

The Influence of Corporate Governance, Tax Planning, and Perception of Tax Fairness on Corporate Tax Compliance in West Java Province

Loso Judijanto¹, Triana Zuhrotun Aulia², Mega Arum³, Safier Ramdani⁴, Irwan Irawadi Barus⁵,
Eko Sudarmanto⁶

¹ IPOSS Jakarta, Indonesia

² Universitas Muhammadiyah Tangerang

³ Universitas Pamulang

⁴ D3 Perpajakan, Universitas Muhammadiyah Prof DR Hamka

⁵ Universitas Dian Nusantara

⁶ Universitas Muhammadiyah Tangerang

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ABSTRACT

Tax compliance among corporate taxpayers is a critical factor in ensuring the sustainability of government revenue and supporting economic development. However, corporate tax compliance can be influenced by various internal and behavioral factors within organizations. This study aims to analyze the influence of corporate governance, tax planning, and perceptions of tax fairness on corporate tax compliance in West Java Province. The research employs a quantitative approach using primary data collected through questionnaires distributed to corporate taxpayers, involving 55 respondents consisting of finance managers, accountants, tax staff, and company owners. The measurement of research variables was conducted using a Likert scale, and the data were analyzed using multiple linear regression with the assistance of SPSS version 25. The results of the analysis indicate that corporate governance, tax planning, and perceptions of tax fairness have positive and significant effects on corporate tax compliance. Corporate governance encourages transparency, accountability, and ethical financial practices that contribute to higher compliance with tax regulations. Tax planning practices also support corporate tax compliance by enabling companies to manage tax obligations efficiently while remaining within the boundaries of tax law. In addition, perceptions of tax fairness influence companies' willingness to comply voluntarily with tax obligations when the tax system is perceived as transparent and equitable. Simultaneously, these three variables explain 54.9% of the variation in corporate tax compliance, indicating that they play an important role in shaping corporate taxation behavior. The findings of this study provide valuable insights for policymakers and tax authorities in designing policies that strengthen corporate governance, encourage responsible tax planning, and improve perceptions of fairness within the tax system to enhance corporate tax compliance.

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Corresponding Author:

Name: Loso Judijanto

Institution: IPOSS Jakarta, Indonesia

Email: losojudijantobumn@gmail.com

1. INTRODUCTION

Tax revenue plays a crucial role in supporting national development and financing public expenditures. In many developing countries, including Indonesia, taxation represents the largest source of government revenue used to fund infrastructure development, social welfare programs, education, healthcare, and other public services. A stable and effective tax system enables governments to maintain fiscal sustainability while promoting long-term economic growth [1], [2]. However, despite the strategic importance of tax revenue, ensuring tax compliance among corporate taxpayers remains a significant challenge. Many companies attempt to minimize their tax liabilities through various strategies such as complex tax planning, exploiting loopholes in tax regulations, or engaging in aggressive tax avoidance practices [3]. These actions may reduce the effectiveness of tax collection and limit the government's ability to finance development programs and achieve fiscal stability.

Corporate tax compliance refers to the willingness and ability of companies to fulfill their tax obligations in accordance with applicable tax laws and regulations. High levels of corporate compliance are essential for maintaining government revenue stability and ensuring equitable tax contributions across economic actors [2], [4]. Nevertheless, corporate tax compliance is not solely determined by legal enforcement mechanisms; it is also influenced by various organizational, behavioral, and institutional factors. Internal governance systems within corporations, corporate tax strategies, and perceptions regarding the fairness of the taxation system can significantly shape corporate attitudes toward tax obligations [5]. Understanding these determinants is essential

for policymakers and tax authorities in designing more effective policies and administrative mechanisms that can encourage voluntary tax compliance among corporate taxpayers.

One key factor that may influence corporate tax compliance is corporate governance. Corporate governance refers to the system of rules, practices, and processes through which a company is directed and controlled, ensuring that management decisions align with the interests of stakeholders. Strong governance structures promote transparency, accountability, and ethical decision-making within organizations [6], [7]. Companies with effective governance mechanisms tend to demonstrate greater adherence to legal and regulatory requirements, including taxation obligations. Mechanisms such as board oversight, internal control systems, independent auditing, and transparent financial reporting can reduce opportunistic managerial behavior that might otherwise lead to tax avoidance or non-compliance [8]. Consequently, effective corporate governance is frequently associated with stronger corporate responsibility and higher levels of regulatory compliance.

