

Determination of Compliance of Pottery MSME Taxpayers in Kasongan Tourism Village

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ABSTRACT

This study aims to determine the positive influence of Tax Socialization and Tax Authority Trust on Taxpayer Compliance mediated by Tax Payment Intention. This study discusses how Pottery MSMEs are tax-compliant. This research is quantitative because it uses numerical data processing. The subject of the study is 60 Pottery MSMEs with Tax Payer ID Number and banking credit above IDR 50 million with a business establishment period of more than 1 year. The sampling technique uses purposive sampling. Research uses descriptive and quantitative analysis methods with Structural Equation Modelling (SEM) approach mainly utilizing Partial Least Squares (PLS). The results of the study showed that Tax Socialization and Trust in Tax Authority had a positive effect on Tax Payment Intention, Tax Payment Intention had a positive impact on Taxpayer Compliance, and Tax Socialization and Trust in Tax Authority had a positive indirect influence through Intention to Pay Tax of Pottery MSME in Kasongan Tourism Village.

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INTRODUCTION

Stability in country relies heavily on taxes as the financial backbone supporting the financing of various infrastructure programs and national sustainability. In Indonesia, tax revenue is the most significant contributor to the 2024 State Budget, around 100.5 percent of the planned target, growing 3.5 percent compared to 2023. Tax contributions affect development funding and economic development that supports empowerment for the community Susena et al. (2025).

Compliance in taxation is a central issue because the low level of taxpayer compliance can result in fiscal deficit that directly impact economic stability. Powered by information DDTC, (2024) the tax compliance ratio for 2024 will reach 85.75 percent, lower than that of 2023, which reached 86.97 percent. This happens because the tax self assessment system that applies in Indonesia uses a collection system that gives taxpayers confidence to calculate, pay, and report their taxes individually or independently. It impacts the level of compliance if taxpayers still experience difficulties understanding the applicable tax system in Indonesia.

Tax compliance in Kasongan Tourism Village is still very low. In Kasongan Tourism Village, 74 MSMEs register their businesses, and only 8 MSMEs have Tax Payer ID Number. This shows that most business actors have not officially registered their companies and have not complied with taxes, so the potential for tax revenue and local revenue has not been optimal. The complexity of the self-tax payment procedure has also further exacerbated taxpayers' compliance in this region.



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The prior research results show that low taxpayer compliance is a serious and complex problem influenced by the effectiveness of tax socialization, the level of public trust in tax institutions, which triggers the emergence of taxpayers' intentions to carry out their obligations Zaikin et al. (2022). In addition, tax compliance is driven by factors that cause inequality, namely due to the lack of literacy of MSMEs, due to socialization that makes seminars or formal workshops ineffective in reaching informal or located in rural areas Angelina et al. (2024). Trust in government regulatory policies, which often change due to the lack of direct impact of tax payments felt for MSMEs in a relevant manner, is why MSMEs are reluctant to pay taxes Karlinah et al. (2024).

Tax socialization describes tax authorities' methods to introduce business tax reporting guidelines and procedures through applicable rules. Maximum tax socialization can increase insight and compliance with tax regulations that support national development. The lack of tax socialization causes the perception of taxes as mandatory levies rather than community contributions. According to Savitri et al. (2024), socialization positively influences taxpayer compliance. In contrast, research of Asmedi and Komalasari (2024) said that socialization does not affect taxpayer compliance.

The level of public trust in tax authorities is crucial in determining aspects of the tax compliance prediction model. Much news is circulating about tax-related corruption cases that cause public opinion that system failures and budget misappropriations, even though taxpayers have paid taxes, are still not used properly (Riaz et al., 2023). This can damage the reputation of the tax authorities, resulting in the loss of trust. Tax authorities must set a good example to maintain trust and motivate taxpayers to comply more. From the research results Fitriyah et al. (2024), Kusufiyah and Anggraini (2024), it is concluded that the trust in tax authority has a positive and significant effect on taxpayer compliance. However, it differs from the study's results Meilani, (2024). Establishing the tax authority's trust does not significantly affect taxpayer compliance.

