit and Quality Indices

Index	Value	Threshold	Interpretation
APC	0.582 (p < 0.001)	p < 0.05	Significant
ARS	0.728 (p < 0.001)	p < 0.05	Strong
AARS	0.727 (p < 0.001)	p < 0.05	Strong
AVIF	3.112	≤ 5	Acceptable
AFVIF	3.948	≤ 5	Acceptable
GoF	0.753	≥ 0.36	Large
SPR	1.000	≥ 0.7	Ideal
RSCR	1.000	≥ 0.9	Ideal
SSR	1.000	≥ 0.7	Ideal
NLBCCR	1.000	≥ 0.7	Ideal

Source: Author's computation using WarpPLS 7.0

As shown in table 1, the Average Path Coefficient (APC) and Average R-squared (ARS) are statistically significant at p < 0.001, indicating that the relationships specified in the

model are meaningful. The Goodness of Fit (GoF) value of 0.753 exceeds the threshold for a large effect size, demonstrating strong model performance. These results confirm that the structural model is robust and suitable for hypothesis testing.

The findings are consistent with the application of the TPB, which has been widely validated in behavioural research (Ajzen, 1991). The use of PLS-SEM for predictive modelling is also supported in recent methodological literature (Hair et al., 2021).

5.2. Measurement Model Assessment

The measurement model was assessed to ensure reliability and validity of the constructs. The results confirm that all constructs meet the required thresholds.

Table 2: Measurement Model Reliability and Validity

Construct	CR	Cronbach's Alpha	AVE
Tax Morale (TM)	0.968	0.963	0.770
Intention to Comply (IC)	0.970	0.963	0.821
Sales Tax Compliance Behaviour (SCB)	0.946	0.931	0.747

Source: Author's computation using WarpPLS 7.0

Table 2 shows all constructs exceed the recommended thresholds of composite reliability above 0.70 and average variance extracted above 0.50, confirming strong internal consistency and convergent validity (Hair et al., 2021). Cronbach's alpha values also exceed 0.70, indicating reliability of the measurement scales.

Indicator loadings for all items are statistically significant at $p < 0.001$, demonstrating that the indicators adequately represent their respective constructs.

5.3. Structural Model Assessment

5.3.1. Hypothesis Testing

The results in table 3 indicate that tax morale has a strong and statistically significant influence on intention to comply ($\beta = 0.836$, $p < 0.001$). This suggests that individuals with higher intrinsic motivation and ethical commitment are more likely to develop stronger intentions to comply with tax obligations. This finding is supported by previous research highlighting the role of moral values in shaping taxpayer behaviour (Torgler, 2007).

Table 3: Structural Model Direct Effects

Hypothesis	Relationship	Path Coefficient (β)	p-value	Result
H1	TM \rightarrow SCB	0.521	< 0.001	Supported
H2	TM \rightarrow IC	0.836	< 0.001	Supported
H3	IC \rightarrow SCB	0.389	< 0.001	Supported

Source: Author's computation using WarpPLS 7.0

In addition, tax morale significantly influences sales tax compliance behaviour ($\beta = 0.521$, $p < 0.001$). This confirms that moral considerations directly affect compliance decisions beyond economic deterrence factors. This finding is consistent with the

argument that tax compliance is influenced by ethical and social norms (Robbins & Kiser, 2020).

Furthermore, intention to comply significantly influences compliance behaviour ($\beta = 0.389, p < 0.001$). This result supports the TPB, which posits that behavioural intention is the most immediate determinant of actual behaviour (Ajzen, 1991). Empirical evidence also confirms that intention plays a critical role in predicting tax compliance outcomes (Naeem Hayat et al., 2022).

5.3.2. Coefficient of Determination (R^2)

Table 4 shows that the model explains 69.9% of the variance in intention to comply and 75.7% of the variance in compliance behaviour, indicating strong predictive capability. These results demonstrate that tax morale is a significant determinant in explaining behavioural intention and actual compliance.

Table 4: Coefficient of Determination (R^2)

Construct	R^2	Interpretation
Intention to Comply (IC)	0.699	Substantial
Sales Tax Compliance Behaviour (SCB)	0.757	Substantial

Source: Author’s computation using WarpPLS 7.0

5.3.3. Mediation Analysis

As shown in table 5, the mediation analysis reveals that intention to comply significantly mediates the relationship between tax morale and sales tax compliance behaviour ($\beta = 0.326, p < 0.001$). The presence of both significant direct and indirect effects indicates partial mediation, suggesting that tax morale influences compliance behaviour both directly and indirectly through intention to comply.