Another factor that plays an important role in corporate tax compliance is tax planning. Tax planning refers to strategic efforts by companies to manage tax obligations efficiently within the boundaries of existing tax laws. In principle, tax planning is a legitimate managerial activity aimed at optimizing tax payments through legal mechanisms such as deductions, incentives, and allowable financial arrangements. However, when tax planning becomes overly aggressive, it may blur the distinction between legitimate tax avoidance and unethical tax behavior. Excessive emphasis on minimizing tax liabilities without considering broader social responsibilities may reduce

corporate commitment to tax compliance [4]. Conversely, responsible and transparent tax planning can assist companies in managing tax obligations systematically and ensuring that tax reporting and payments remain aligned with regulatory requirements.

In addition to governance structures and tax planning strategies, perceptions of tax fairness also play a critical role in shaping corporate tax compliance behavior. Tax fairness refers to the perception that tax policies and administrative practices treat taxpayers equitably and consistently. When corporations perceive the tax system as transparent, predictable, and fair, they are more likely to comply voluntarily with their tax obligations. On the other hand, if companies perceive tax regulations as discriminatory, inconsistently enforced, or excessively burdensome, their willingness to comply may decline. Perceptions of fairness are influenced by various elements, including tax rates, transparency in tax administration, equal enforcement of tax rules, and the visible utilization of tax revenues for public welfare. Therefore, improving fairness perceptions within the taxation system is considered a key strategy for strengthening voluntary tax compliance.

West Java Province represents one of the most economically dynamic regions in Indonesia, hosting a large number of corporations across diverse sectors such as manufacturing, services, trade, and technology [9]–[11]. As a major economic hub, the region contributes significantly to national tax revenue and plays a central role in Indonesia's economic development. However, the rapid expansion of business activities in West Java also presents challenges for tax administration, particularly in ensuring that companies comply with their tax obligations. Understanding the factors that influence corporate tax compliance in this regional context is therefore essential for strengthening tax governance and improving fiscal performance.

Previous studies have investigated various determinants of tax compliance, including corporate governance mechanisms,

tax planning practices, and perceptions of tax fairness. Many empirical findings suggest that stronger governance structures can reduce tax avoidance behavior and promote more responsible corporate conduct in fulfilling tax obligations. Similarly, perceptions of fairness within the taxation system have been shown to influence taxpayers' willingness to comply voluntarily. However, empirical evidence regarding the combined effects of corporate governance, tax planning, and perceptions of tax fairness on corporate tax compliance remains relatively limited, particularly in the context of Indonesian corporations. Addressing this research gap is important to better understand how these factors interact in shaping corporate taxation behavior.

Therefore, this study aims to analyze the influence of corporate governance, tax planning, and perceptions of tax fairness on corporate tax compliance in West Java Province. This research employs a quantitative approach using primary data collected through questionnaires distributed to corporate taxpayers. The variables are measured using a Likert scale, and the study involves 55 respondents representing finance managers, accountants, tax staff, and company owners. Data analysis is conducted using multiple linear regression with the assistance of SPSS version 25. By examining the relationships among these variables, this research seeks to provide empirical insights into the determinants of corporate tax compliance within the regional context.

The findings of this study are expected to contribute both theoretically and practically. From a theoretical perspective, this research enriches the literature on taxation, corporate governance, and compliance behavior by examining how governance mechanisms, tax planning strategies, and fairness perceptions interact in influencing corporate tax compliance. From a practical standpoint, the results provide useful insights for policymakers, tax authorities, and corporate managers in designing policies and governance practices that encourage responsible tax behavior. Ultimately, strengthening corporate tax

compliance can enhance government revenue capacity and support sustainable economic development in Indonesia.