Intention describes the beliefs that a person has. The dominant factor that reflects and explains tax compliance behavior through the influence of mediation is the intention to behave in carrying out tax obligations. This proves that paying taxes correctly according to self-awareness is an implementation of self-evaluation, and is one of the dominant criteria. With increased understanding of taxation obtained from adequate socialization, taxpayers tend to have a conscious intention to see the benefits of tax compliance (positive attitude) while feeling compelled to trust the tax authorities and comply because of the expectations of the surrounding environment (subjective norms) Zaikin et al., (2022). According to Karwur et al. (2020) in their research, the intention to pay taxes has a positive and significant effect on taxpayer compliance.

Many previous studies still highlight the direct influence of tax socialization on tax compliance and trust in tax authorities on tax compliance without considering the role of intention to pay tax as a mediating variable. For example, research by Nurmallasari, (2023) and Astuti et al., (2023) discusses the influence of socialization and trust in tax authorities directly on compliance, without examining the mediating role of individual intentions. Thus, both studies still focus on the direct relationship between variables without considering the possible importance of intention to pay tax. In the theory of planned behavior by Ajzen, (1991), education can increase intentions by changing attitudes, subjective norms, and perceptions of control, resulting in strong intention to pay tax as mediators that link adequate tax socialization and trust in tax authorities with improved tax compliance behavior. This research carried out in order to fill the gap in previous research, which investigate the indirect influence of tax socialization and trust in tax authorities on tax payer compliance through intention to pay tax as mediator.

The Effect of Tax Socialization on the Intention to Pay Taxes

Theory of planned behavior by Ajzen, (1991) Is exposing the context of *perceived Behavioral Control*. Socialization is providing clear education so taxpayers feel confident in

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fulfilling their tax obligations because they obtain information. Adequate socialization support from tax authorities can strengthen the motivation to comply with voluntary actions. Reinforced with the theory of *Social Contract Theory (SCT)*, which reveals the reciprocity of the social contract from adequate socialization and education actions, the public (including taxpayers) gains understanding, a sense of ability, and confidence as an effort to fulfill tax responsibilities with strong intentions. Research by Spencer (2023) said that the provision of adequate tax socialization has a positive impact and influence on the desire to be compliant. Research of Irfandhani et al., (2023), included that the existence of tax socialization can affect the intention to pay taxes.

H1: Tax socialization positively affects the intention to pay taxes.

The Influence of Trust in Tax Authority on Intention to Pay Taxes.

Relationship Theory of Planned Behavior by Ajzen, (1991) emphasis on the *subjective norm*. The positive mindset formed from this trust can shape their intention to pay in society. Seeing compliance as a positive thing, individuals will be more encouraged to follow these norms (Tahar, 2024). This linkage is theoretically supported by *Social Contract Theory (SCT)*, which states that a person's compliance with the obligations of the social contract is not written. The influence of the beliefs received by taxpayers on the performance of tax authorities and policies implemented to support MSMEs can shape taxpayer motivation. MSMEs can be explained in this theory. Research by Syakura et al., (2022) explains that trust in tax authorities affects the taxpayer's intention to comply.

H2: Trust in the tax authority positively affects the intention to pay taxes.

Tax Socialization has a Positive Effect on Taxpayer Compliance.

Based on Planned Behavior Theory by Ajzen, (1991) tax socialization that is carried out widely, can create positive social pressure for taxpayers to comply. MSMEs will tend to participate in tax socialization if this activity benefits their MSME knowledge, especially if they get support from the surrounding environment. In the framework of *Social Contract Theory (SCT)*, this synergy between behavioral control, socialization, and environmental support not only encourages administrative compliance but also strengthens the ethical and moral foundation that tax compliance is a form of active contribution of MSMEs in carrying out social contracts for the realization of a justice and efficient state life. Research results Hura and Kakisina (2022), Rika and Nia (2023) reinforce that the existence of tax socialization has a substantial positive influence on tax reporting. The impact on MSME tax compliance jumps dramatically every year.

H3: Tax socialization has a positive effect on Taxpayer Compliance.