Table 6 presents the total effect ($\beta = 0.846$) further confirms the substantial overall influence of tax morale on sales tax compliance behaviour, reflecting the combined impact of both direct and mediated pathways. This highlights the dominant role of tax morale as a key behavioural determinant within the model.

Table 5: Indirect Effects (Mediation Analysis)

Hypothesis	Path	Indirect Effect (β)	p-value	Result
H4	TM → IC → SCB	0.326	< 0.001	Supported

Source: Author’s computation using WarpPLS 7.0

Table 6: Total Effects

Relationship	Total Effect (β)
TM → SCB	0.846

Source: Author’s computation using WarpPLS 7.0

This finding is consistent with the theoretical framework of the TPB, where intention acts as a key mediating mechanism between attitudes and behaviour (Ajzen, 1991). Similar mediation effects have been identified in prior studies examining behavioural

compliance (Saptono et al., 2023). The role of trust and behavioural intention as mediators has also been documented in tax compliance research (Farrar et al., 2020).

5.4. Discussion of Findings

The findings of this study provide strong empirical evidence that tax morale plays a critical role in shaping sales tax compliance behaviour within a self-assessment system. The results indicate that tax morale significantly influences both intention to comply and actual compliance behaviour, reinforcing the importance of intrinsic motivation in tax compliance.

The strong relationship between tax morale and intention to comply suggests that individuals who perceive tax compliance as a moral obligation are more likely to develop a willingness to comply. This is consistent with prior research demonstrating that moral and ethical values influence taxpayer behaviour (Ciziceno & Pizzuto, 2022). The role of personality traits in shaping tax morale has also been highlighted in empirical studies (Owusu et al., 2023). This implies that tax compliance is not merely a technical or regulatory activity, but also a reflection of individual values and ethical orientation.

The significant relationship between intention to comply and compliance behaviour further supports the TPB. This confirms that intention is a direct predictor of behaviour, particularly in contexts where individuals have control over their actions (Ajzen, 1991). Empirical studies have consistently shown that intention significantly influences tax compliance behaviour (Lekjaeng & Sincharoonsak, 2025). This finding strengthens the applicability of TPB in explaining taxpayer behaviour within self-assessment systems.

The mediation effect of intention to comply indicates that tax morale operates through both direct and indirect mechanisms. This finding highlights the importance of strengthening behavioural intention as a pathway to improving compliance. The mediating role of intention has also been observed in studies examining e-tax systems and taxpayer behaviour (Saptono et al., 2023). This suggests that policies aimed at improving compliance should not only target behavioural outcomes but also focus on influencing taxpayers' intentions and attitudes.

From a behavioural perspective, the findings further reinforce the argument that compliance decisions are not solely driven by economic deterrence but are significantly influenced by internalised moral values and psychological factors. The strong effect of tax morale on both intention to comply and actual compliance behaviour indicates that taxpayers internalise tax obligations as part of their ethical responsibility. This supports the view that voluntary compliance is closely linked to intrinsic motivation rather than purely external enforcement mechanisms (Torgler, 2007).

In addition, the substantial explanatory power of the model, as reflected in the R^2 values, suggests that tax morale and intention to comply collectively provide a robust framework for understanding compliance behaviour within self-assessment systems. This is consistent with prior behavioural research which highlights that attitudinal constructs play a dominant role in shaping compliance decisions in discretionary environments (Gangl et al., 2015). Furthermore, the significant mediation effect observed in this study confirms that behavioural intention functions as a key transmission mechanism through which moral values influence actual behaviour.

Similar findings have been reported in recent studies, which emphasise that intention serves as a critical link between psychological determinants and compliance outcomes (Kautonen et al., 2013).

Moreover, the strength of the total effect of tax morale on sales tax compliance behaviour ($\beta = 0.846$) further reinforces its dominant role as a key determinant of compliance within the model. The substantial effect sizes observed for both direct and indirect relationships indicate that tax morale contributes meaningfully to explaining compliance behaviour beyond mere statistical significance. This suggests that behavioural factors may exert a substantial and potentially stronger influence on compliance decisions compared to traditional deterrence mechanisms, particularly in self-assessment environments where monitoring is inherently limited. Consequently, these findings provide robust empirical support for the proposed model, highlighting its effectiveness in capturing the behavioural dynamics underpinning tax compliance within a self-assessment tax system.

