

Tax Reform Elements and Taxpayer Compliance: The Moderating Role of Tax Consultants in Indonesia

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Compliance

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ABSTRACT

Tax revenue constitutes the primary source of state funding in Indonesia, yet persistent shortfalls in collection and low taxpayer compliance remain significant challenges, particularly among individual taxpayers. Comprehensive tax reforms have been implemented to enhance organizational structure, human resource quality, information technology and databases, business processes, and regulatory effectiveness, aiming to foster voluntary compliance. However, the intermediary role of tax consultants in interpreting and applying these reforms introduces complexity, with limited understanding of how they moderate reform impacts. This study examines the influence of each tax reform element on individual taxpayer compliance, with the role of tax consultants as a moderating variable. Employing a case study approach at the Central Java I Regional Tax Office, data were collected through questionnaires from individual taxpayers and analyzed using Structural Equation Modeling. Results indicate that all five reform elements positively and significantly affect taxpayer compliance. The role of tax consultants strengthens the effects of organizational restructuring and human resource quality, shows no significant moderation on information technology and business process quality, and unexpectedly weakens the influence of regulatory effectiveness. These findings imply that tax authorities should prioritize human-centered reforms alongside accelerated digitalization to promote independent compliance.

Keywords: Tax Consultants, Tax Reform, Taxpayer Compliance, Voluntary Compliance.

ABSTRAK

Pendapatan pajak merupakan sumber utama pendanaan negara di Indonesia, namun kekurangan penerimaan pajak yang terus-menerus dan rendahnya kepatuhan wajib pajak tetap menjadi tantangan signifikan, terutama di kalangan wajib pajak perorangan. Reformasi pajak yang komprehensif telah diimplementasikan untuk meningkatkan struktur organisasi, kualitas sumber daya manusia, teknologi informasi dan basis data, proses bisnis, dan efektivitas regulasi, dengan tujuan untuk mendorong kepatuhan sukarela. Namun, peran perantara konsultan pajak dalam menafsirkan dan menerapkan reformasi ini menimbulkan kompleksitas, dengan pemahaman yang terbatas tentang bagaimana mereka memoderasi dampak reformasi. Studi ini meneliti pengaruh setiap elemen reformasi pajak terhadap kepatuhan wajib pajak perorangan, dengan peran konsultan pajak sebagai variabel moderasi. Dengan menggunakan pendekatan studi kasus di Kantor Pajak Daerah Jawa Tengah I, data dikumpulkan melalui kuesioner dari wajib pajak perorangan dan dianalisis menggunakan Structural Equation Modeling (SEM). Hasil menunjukkan bahwa kelima elemen reformasi tersebut secara positif dan signifikan memengaruhi kepatuhan wajib pajak. Peran konsultan pajak memperkuat efek restrukturisasi organisasi dan kualitas sumber daya manusia, tidak menunjukkan moderasi yang signifikan pada teknologi informasi dan kualitas proses bisnis, dan secara tak terduga melemahkan pengaruh efektivitas regulasi. Temuan ini menyiratkan bahwa otoritas pajak harus memprioritaskan reformasi yang

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berpusat pada manusia bersamaan dengan percepatan digitalisasi untuk mendorong kepatuhan yang independen.

Kata kunci: *Konsultan Pajak, Reformasi Pajak, Kepatuhan Wajib Pajak, Kepatuhan Sukarela.*