Trust in tax authorities has a positive effect on Taxpayer Compliance.

Based on the theory of Planned Behavior, taxpayers will tend to obey regulations that are in line with their interests and needs. *Social Contract Theory (SCT)* strengthens this mechanism by emphasizing that the relationship between taxpayers and related parties is a social agreement. Taxpayers are willing to hand over part of their economic rights (in the form of taxes) to the government in the hope that the government will manage the funds fairly, with the assumption that taxes are not a burden but an obligation to obey. Research of Khamis and Mastor (2023) and Nur Cahyonowati and Dwi Ratmono (2023) explained about the contribution of the trust in tax authority (Government) to have a positive effect on MSMEs (medium) in fulfilling their tax obligations.

H4: Trust in Tax Authority Has a Positive Effect on Taxpayer Compliance

The intention to pay taxes has a positive effect on taxpayer compliance.

Based on *Subjective norm*, planned behavior theory plays a role as a social factor that affects taxpayers' intention through pressure and influence from the surrounding environment. This intention is a strong determination from the internal taxpayer to take

compliant steps, namely to pay taxes voluntarily according to applicable regulations. Intentions from internal awareness and drive are key to predicting tax compliance behavior. *Social Contract Theory (SCT)*, states that tax compliance is a form of social reciprocal agreement between taxpayers and the government. The research results of Fitria et al. (2024) prove that intentions to pay taxes positively affect taxpayers' compliance in paying taxes.

H5: Intention to pay taxes has a positive effect on taxpayer compliance.

Tax Socialization has an indirect effect on the Taxpayer Compliance through Intention to Pay Taxes

Planned behavior theory - *normative beliefs is explaining that tax socialization* provides insight that increases the intention to fulfill normative desires. *Social Contract Theory (SCT)* states that adequate tax socialization strengthens taxpayers' understanding. In the context of taxation, tax socialization forms the belief of taxpayers that important people expect them to be compliant, thus creating social pressure that encourages consistent tax compliance, which causes MSMEs to tend to have a stronger intention to pay taxes in carrying out tax obligations. Findings of the research of Afrinia et al. (2024) show that Tax Socialization has an indirect effect on the Taxpayer Compliance through Intention to Pay Taxes

H6: Tax Socialization has an indirect effect on the Taxpayer Compliance through Intention to Pay Taxes.

Trust in Tax Authority has an indirect effect on the Taxpayer Compliance through Intention to Pay Taxes

In Planned Behavior Theory - *attitude toward the behavior*, taxpayers are influenced by their belief, which forms a positive evaluation that strengthens a compliant attitude, thereby increasing tax compliance intentions and behaviors consistently. This potential is even greater when supported by the *Social Contract Theory*, where compliance is seen as a collective contribution based on mutual trust and social responsibility. In taxation, even if one understands taxes, without strong intentions due to a lack of trust in tax authority, the level of tax compliance has the potential to be low. The results of the research conducted by Syakura et al. (2022) and Kusuma (2025) strengthen that Trust in Tax Authority has an indirect effect on the Taxpayer Compliance through Intention to Pay Taxes

H7: Trust in Tax Authority has an indirect effect on the Taxpayer Compliance through Intention to Pay Taxes

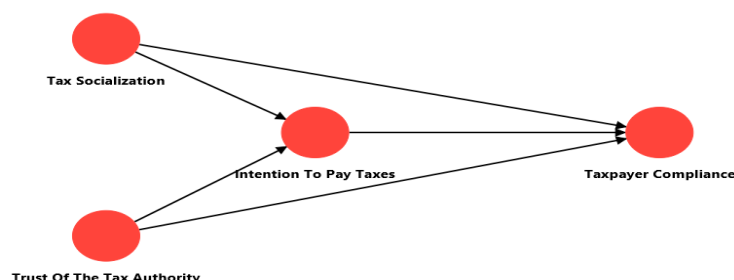


Figure 1 Research Framework
Source: Data processing by the author, (2025)

METHODS

This research is quantitative, a method used to research through surveys and numerical testing experiments, and is analyzed statistically on the phenomenon that occurs

to determine the population and sample Sugiyono, (2019). This study relies on primary data from observation and in-depth interviews with the studied sample to obtain maximum results. Data collection and analysis will be done directly in Kasongan Tourism Village in 2025.