2. LITERATURE REVIEW

2.1 *Corporate Tax Compliance*

Corporate tax compliance refers to the extent to which companies fulfill their tax obligations in accordance with applicable tax laws and regulations. It reflects the willingness of corporations to accurately report income, calculate tax liabilities correctly, and pay taxes on time without coercion from tax authorities [2], [12]. In Indonesia, the tax system relies on a self-assessment mechanism in which taxpayers independently calculate, report, and pay their taxes, making corporate compliance a critical factor in maintaining government revenue stability and supporting national economic development [13]. From a theoretical perspective, tax compliance behavior can be explained through deterrence theory, agency theory, and behavioral tax theory. Deterrence theory emphasizes the role of sanctions and audits in preventing non-compliance, while agency theory highlights the potential for managerial opportunism in tax decisions without effective governance mechanisms. Meanwhile, behavioral tax theory suggests that psychological factors such as perceptions of fairness and trust in government also influence compliance behavior [13], [14]. Therefore, corporate tax compliance is shaped not only by external enforcement but also by internal organizational factors such as governance structures,

tax planning practices, and managerial attitudes toward taxation.

2.2 *Corporate Governance*

Corporate governance refers to the system of rules, practices, and processes used to direct and control a company, involving the relationships among shareholders, management, the board of directors, and other stakeholders in determining the company's strategic direction and operational performance [6], [15]. The main objective of corporate governance is to ensure transparency, accountability, responsibility, and fairness in corporate decision-making. Effective governance mechanisms play an important role in reducing agency conflicts between managers and shareholders, as explained in agency theory, which states that managers may pursue personal interests that conflict with shareholder interests. Mechanisms such as board oversight, independent directors, internal controls, and transparent financial reporting help minimize these conflicts and encourage responsible corporate behavior [16], [17]. In the context of taxation, strong corporate governance promotes transparency and accountability in financial management, which can improve corporate tax compliance. Companies with effective governance structures, including active boards of directors, independent audit committees, and robust internal control systems, are more likely to comply with tax regulations and avoid aggressive tax practices. Previous studies also

indicate that firms implementing good governance practices tend to demonstrate higher levels of tax compliance and lower levels of tax avoidance, as they prioritize ethical conduct and regulatory adherence, thereby supporting the integrity of the taxation system.

2.3 Tax Planning

Tax planning refers to the process of organizing a company's financial activities to minimize tax liabilities while remaining within the boundaries of tax laws and regulations. This process involves analyzing tax rules, identifying available incentives, and selecting financial strategies that can reduce the overall tax burden of a company. In practice, tax planning is considered a legitimate component of corporate financial management because it helps companies allocate resources more efficiently and potentially improve financial performance through mechanisms such as tax deductions, credits, or allowable depreciation methods [18], [19]. However, the relationship between tax planning and tax compliance is complex. While responsible tax planning can support companies in fulfilling their tax obligations more systematically and transparently, aggressive tax planning may lead to tax avoidance practices that exploit loopholes in tax regulations and reduce compliance with the spirit of tax laws. Such practices may increase the risk of tax disputes, audits, and reputational damage for companies [20]. Therefore, understanding how tax planning

influences corporate tax compliance is important for evaluating corporate taxation behavior.

2.4 Perceptions of Tax Fairness

Perceptions of tax fairness refer to taxpayers' beliefs about whether the tax system treats taxpayers equitably and whether tax policies are implemented consistently and transparently. Tax fairness is an important psychological factor that influences taxpayers' willingness to comply with their tax obligations. It can be viewed through several dimensions, including distributive fairness, which relates to the equitable distribution of tax burdens among taxpayers; procedural fairness, which concerns the transparency and fairness of tax administration processes; and retributive fairness [12], [21], which refers to the fairness of sanctions imposed on those who violate tax rules. When taxpayers perceive the tax system as fair, they are more likely to comply voluntarily with tax regulations because fairness fosters trust between taxpayers and government institutions [12]. In contrast, perceptions of unfairness may reduce trust in tax authorities and increase the likelihood of non-compliance. In the corporate context, companies often evaluate whether tax policies are applied consistently across industries, whether tax rates are reasonable, and whether tax revenues are used effectively for public development. Empirical studies also indicate that positive perceptions of tax fairness tend to increase voluntary compliance, whereas negative

perceptions may encourage resistance or tax avoidance behavior, making tax fairness an important factor in understanding corporate tax compliance.