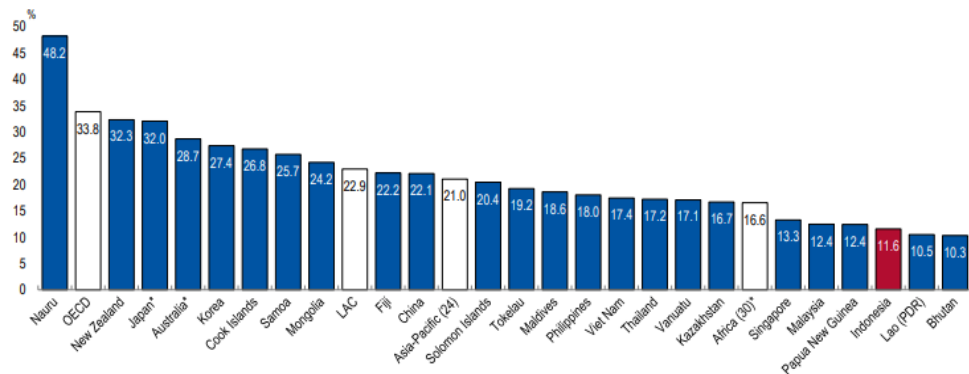
INTRODUCTION

Taxes are the main source of state revenue in Indonesia. They help fund development and public services like education, healthcare, infrastructure, and social programs. In recent years, Indonesia has faced big challenges because the oil and gas sector no longer contributes much to the economy. The drop in global oil prices, limited reserves, and lower production have made the country depend more on tax revenues for public financing (Ministry of Finance, 2019).

From 2015 to 2020, taxes made up an average of 81.2% of total state revenue, or about IDR 1,389.22 trillion per year. This was much higher than natural resource revenues, which averaged only 6.6% or around IDR 115.5 trillion per year (Ministry of Finance, 2019). However, tax collections often fall short of targets. Between 2010 and 2020, actual revenues were below targets, with the biggest gap in 2015 at only 81.5% realization (CNBC Indonesia, 2021). In the Central Java I Regional Tax Office, revenues were below targets from 2017 to 2019 and again in 2021, though they met the target in 2020. These patterns show ongoing problems in tax collection and low taxpayer compliance, especially in the informal sector.

Tax-to-GDP ratio compared to other Asian and Pacific economies and regional averages, 2019

Indonesia's tax-to-GDP ratio was 11.6% in 2019, below the Asia and Pacific (24) average of 21.0% by 9.5 percentage points. It was also below the OECD average (33.8%) by 22.3 percentage points.



* Data for 2018 are used for the Africa (30) average, Australia and Japan as 2019 data are not available.

Figure 1. Tax Ratio for Asia Pacific Countries

Indonesia's tax ratio has also declined. As shown in Figure 1, it fell from 11.6% in 2019 to lower levels in later years, remaining around 12% in 2023 (Organization for Economic Cooperation and Development, 2025). This is much lower than in neighboring countries like Malaysia and the Asia-Pacific average of about 19.5%. The OECD reports that Indonesia has one of the lowest tax ratios in the region (Organization for Economic Cooperation and Development, 2025). Economic growth has not led to matching increases in tax revenues. Tax buoyancy was only about 0.8% from 2014 to 2020, meaning a 1% growth in the economy brought just 0.85% more tax revenue. These issues come from low taxpayer awareness, weak administration, unfairness in the system, and lack of transparency.

The government has carried out tax reforms since 1983 with the self-assessment system, where taxpayers calculate and pay their own taxes. Reforms have continued in waves, focusing on modernization, better human resources, information technology, business processes, and regulations (Reidenbach et al., 2021). The third wave, starting in

2017, uses tools like Tax Administration Diagnostic Assessment Tool (TADAT) to improve these areas and boost voluntary compliance. Yet, challenges remain, including low formal and material compliance in tax reporting.

Many studies show mixed results on how tax reforms affect compliance. For example, administrative changes helped in some countries but had limited effects in others (Rufaedah & Hadiani, 2015; Tang & Feng, 2021). In Indonesia, problems like weak enforcement and information sharing still hinder progress (Julita, 2020). Tax consultants play a key role as intermediaries, helping taxpayers understand reforms and regulations (Chindengwike & Kira, 2022). Some research finds they improve compliance through better services, but others show they may reduce it due to aggressive planning or higher costs (Bucci, 2020; Rahmawati & Rustiyaningsih, 2021; Mansyuri & Mauzu, 2022; Dharmayanti, 2023; Amalia et al., 2023). According to Ardianti and Sari (2023) and Sulistyawati and Merkusiwati (2024), consultants can moderate reform impacts, but recent studies highlight a gap: limited research on their moderating role across all reform elements in Indonesia, especially for individual taxpayers.