According to research conducted by Widodo (2024), regarding the respondent criteria used, MSMEs already have a compacted Tax Payer ID Number and MSMEs have credit with a platform above IDR 50 million is required to submit their Tax Payer ID Number by the regulations of Bank Indonesia (14/27/PBI/2012), specifically article 14 paragraph 1, and regulations from the Directorate General of Taxes Number 6 of 2023, with a minimum of one year of service.

The population of this study is pottery business actors in Kasongan Tourism Village, which amounts to 60 pottery MSMEs from Kasongan Tourism Village. The sampling collection technique uses *Purposive Sampling is a sampling technique in which researchers select sample members based on certain criteria or objectives that are relevant to the research*. The type of data used in this study is primary data; the data category is obtained directly from the distribution of questionnaires, which were tested for validity and reliability. This research indicator was developed from the operational definition of each variable. The research indicators are presented:

Table 1. Research Variables and Indicators

No	Variabel	Indicator	
1.	Tax Socialization (X1)	X1.1	a. The Effectiveness of Socialization
		X1.2	b. Frequency of socialization engagement
		X1.3	c. Increasing Understanding of Taxation.
2.	Trust in Tax Authority (X2)	X2.1	a. Quality of public services.
		X2.2	b. Transparency and accountability.
		X2.3	c. Perception of tax fairness
3.	Intention to Pay Tax (Y1)	Y1.1	a. Tendency to obey rules.
		Y1.2	b. Decision to comply with regulations.
		Y1.3	c. Desire to continue to obey the rules
4.	Taxpayer compliance (Y2)	Y2.1	a. Income Reporting Compliance.
		Y2.2	b. Compliance with Filing Tax Returns.
		Y2.3	c. Payment Compliance

Source: Variables operationalization must refer to prior study/ theory or must be developed by researcher (2025)

This study uses descriptive and quantitative analysis methods using Structural Equation Modeling (SEM), especially the Partial Least Squares (PLS) approach, because: 1) the variables in this study have three types, namely exogenous, mediated, and endogenous variables; 2) these variables are latent as represented by their indicators.

RESULTS AND DISCUSSION

Test Instruments

Test the convergent and discriminant validity of indicators measured through calculations, *Partial Least Squares (PLS)*, used as the validity of research instruments. According to Hair et al. (2021) the central aspect that is the benchmark of convergent validity is the value *Average Variance Extracted (AVE)*, which must be greater than 0.5. The loading factor value of each questionnaire item must exceed 0.7, which states that the loading factor value > 0.7 indicates a strong relationship, according to the following table:

Table 2: Validity of Loading Factor Values

Item	Loading Value	Criterion	Information
X1.1	0.861	0.700	Valid
X1.2	0.809	0.700	Valid
X1.3	0.883	0.700	Valid
X2.1	0.894	0.700	Valid
X2.2	0.846	0.700	Valid
X2.3	0.814	0.700	Valid
Y1.1	0.891	0.700	Valid
Y1.2	0.786	0.700	Valid
Y1.3	0.815	0.700	Valid
Y2.1	0.851	0.700	Valid
Y2.2	0.815	0.700	Valid
Y2.3	0.915	0.700	Valid

Source: Processed Primary data (2025)

The table's validity test of the trust in tax authority variable instrument shows that all items have an *Average Variance Extracted* value of > 0.5 , so the validity test is valid.

Table 3: Validity of AVE Values

	AVE	Criterion	Information
Tax Socialization	0.725	0.500	Valid
Trust in Tax Authority	0.726	0.500	Valid
Intention to Pay Taxes	0.692	0.500	Valid
Taxpayer Compliance	0.742	0.500	Valid

Source: Processed Primary data (2025)

From Table 3, it can be seen that the entire AVE value of *the Average Variance Extracted (AVE)* value is more than 0.500, which reveals that all the variables tested have met the validity criteria.