2.5 Hypothesis Development

Based on the theoretical framework and previous empirical findings, this study proposes several hypotheses regarding the relationship between corporate governance, tax planning, perceptions of tax fairness, and corporate tax compliance. Corporate governance is expected to encourage companies to follow legal and ethical standards, including compliance with tax regulations, as strong governance structures promote transparent financial reporting and responsible tax practices. Tax planning enables companies to manage tax obligations efficiently within the legal framework, and when conducted responsibly it can support compliance by ensuring tax liabilities are calculated and paid appropriately. In addition, perceptions of tax fairness influence corporate attitudes toward taxation, where companies that perceive the tax system as fair are more likely to comply voluntarily with tax regulations. Therefore, corporate governance, tax planning, and perceptions of tax fairness are expected to jointly influence corporate tax compliance behavior.

H1: Corporate governance has a positive influence on corporate tax compliance.

H2: Tax planning has a positive influence on corporate tax compliance.

H3: Perceptions of tax fairness have a positive influence on corporate tax compliance.

H4: Corporate governance, tax planning, and perceptions of tax fairness simultaneously influence corporate tax compliance.

3. METHODS

3.1 Research Design

This study employs a quantitative research approach to examine the influence of corporate governance, tax planning, and perceptions of tax fairness on corporate tax compliance. A quantitative approach is used because it enables the measurement of relationships between variables through statistical analysis and objective measurement. The research design applied is explanatory research, which aims to explain causal relationships between variables through hypothesis testing. In this study, statistical analysis is used to determine whether corporate governance, tax planning, and perceptions of tax fairness significantly influence corporate tax compliance among companies operating in West Java Province. Primary data were collected through questionnaires distributed to corporate taxpayers, and the responses were measured using a Likert scale and analyzed using statistical methods with the assistance of SPSS version 25.

3.2 Population and Sample

The population of this study consists of corporate taxpayers operating in West Java Province, representing various sectors such as manufacturing, trade, services, and other industries that contribute significantly to regional economic activity and tax revenue. Due to limitations in time and resources, it was not possible to survey the entire population; therefore, this study employed a sampling technique to select respondents representing the population. The sampling method used is purposive sampling, a non-probability sampling technique in which respondents are selected based on specific

criteria relevant to the research objectives. The criteria include companies operating in West Java Province, companies that have tax obligations as corporate taxpayers, and respondents who possess knowledge of the company's taxation practices, such as finance managers, accounting staff, or tax personnel. Based on these criteria, a total of 55 respondents were selected as the research sample.

3.3 Data Collection Technique

The primary data used in this study were collected using a structured questionnaire designed to measure respondents' perceptions regarding corporate governance, tax planning, perceptions of tax fairness, and corporate tax compliance. The questionnaire consisted of several statements representing each research variable, and respondents were asked to indicate their level of agreement with each statement using a five-point Likert scale, where 1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, and 5 = Strongly Agree. The questionnaire was distributed directly to respondents who met the sampling criteria, and the responses obtained were then compiled and processed for statistical analysis.

3.4 Operational Definition of Variables

This study consists of four variables, including three independent variables and one dependent variable. Corporate Governance (X1) refers to the system of rules and practices that direct and control a company to ensure accountability, transparency, and ethical business conduct, and in this study it is measured through indicators such as transparency, accountability, internal control, and board supervision. Tax Planning (X2) refers to the strategies used by companies to manage tax obligations efficiently within the boundaries of applicable tax regulations by organizing financial activities to optimize tax payments without violating tax laws. Perceptions of Tax Fairness (X3) represent the extent to which companies believe that the tax system treats taxpayers fairly, transparently, and consistently. Meanwhile, Corporate Tax Compliance (Y) refers to the willingness of companies to fulfill their tax obligations accurately and on time in accordance with applicable tax laws and regulations.

3.5 Measurement of Variables

The variables in this study are measured using questionnaire statements based on the Likert scale. The measurement indicators for each variable are summarized in Table 1.