This study fills that research gap by examining how each tax reform element affects taxpayer compliance, with tax consultants as a moderating variable. The objective is to analyze these relationships using a case study on individual taxpayers at the Central Java I Regional Tax Office. Individual taxpayers have low compliance rates, averaging only 61% nationally from 2015 to 2020, far below targets. In Central Java I, rates fluctuated from 62% to 82% between 2017 and 2021. Understanding the role of consultants can help improve voluntary compliance and support sustainable revenue.

LITERATURE REVIEW & HYPOTHESIS DEVELOPMENT

The Effect of Organizational Restructuring and HR Quality on Taxpayer Compliance

The Fiscal Psychology Model (FPM), first introduced by Schmolders (1959), bridges economic and behavioral approaches to understand tax compliance. According to Kirchler (2007), this model emphasizes that taxpayers weigh costs and benefits, but their decisions are also shaped by perceptions of fairness, trust in government, and social responsibility. When taxpayers see tax revenues used transparently for public services, compliance increases (Eka, 2019; Kurniawan et al., 2023). In contrast, feelings of unfairness or low trust can reduce tax morale. This approach moves beyond simple punishment and rewards. It shows why voluntary compliance matters more in modern tax systems. Governments can build better relationships with taxpayers through fair policies (Nguyen et al., 2024; Alabi et al., 2024).

Tax reform in Indonesia targets organizational restructuring as a key area to improve trust and efficiency in the tax system. Organizational restructuring improves service delivery and monitoring, leading to higher voluntary compliance (Idrus, 2024; Zuhrah et al., 2024). This aligns with FPM, which emphasizes that effective institutions and fair treatment strengthen taxpayer trust and willingness to comply. Improving human resource quality enables tax authorities to provide accurate information and fair treatment, which strengthens taxpayer trust (Adekoya et al., 2023; Kiptum et al., 2024). In line with FPM, professional and competent tax officers enhance positive perceptions of the tax system, encouraging voluntary compliance.

H1: Organizational restructuring has a significant effect on taxpayer compliance.

H2: Human resource quality has a significant effect on taxpayer compliance.

The Effect of Information Technology and Database Quality on Taxpayer Compliance

The Fiscal Psychology Model (FPM) integrates earlier theoretical approaches, including the Economic Deterrence Model, which emphasizes the role of sanctions, audits, and enforcement mechanisms, and the Social Psychology Model, which focuses on social norms, fairness, and moral considerations in shaping taxpayer behavior (Fadzil & Che Azmi, 2022). By combining these perspectives, FPM provides a more comprehensive explanation of tax compliance that goes beyond purely economic

calculations. One important framework derived from FPM is the Slippery Slope Framework, which highlights the need to balance the power of tax authorities with taxpayer trust in order to encourage voluntary compliance (Occhiali & Kalyango, 2023; Mardhiah et al., 2023; Safitri & Aisyah, 2023). Trust plays a central role in this framework: when trust in tax authorities is high, taxpayers are more likely to comply voluntarily without the need for strict enforcement, whereas low levels of trust tend to result in higher tax evasion even when regulations and sanctions are stringent.

In addition, the development of modern information technology and integrated databases, such as e-filing systems, contributes significantly to improving taxpayer compliance by reducing compliance costs and enhancing transparency (Bellon et al., 2022; Hung et al., 2024). These technological advancements make the tax system appear more reliable, accessible, and user-friendly. When services are fast, clear, and efficient, taxpayers tend to respond more positively and are more willing to fulfill their tax obligations. This condition is consistent with the FPM perspective, which emphasizes that perceived benefits, system reliability, and positive user experiences play an important role in shaping compliance behavior and strengthening voluntary compliance.