Reliability Test

The coefficient *Cronbach's Alpha* (Ghozali, 2018) was utilized to test the instrument's reliability. Measuring Reliability. *The Cronbach's Alpha coefficient* ≥ 0.6 .

Table 4 Instrument Reliability Test Results

	Cronbach's Alpha	Criterion	Composite Reliability	Criterion	Ket
Tax Socialization	0.810	≥ 0.600	0.888	≥ 0.700	Reliable
Trust in Tax Authority	0.810	≥ 0.600	0.888	≥ 0.700	Reliable
Intention to Pay Taxes	0.776	≥ 0.600	0.871	≥ 0.700	Reliable
Taxpayer Compliance	0.825	≥ 0.600	0.896	≥ 0.700	Reliable

Source: Processed Primary data (2025)

Cronbach's alpha *reliability coefficients* for each variable show a value above 0.600, indicating that the instrument is reliable based on the reliability test results.

Table 5 Partial Least Squares (PLS) Coefficient Analysis

	R Square	Adjusted R Square
Intention to pay taxes	0.705	0.695
Taxpayer compliance	0.804	0.793

Source: Processed Primary data (2025)

The R^2 value of 0.705 for the variable of intention to pay taxes shows that about 70.5 percent of the variation in the intention to pay taxes can be explained by both the variables of socialization and the trust of the tax authorities. At the same time, the remaining 29.5 percent are from outside this model variation.

In addition, when considering the variables of tax socialization and trust in tax authority simultaneously, the model explained about 80.4 percent of the variation in taxpayer compliance as reflected in the determinant coefficient (R^2) of 0.804. Meanwhile, the rest, as much as 19.6 percent, comes from non-model factors. The basis for formulating this model refers to research conducted by Stone (1974) and Geisser (1974):

$$Q^2 = 1 - [(1 - R^2_{12}) (1 - R^2_{22}) \dots (1 - R^2_{p2})] \dots \dots \dots (5.1)$$

$$Q^2 = 1 - [(1 - R^2_{12}) (R^2_{22})]$$

$$Q^2 = 1 - [(1 - 0,705) (1 - 0,804)]$$

$$Q^2 = 1 - [(0,295) (0,196)]$$

$$Q^2 = 1 - 0,057 = 0,943$$

Based on the overall total calculation, of this Q^2 value 0.943 was obtained, which can be interpreted that 94.3 percent of the variation of the taxpayer compliance variable (Y_2) was revealed by the variation of the variables of tax socialization (X_1), trust in tax authority (X_2), and intention to pay taxes (Y_1). While the remaining 5.7 percent of the variation in value changes in the tax compliance variables could not be explained by external latent variables (X_1 , X_2 , and Y_1), and were determined by other factors not included in this study model.