Table 1. Variable Measurement Indicators

Variable	Code	Indicator
Corporate Governance	CG1	Transparency in financial reporting
	CG2	Accountability of management
	CG3	Effectiveness of internal control
	CG4	Oversight by the board of directors
Tax Planning	TP1	Tax planning strategy implementation
	TP2	Use of tax incentives and deductions
	TP3	Efficiency in managing tax obligations
	TP4	Compliance with tax regulations in planning
Perception of Tax Fairness	TF1	Fair distribution of tax burden
	TF2	Transparency in tax administration
	TF3	Consistency in tax law enforcement
	TF4	Reasonableness of tax policies
Corporate Tax Compliance	TC1	Accuracy in reporting tax obligations
	TC2	Timeliness in tax payment
	TC3	Compliance with tax regulations
	TC4	Honesty in tax reporting

3.6 Data Analysis Technique

The data collected from the questionnaire were analyzed using statistical techniques with the assistance of SPSS version 25 [22]. The analysis began with descriptive statistics to describe respondent characteristics and summarize the distribution of responses for each variable. A validity test was conducted using the Pearson correlation method to determine whether the questionnaire items accurately measured the intended variables, where items were considered valid if the correlation value exceeded the critical correlation coefficient. A reliability test was also performed using Cronbach's Alpha to measure the consistency of the questionnaire items, with values above 0.70 indicating reliable variables. Before conducting regression analysis, classical assumption tests were carried out, including normality, multicollinearity, and heteroscedasticity tests, to ensure that the data met the requirements for multiple regression analysis. Furthermore, multiple linear regression analysis was used to examine the influence of corporate governance, tax planning, and perceptions of tax fairness on corporate tax compliance using the regression model $Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \epsilon$, where Y

represents corporate tax compliance, α is the constant, $\beta_1, \beta_2, \beta_3$ are regression coefficients, X_1 is corporate governance, X_2 is tax planning, X_3 is perceptions of tax fairness, and ϵ is the error term. Hypothesis testing was conducted using the t-test to determine the partial effect of each independent variable and the F-test to examine the simultaneous effect of all independent variables on corporate tax compliance, while the coefficient of determination (R^2) was used to measure the proportion of variation in corporate tax compliance explained by the independent variables in the regression model.

4. RESULTS AND DISCUSSION

4.1 Respondent Characteristics

The respondents in this study consisted of 55 corporate taxpayers in West Java Province who were directly involved in financial or taxation management within their companies. Respondents included finance managers, accountants, tax staff, and company owners who had adequate knowledge regarding corporate taxation practices.

Table 2. Respondent Demographics

Characteristic	Category	Frequency	Percentage
Gender	Male	32	58.2%
	Female	23	41.8%
Age	21–30 years	14	25.5%
	31–40 years	21	38.2%
	41–50 years	13	23.6%
	> 50 years	7	12.7%
Education	Diploma	9	16.4%
	Bachelor	33	60.0%
	Master	13	23.6%
Position	Tax Staff	18	32.7%
	Accountant	14	25.5%
	Finance Manager	15	27.3%
	Company Owner	8	14.5%

Based on Table 2, the demographic profile of respondents shows that the majority of participants are male, accounting for 58.2%, while female respondents represent 41.8%. In

terms of age distribution, most respondents fall within the 31–40 year category (38.2%), followed by those aged 21–30 years (25.5%), 41–50 years (23.6%), and above 50 years

(12.7%). This indicates that the respondents are predominantly in the productive and professionally active age group. Regarding educational background, the majority of respondents hold a bachelor's degree (60.0%), followed by master's degree holders (23.6%) and diploma graduates (16.4%), suggesting that most respondents possess adequate academic qualifications to understand taxation practices. In terms of job position, the largest group consists of tax staff (32.7%), followed by finance managers (27.3%), accountants (25.5%), and company owners

(14.5%). This distribution indicates that the respondents generally have professional roles related to financial management and taxation within their companies, making them relevant and credible sources for providing information related to corporate tax compliance.

4.2 Descriptive Statistics

Descriptive statistics were used to describe the distribution of responses for each research variable. The results are presented in Table 3.

Table 3. Descriptive Statistics

Variable	N	Min	Max	Mean	Std. Deviation
Corporate Governance (X1)	55	2.80	4.80	3.94	0.51
Tax Planning (X2)	55	2.60	4.70	3.88	0.56
Tax Fairness Perception (X3)	55	2.50	4.90	3.92	0.53
Corporate Tax Compliance (Y)	55	2.70	4.80	4.01	0.48

The results show that the average value of corporate governance (3.94) indicates that most companies have implemented governance practices relatively well, while the tax planning variable (3.88) suggests that companies generally apply tax planning strategies in managing their tax obligations. In addition, the perception of tax fairness (3.92) reflects that respondents tend to view the tax system as relatively fair. The corporate tax compliance variable has the highest mean

value (4.01), indicating that most companies demonstrate a relatively high level of compliance with tax regulations.