H3: Information technology and database quality has a significant effect on taxpayer compliance.

Business Process Quality, Effectiveness of Regulation, and Taxpayer Compliance

Simplified business processes play an important role in facilitating taxpayer compliance by making reporting procedures easier to understand and less burdensome, thereby reducing the likelihood of errors and delays (Kamasa et al., 2022; Satyadini & Rosid, 2024). When procedures are straightforward, taxpayers face lower administrative complexity and time costs, which encourages them to fulfill their tax obligations in a timely manner. From the perspective of the Fiscal Psychology Model (FPM), efficient and user-friendly procedures enhance taxpayers' perceptions of fairness and convenience, while also reducing psychological resistance, stress, and anxiety associated with tax compliance. As a result, taxpayers are more likely to view the tax system as supportive rather than punitive, strengthening their willingness to comply voluntarily.

Similarly, effective regulations that are clear, consistent, and fair contribute significantly to shaping positive perceptions of the tax system (Alm et al., 2022). Transparent regulations provide legal certainty and help taxpayers better understand their rights and obligations, reducing confusion and mistrust. When regulations are applied consistently and communicated clearly, taxpayers tend to perceive the system as more legitimate and credible. In line with FPM, increased trust and perceived legitimacy arising from well-designed regulations are essential for achieving sustainable taxpayer compliance, as they encourage compliance driven by internal motivation rather than solely by fear of sanctions.

H4: Business process quality has a significant effect on taxpayer compliance.

H5: Effectiveness of regulation has a significant effect on taxpayer compliance.

The Moderating Role of Tax Consultants

Role Theory, introduced by Kahn (1964), explains how individual behavior is influenced by expectations from others, known as role senders. In taxation, tax consultants act as focal persons between taxpayers and authorities (Khan & Iqbal, 2022). Taxpayers expect consultants to minimize burdens legally, while authorities expect them to promote accurate compliance. This dual role can create conflict or ambiguity when interests clash. Consultants must balance these expectations through communication and ethics. Such conflicts happen often in complex tax systems. Consultants need strong professional standards to handle them well.

Tax consultants help taxpayers understand complex reforms, improving adaptation and compliance (Mansyuri & Mauzu, 2022; Dharmayanti, 2023; Rambalangi et al.,

2024). They provide education, assistance in reporting, and support during audits, acting as intermediaries. This role strengthens reform impacts where personal guidance is needed, such as in organizational changes or human resource interactions (Chong & Arunachalam, 2018; Basuki, 2018). However, in digital areas, consultants may have less influence as systems become user-friendly (Alam & Saeed, 2024). Their advice adds value, especially for taxpayers with limited knowledge. Good consultants bridge gaps that reforms alone cannot fill.

The moderating effect varies across reform elements. Consultants can enhance effects on compliance when reforms involve human interaction but may weaken them in highly regulated or automated areas due to role conflict (Bucci, 2020; Rahmawati & Rustiyaningsih, 2021; Doğan, 2025). Aggressive strategies by some consultants can reduce voluntary compliance. Overall, consultants have the potential to moderate by building trust, but outcomes depend on alignment with reform goals (Chindengwike & Kira, 2022; Ardianti & Sari, 2023). When consultants act ethically, they support government efforts. Poor practices can create distrust instead.

H6: Tax consultants moderate the relationship between organizational restructuring and taxpayer compliance.

H7: Tax consultants moderate the relationship between human resource quality and taxpayer compliance.

H8: Tax consultants moderate the relationship between information technology and database quality and taxpayer compliance.

H9: Tax consultants moderate the relationship between business process quality and taxpayer compliance.

H10: Tax consultants moderate the relationship between the effectiveness of regulation and taxpayer compliance.