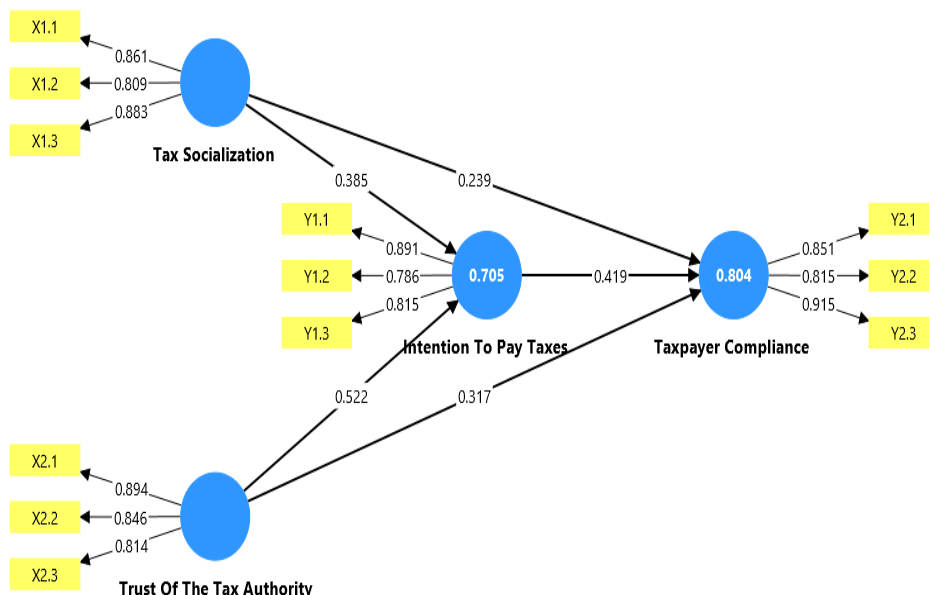


Figure 2. Partial Least Squares (PLS) Analysis
 Source: Data processing by the author (2025)

Path Analysis Test

The results of the path analysis with the Partial Least Squares approach are shown in Tables 6 and 7

Table 6 Partial Least Squares (PLS) Analysis of Influence Between Variables

	Sample Original	Average Sample	Standard Deviation	T Statistics	P Values
Tax Socialization -> Intention to Pay Taxes	0.385	0.377	0.117	3.288	0.001
Tax Authority Trust - > Intention to Pay Taxes	0.522	0.522	0.091	5.707	0.000
Tax Socialization - > Taxpayer Compliance	0.293	0.225	0.108	2.207	0.027
Tax Authority Trust - > Taxpayer Compliance	0.317	0.309	0.114	2.775	0.006
Intention to Pay Taxes -> Taxpayer Compliance	0.419	0.437	0.102	4.092	0.000

Source: Processed Primary data (2025)

1. The direct effect of tax socialization on the intention to pay taxes resulted in a significant value of $0.001 < 0.05$ from the weight of the coefficient of 0.385. This shows that the variable of tax socialization positively and significantly affects the intention to pay taxes.
2. The trust in tax authority directly influences the intention to pay taxes. The coefficient value of 0.522 and the significance value of $0.000 < 0.05$ were obtained. These findings indicate that the trust variable of the tax authority has a positive and significant effect on the intention to pay taxes.
3. The direct influence of tax socialization on taxpayer compliance resulted in a coefficient value of 0.239 with a significant value of $0.027 < 0.05$. This shows that the variable of tax socialization has a positive and significant effect on taxpayer compliance.
4. The direct influence of tax authorities' trust on taxpayer compliance was obtained with a coefficient value of 0.317 and a significance value of $0.006 < 0.05$. These findings indicate that the trust variable of the tax authority has a positive and significant effect on tax compliance.
5. The direct influence of tax socialization on taxpayer compliance resulted in a coefficient value of 0.419 with a significant value of $0.000 < 0.05$. This shows that the variable of intention to pay taxes has a positive and significant effect on taxpayer compliance.

Table 7 Partial Least Squares (PLS) Analysis of Indirect Influences Between Variables

	Original Sample	Sample Average	Standard Deviation	T Statistics	P Value
Tax Socialization -> Intention to Pay Taxes -> Taxpayer Compliance	0.161	0.167	0.074	2.193	0.028
Trust of the Tax Authority -> Intention to Pay Taxes -> Taxpayer Compliance	0.219	0.225	0.054	4.046	0.000

Source: Processed Primary data (2025)

1. The indirect effect of tax socialization on taxpayer compliance through the intention to pay taxes has a coefficient weight of 0.161 with a significant value of $0.028 < 0.05$. This indicates that the variable of tax socialization has a positive and significant indirect

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effect on taxpayer compliance through the intention to pay taxes.

2. The indirect influence of trust in tax authority on taxpayer compliance through the intention to pay taxes has a coefficient weight of 0.219 with a significance value of $0.000 < 0.05$. This indicates that the trust in tax authority has a positive and significant indirect effect on taxpayers' compliance through the intention to pay taxes.