4.3 Validity Test

The validity test was conducted to determine whether each questionnaire item accurately measures the intended variable. The results of the validity test are presented in Table 4.

Table 4. Validity Test Results

Variable	Indicator	r-count	r-table	Result
Corporate Governance	CG1	0.721	0.266	Valid
	CG2	0.748	0.266	Valid
	CG3	0.703	0.266	Valid
	CG4	0.689	0.266	Valid
Tax Planning	TP1	0.711	0.266	Valid
	TP2	0.734	0.266	Valid
	TP3	0.702	0.266	Valid
	TP4	0.675	0.266	Valid
Tax Fairness	TF1	0.726	0.266	Valid
	TF2	0.741	0.266	Valid
	TF3	0.709	0.266	Valid
	TF4	0.692	0.266	Valid
Tax Compliance	TC1	0.753	0.266	Valid
	TC2	0.774	0.266	Valid
	TC3	0.728	0.266	Valid
	TC4	0.701	0.266	Valid

Table 4 presents the results of the validity test for all questionnaire indicators used in this study. The results show that all indicators across the four variables—corporate governance, tax planning, tax fairness, and tax compliance—have r-count values ranging from 0.675 to 0.774, which are higher than the r-table value of 0.266. This indicates that each indicator has a strong correlation with its respective variable and is able to measure the intended construct

accurately. Since all r-count values exceed the required threshold, all questionnaire items are considered valid and suitable for further statistical analysis in this study.

4.4 Reliability Test

Reliability testing was conducted using Cronbach's Alpha to measure the consistency of the questionnaire items. The results are shown in Table 5.

Table 5. Reliability Test Results

Variable	Cronbach's Alpha	Standard	Result
Corporate Governance	0.842	>0.70	Reliable
Tax Planning	0.819	>0.70	Reliable
Tax Fairness	0.835	>0.70	Reliable
Corporate Tax Compliance	0.861	>0.70	Reliable

Table 5 presents the results of the reliability test for all research variables using Cronbach's Alpha. The results show that corporate governance has a Cronbach's Alpha value of 0.842, tax planning 0.819, tax fairness 0.835, and corporate tax compliance 0.861. All values exceed the standard threshold of 0.70, indicating that the measurement instruments used in this study have a high level of internal consistency. Therefore, the questionnaire

items for each variable are considered reliable and suitable for use in further statistical analysis.

4.5 Classical Assumption Tests

The normality test using the Kolmogorov-Smirnov test produced a significance value of 0.200, which is greater than 0.05, indicating that the data are normally distributed.

Table 6. Multicollinearity Test

Variable	Tolerance	VIF
Corporate Governance	0.682	1.466
Tax Planning	0.655	1.527
Tax Fairness	0.701	1.426

Table 6 presents the results of the multicollinearity test for the independent variables in this study. The results show that the tolerance values for corporate governance, tax planning, and tax fairness are 0.682, 0.655, and 0.701, respectively, all of which are greater than the minimum threshold of 0.10. In addition, the VIF values for these variables are 1.466, 1.527, and 1.426, respectively, which are well below the maximum limit of 10. These results indicate that there is no

multicollinearity problem among the independent variables, meaning that corporate governance, tax planning, and tax fairness are not highly correlated with each other and can be included simultaneously in the regression analysis.

4.6 Multiple Linear Regression Analysis

The results of multiple linear regression analysis are presented in Table 7.

Table 7. Multiple Regression Results

Variable	Coefficient (B)	t-value	Sig.
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Constant	1.215	2.231	0.030
Corporate Governance (X1)	0.298	3.154	0.003
Tax Planning (X2)	0.264	2.782	0.007
Tax Fairness (X3)	0.312	3.421	0.001

The regression equation obtained in this study is $Y=1.215+0.298X1+0.264X2+0.312X3$, which indicates that corporate governance, tax planning, and perceptions of tax fairness all have positive relationships with corporate tax compliance. The results of the t-test (partial test) show that corporate governance significantly influences corporate tax compliance ($t = 3.154$; $p = 0.003$), tax planning also has a significant effect on

corporate tax compliance ($t = 2.782$; $p = 0.007$), and perceptions of tax fairness significantly influence corporate tax compliance ($t = 3.421$; $p = 0.001$). Since all significance values are below 0.05, it can be concluded that all independent variables have a significant positive effect on corporate tax compliance, meaning that hypotheses H1, H2, and H3 are supported.