This study integrates the Fiscal Psychology Model and Role Theory to explain taxpayer compliance in the context of tax reform. The framework shows direct positive paths from the five tax reform elements, organizational restructuring, human resource quality, information technology and database quality, business process quality, and regulatory effectiveness, to taxpayer compliance. These paths reflect how reforms build trust, fairness, and efficiency, encouraging voluntary behavior (Idrus, 2024; Yogama et al., 2024).

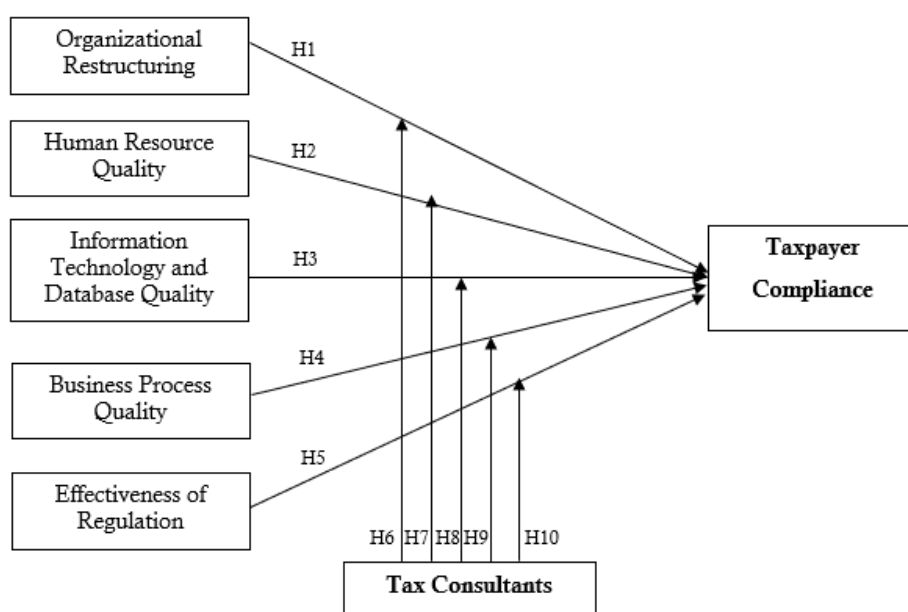


Figure 2. Empirical Model

Tax consultants serve as a moderating variable, potentially strengthening or weakening these relationships based on their intermediary role (Chindengwike & Kira, 2022). They help interpret reforms for taxpayers, but role conflicts can alter impacts. The model highlights the need for synergy between reforms and professional assistance. As illustrated in Figure 2, the empirical model depicts these direct and moderated effects, guiding the use of Structural Equation Modeling to test the hypotheses.

RESEARCH METHODS

The independent variable in this research is tax reform, which focuses on the impact perceived by taxpayers as a result of the ongoing reforms within the Directorate General of Taxes (Pasaribu et al., 2022). The dependent variable is taxpayer compliance, while the role of tax consultants serves as the moderating variable. The exogenous latent variables of the independent variable consist of, institutional and organizational capacity, quality of human resources, quality of information technology and database systems, quality of business processes, and regulatory effectiveness.

The taxpayer compliance variable is measured using 13 indicators, which will later be developed into questionnaire items. The tax reform variable consists of several dimensions: the organizational restructuring dimension is measured using 4 indicators, the human resource dimension with 4 indicators, the information technology dimension with 3 indicators, the business process dimension with 5 indicators, and the regulatory dimension with 4 indicators. The final variable, namely the role of tax consultants, is measured using 4 indicators.

This study employs Structural Equation Modeling (SEM) to analyze the relationships between exogenous and endogenous variables. SEM is chosen because this method accounts for measurement errors during testing and offers flexibility in examining complex models. The study utilizes the Covariance-Based SEM (CB-SEM) technique, as the research aims to test theoretical relationships involving multiple causal links among theoretical constructs. The analysis is conducted using the AMOS software. In CB-SEM, the covariance matrix from the sample data is compared with the hypothesized model covariance matrix to determine how well the model fits the data.