Discussion

The Effect of Tax Socialization on the Intention to Pay Taxes

The results of this study indicate that the tax socialization has a positive and significant effect on the intention to pay taxes from MSME actors. The findings in the field show that the tax knowledge of pottery handicraft MSME actors is still low, which is mainly influenced by the quality of human resources (HR) such as low education levels. There are still educated respondents who do not go to school (1.33%) and graduate from junior high school (13.33%) so that their knowledge about taxes is inadequate, therefore the indicator Frequency of Socialization and Effectiveness of Tax Socialization has a significant influence on increasing tax knowledge among MSME actors. Good socialization can strengthen the intention to pay taxes by moderating the relationship. The fact confirms that the effectiveness of tax socialization depends on the intensity of the frequency of activity involvement, which is accompanied by the quality of the message conveyed and the ability of socialization in overcoming psychological obstacles or negative perceptions from taxpayers to encourage the compliance of MSMEs as taxpayers, especially pottery MSMEs in Kasongan Tourism Village. Research by Thornton et al. (2019) explicitly put forward a prosocial motivational approach as part of tax socialization. It proved that awareness and understanding of the positive impact of taxes on the social environment increases the intention of individuals to pay taxes. This is reinforced by research of Wardani et al. (2021) and Irfandhani et al. (2023), which said that the higher the frequency of the implementation of tax socialization activities provided by the tax authorities to taxpayers, the higher the chance of creating the intention of taxpayers to comply with tax obligations.

The Influence of Trust in Tax Authority on Intention to Pay Taxes

The study results show that the attitude of trust in tax authorities has a positive and significant effect on the intention to pay taxes from MSME actors. The main challenges that are still faced in Kasongan Tourism Village are low regulatory literacy due to the quality of human resources (HR) such as low levels of education. There are still educated respondents who do not go to school (1.33%) and graduate from junior high school (13.33%) so that their knowledge about taxes is inadequate due to the complexity of the system and changes in tax regulations among pottery MSME actors which confuse. Improving the quality of professional and responsive tax officer services can increase understanding and comfort because pottery MSME actors tend to feel valued and treated well, thereby increasing their intention to comply with tax obligations. Coaching and education programs are carried out through various initiatives, such as *the Business Development Center (BDS)*, which is very helpful for MSME actors in understanding the procedures for tax administration, calculation, and reporting, thereby reducing the technical obstacles that have often been faced. When MSMEs feel that there is justice in the quality of fiscal services in tax collection and ease of administration from tax authorities, they tend to have a positive attitude and a firm intention to comply. This is reinforced by research of Batrancea et al. (2019) and Lutfi et al. (2023) find that the trust in tax authority has a positive and significant effect on the intention to pay taxes.

The Effect of Tax Socialization on Taxpayer Compliance

This study found that tax socialization is related to taxpayer compliance. Feedback that occurs in the field to increase taxpayer compliance with the needs of pottery actors to be held effectively, with a frequency that routinely occurs, proven to increase the tax

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knowledge of pottery business actors. Especially if the approach to tax socialization is not only the doctrine of compliance, but a participatory and interactive approach accompanied by education and an invitation to be aware of the importance of tax obligations, it is a shared responsibility. Tax socialization using this approach also has the potential to strengthen the relationship between MSME actors and tax authorities, build trust, and create a more conducive and transparent business climate that affects tax reporting compliance, ultimately contributing significantly to increasing state tax revenue. This result is aligned with research conducted by Yanuarika et al. (2023), Wogo et al.(2023) and Susanti et al. (2024) which explained that tax socialization has a positive and significant effect on the compliance of MSME taxpayers.

The Influence of Trust in Tax Authority on Taxpayer Compliance

In this study, the level of taxpayer trust in the tax authorities is influenced by indicators of service quality, transparency, accountability, and perception of tax fairness. Based on incidents in the field, when pottery MSME taxpayers get good quality public services, according to the perception of tax fairness, the government and the legal system. This can build a strong sense of trust, so pottery MSMEs are more motivated to report income, deposit, and pay taxes on time. Because trust in tax authorities is a factor that encourages voluntary MSME tax compliance in building positive relationships and reducing rejection of tax obligations, taxpayers feel valued and confident that their tax obligations are managed fairly and transparently by tax authorities. Kogler et al. (2013) and Susanti et al. (2024) had found that trust in tax authorities has a positive and significant effect on the compliance of MSME taxpayers.