Overall, the findings suggest that tax authorities should prioritise strategies aimed at enhancing taxpayers' moral values, ethical awareness, and trust in the tax system. While enforcement mechanisms remain important, fostering intrinsic motivation is essential for achieving sustainable voluntary compliance. Accordingly, strengthening taxpayer education, improving transparency in tax utilisation, and enhancing effective communication between tax authorities and taxpayers are critical in reinforcing positive compliance behaviour and cultivating a sustainable long-term compliance culture.

6. Conclusion, Implications and Limitations

This study set out to examine the influence of tax morale on sales tax compliance behaviour among registered taxpayers in Malaysia, with intention to comply acting as a mediating variable within the TPB. The findings provide strong empirical support for the proposed framework, confirming that tax morale significantly influences both intention to comply and actual compliance behaviour. In addition, intention to comply was found to significantly influence sales tax compliance behaviour and partially mediate the relationship between tax morale and compliance behaviour. These results reinforce the theoretical proposition that behavioural intention serves as a key mechanism linking internal attitudes to actual behaviour, as established by Ajzen (1991).

From a theoretical perspective, this study contributes to the tax compliance literature by extending the application of the TPB to the context of sales tax under a self-assessment system. The findings highlight that tax morale, as an attitudinal construct, plays a central role in shaping compliance behaviour. This supports prior arguments that intrinsic motivation and ethical considerations are critical determinants of tax compliance (Torgler, 2007). The study also provides empirical evidence that intention to comply functions as a mediating variable, thereby strengthening the explanatory power of TPB in the domain of indirect taxation. This is consistent with prior research demonstrating the mediating role of behavioural intention in compliance-related contexts (Saptono et al., 2023). The findings further align with evidence that behavioural intention significantly predicts actual compliance behaviour (Naeem Hayat et al., 2022).

From a practical perspective, the results offer important implications for policymakers and tax authorities, particularly in Malaysia. The strong influence of tax morale suggests that compliance strategies should not rely solely on enforcement mechanisms such as

audits and penalties. Instead, policymakers should focus on enhancing taxpayers' moral values, ethical awareness, and trust in the tax system. Initiatives such as taxpayer education programmes, improved transparency in tax utilisation, and more effective communication between tax authorities and taxpayers can help strengthen tax morale. This is supported by prior research indicating that trust in government and perceived fairness of the tax system significantly influence compliance behaviour (Trifan et al., 2023). Additionally, strengthening behavioural intention through awareness campaigns and simplified tax procedures can further enhance voluntary compliance. The importance of perceived fairness and tax knowledge in shaping compliance intention has also been highlighted in previous studies (Ibn e Hassan et al., 2021). These findings are particularly relevant for tax authorities operating in self-assessment environments, where monitoring constraints increase reliance on voluntary compliance.

Despite its contributions, this study is subject to several limitations. First, the study adopts a cross-sectional design, which limits the ability to establish causal relationships over time. Future research may consider longitudinal approaches to capture changes in taxpayer behaviour. Second, the study focuses solely on tax morale as the primary independent variable, while other behavioural factors such as social influence and perceived behavioural control were not included. Future studies may extend the model by incorporating additional TPB constructs to provide a more comprehensive understanding of compliance behaviour. Third, the data were collected using self-reported questionnaires, which may be subject to response bias. Future research could incorporate objective compliance data or mixed-method approaches to enhance validity. Lastly, the study is conducted within the Malaysian sales tax context, which may limit the generalisability of the findings to other tax systems or jurisdictions.

Overall, this study demonstrates that tax morale is a critical behavioural determinant of sales tax compliance within a self-assessment system. The findings highlight that compliance behaviour is not solely driven by enforcement mechanisms but is significantly influenced by intrinsic motivation and ethical considerations. By integrating behavioural insights into tax policy design, tax authorities can move beyond deterrence-based approaches and develop more sustainable strategies to enhance voluntary compliance. This underscores the importance of fostering a compliance culture grounded in trust, transparency, and moral responsibility.

Ethics Approval and Consent to Participate

The researchers used the research ethics provided by the Research Ethics Committee of Universiti Teknologi MARA (REC UiTM). All procedures performed in this study involving human participants were conducted in accordance with the ethical standards of the institutional research committee. Informed consent was obtained from all participants according to the Declaration of Helsinki.

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Conflict of Interest

The authors reported no conflicts of interest for this work and declare that there is no potential conflict of interest with respect to the research, authorship, or publication of this article.

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