The CB-SEM analysis process involves five stages as outlined by Hair et al. (2018). The first stage is model specification, based on theoretical foundations that support the research problem under study. Model specification involves defining the relationships between latent variables and between latent and manifest variables, grounded in relevant theories. The outcome of this stage is the specification of both the measurement model and the structural model. The second stage is model identification, which aims to determine whether the model produces unique parameter estimates. The third stage involves determining the sample size and conducting model estimation to generate parameter values that closely approximate those within the covariance matrix. The fourth stage is model evaluation, which aims to assess the overall adequacy of the model. This begins with testing for normality, followed by evaluating the measurement and structural models, and finally assessing the overall model fit by referring to goodness-of-fit (GoF) indices. The final stage is model modification, which is performed if the GoF indices indicate that the model does not yet achieve an acceptable level of fit.

RESULTS

The conceptual model in this study includes a moderating variable, namely the role of tax consultants. A conceptual model with a moderating effect can be analyzed using Structural Equation Modeling (SEM) through two stages. According to Hair et al. (2018), moderation effect testing in SEM cannot be conducted using the product indicator approach as in regression or path analysis. Instead, it must be carried out using the two-stage approach.

In this study, the testing of the moderation effect model will employ the two-stage approach. This approach involves two analytical stages. The first stage estimates the model without moderation (the base or main model), meaning the estimation is

conducted without considering the interaction of the moderating variable. This model includes exogenous constructs, endogenous constructs, and moderating constructs. The second stage involves testing the moderation effect by adding an interaction construct between the exogenous variable and the moderator into the model. This interaction variable represents the moderating effect.

The results of direct, indirect, and total effects are obtained from the estimation of the main model, as shown in Figure 3, while the moderation effect testing is based on the estimation results of the two-stage interaction SEM model, as shown in Figure 4.