The Effect of Intention to Pay Tax on Taxpayer Compliance

The results of this study explain that intention is an internal drive in pottery actors caused by a high desire to carry out responsibilities voluntarily and consistently. With strong intentions, Kasongan pottery MSME taxpayers will tend to exhibit compliant tax administration behavior. The facts that occur in the field despite the intention have an important role for pottery MSME actors in Kasongan Tourism Village. Other factors, such as law enforcement and the quality of services provided by the fiscal authorities, also affect the overall level of compliance. So, the intention to pay taxes is the key to encouraging compliance among Kasongan pottery MSME taxpayers. However, it needs to be supported by external factors so that compliance can be optimal, such as tax socialization and service quality from tax authorities. This study result confirms research of Manrejo (2022) and Lutfi et al. (2023) which explained that intentions positively and significantly affect taxpayer compliance.

The Indirect Effect of Tax Socialization on Taxpayer Compliance through the Intention to Pay Taxes.

The results of this study show that Tax Socialization has an indirect effect on the Taxpayer Compliance through Intention to Pay Taxes. In increasing the compliance of MSME taxpayers, Kasongan Tourism Village socialization plays an indirect role by using the intention to pay taxes. Based on the feedback in the field, through the role of the socialization frequency indicator that runs effectively and regularly, Kasongan pottery MSME actors as taxpayers gain more in-depth knowledge about the benefits and impacts arising from tax compliance, which can strengthen the intention to pay taxes. In addition, MSMEs with credit facilities from banks are usually under stricter supervision and face more complex administrative requirements, so the intention to pay taxes formed from adequate socialization is easier to realize in the form of real and consistent compliance. Research of Markonah (2022) and Rika (2023) states that tax socialization has an indirect effect on the taxpayer compliance through intention to pay .

The Indirect Effect of Trust in Tax Authority on Taxpayers' Compliance Through the Intention to Pay Taxes.

In this study, Trust in Tax Authority has an indirect effect on the Taxpayer Compliance through Intention to Pay Taxes. In increasing the compliance of MSME taxpayers, the Kasongan Tourism Village pottery trust plays an indirect role in using the intention to pay taxes. Quality Service indicators provided by tax authorities to MSMEs are a reciprocal response to justice in service quality, which can arouse the intention to pay taxes to meet tax obligations, which in turn plays a Indirect role in sustaining tax payment compliance. This emphasizes that without strong intentions, trust in tax authority alone is not enough to encourage obedient behavior. In other words, the intention to pay taxes is a psychological mechanism that bridges the influence of trust on compliance behavior. Research of Batrancea et al. (2019) and Fitria et al. (2024) emphasized that trust in tax authority has an indirect effect on the taxpayer compliance through intention to pay taxes

CONCLUSION

The results of this study are that tax socialization and tax authority trust have a positive and significant effect on the intention to pay taxes. Tax socialization and the trust of tax authorities have a positive and significant effect on taxpayer compliance. The intention to pay taxes positively and significantly affects taxpayer compliance. Tax socialization and the trust of tax authorities positively and significantly affect taxpayer compliance Indirectly through the intention to pay taxes.

The study's implications show that adequate and educational tax socialization is needed to increase MSME tax compliance with banking credits, using a digital approach and building trust in tax authorities through fair and transparent services. Collaboration between tax authorities and banks is important for joint supervision and education to strengthen tax intent and compliance. Tax socialization and the trust of the tax authorities cannot directly increase tax compliance, but must be accompanied by strong intentions from within the Pottery MSME actors. A good approach through socialization that creates trust is necessary for MSMEs producing pottery in Kasongan Tourism Village.

This study provides advice to pottery MSME actors who have banking credit in Kasongan Tourism Village to be more active and participate in many socialization activities held by tax authorities, so that they know and get the latest information about regulatory changes that increase the intention to pay taxes in order to carry out their obligations as compliant taxpayers. This study suggests that further reseach use other independent variables such as digitalization of services and administrative sanctions and expand the sample to MSMEs in other regions.

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