Table 8. ANOVA Test

Source	Sum of Squares	df	Mean Square	F	Sig.
Regression	6.582	3	2.194	19.872	0.000
Residual	5.635	51	0.110		
Total	12.217	54			

The F-test results show an F-value of 19.872 with a significance level of 0.000, indicating that corporate governance, tax planning, and perceptions of tax fairness simultaneously have a significant influence on corporate tax compliance. Since the significance value is lower than 0.05, the regression model is considered statistically significant, meaning that all independent variables together contribute to explaining variations in corporate tax compliance. Therefore, hypothesis H4 is supported.

Furthermore, the coefficient of determination results show an R value of 0.741 and an R Square value of 0.549 with an Adjusted R Square of 0.523. This indicates that 54.9% of the variation in corporate tax compliance can be explained by corporate governance, tax planning, and perceptions of tax fairness included in the regression model. Meanwhile, the remaining 45.1% of the variation is influenced by other factors outside the scope of this study that were not included in the model.

Discussion

The results of this study indicate that corporate governance has a positive and significant influence on corporate tax

compliance. This finding suggests that companies with stronger governance mechanisms tend to demonstrate higher levels of compliance with tax regulations. Effective corporate governance promotes transparency, accountability, and proper oversight in financial management, which reduces the likelihood of tax manipulation or non-compliance. Strong governance structures also encourage companies to adhere to legal and ethical standards in their business operations, including taxation practices. This finding is consistent with agency theory, which explains that governance mechanisms help control managerial opportunistic behavior and ensure that management decisions align with regulatory requirements and stakeholder interests [23], [24].

The results also show that tax planning has a positive and significant effect on corporate tax compliance. This finding indicates that companies that implement structured and responsible tax planning strategies are better able to manage their tax obligations efficiently while still complying with applicable tax regulations [24], [25]. Proper tax planning enables companies to identify legitimate tax incentives, deductions,

and financial strategies that optimize tax payments without violating tax laws. In this context, tax planning should not be interpreted as a mechanism for tax avoidance, but rather as a legitimate financial management practice that helps companies fulfill their tax responsibilities accurately and systematically.

Furthermore, the study finds that perceptions of tax fairness significantly influence corporate tax compliance. Companies that perceive the tax system as fair, transparent, and consistently implemented are more likely to demonstrate voluntary compliance with tax obligations. When taxpayers believe that tax policies are applied equally across industries and that tax revenues are utilized effectively for public development, trust in tax authorities tends to increase. This trust plays an important role in encouraging companies to fulfill their tax responsibilities without coercion. Conversely, if taxpayers perceive the tax system as unfair or inconsistent, the likelihood of non-compliance may increase.

Overall, the findings of this study highlight the importance of strengthening institutional and psychological factors in improving corporate tax compliance. Enhancing corporate governance practices, promoting responsible tax planning strategies, and improving perceptions of fairness within the tax system can collectively encourage higher levels of compliance among corporate taxpayers. These results provide

important implications for policymakers and tax authorities in designing policies and regulatory frameworks that foster transparency, fairness, and accountability in tax administration, ultimately contributing to more effective tax compliance and sustainable government revenue in Indonesia.

5. CONCLUSION

This study examined the influence of corporate governance, tax planning, and perceptions of tax fairness on corporate tax compliance among companies operating in West Java Province. The results of multiple linear regression analysis using SPSS version 25 show that corporate governance, tax planning, and perceptions of tax fairness each have a positive and significant effect on corporate tax compliance. Companies with stronger governance mechanisms, responsible tax planning practices, and positive perceptions of tax fairness tend to demonstrate higher levels of compliance with tax regulations. Simultaneously, these three variables explain 54.9% of the variation in corporate tax compliance. Overall, the findings highlight the importance of strengthening governance practices, encouraging responsible tax planning, and maintaining fairness in the tax system to improve corporate tax compliance, while also providing practical implications for policymakers and tax authorities.

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