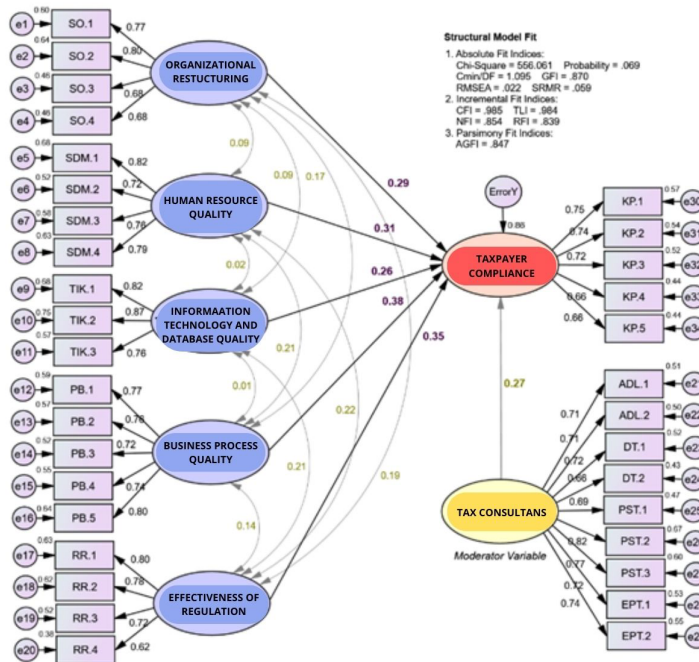


Figure 3. SEM Estimation Results of The Main Model

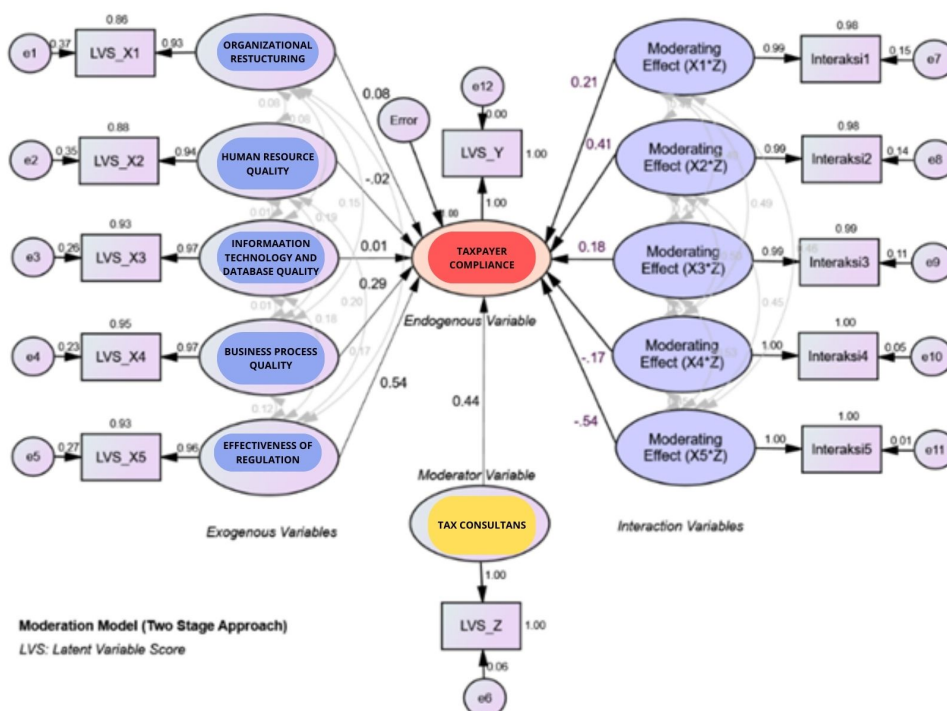


Figure 4. SEM Estimation Results of the Moderation Model (2-Stage Approach)

The results of the direct and moderating effect tests can be summarized in a chart, as shown in Figure 5.

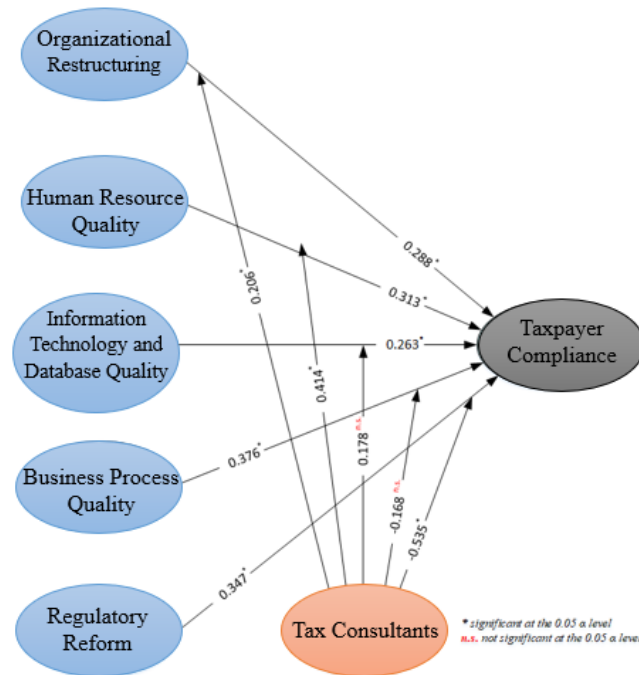


Figure 5. Summary of Model Parameter Significance Test Results

Figure 5 presents the structural model of taxpayer compliance, illustrating the direct and indirect effects of organizational and regulatory factors on taxpayer compliance, with tax consultants acting as a moderating variable. The model shows that organizational restructuring, human resource quality, information technology and database quality, business process quality, and regulatory reform each have direct relationships with taxpayer compliance.

Several paths are statistically significant at the 5% level, indicating that improvements in these areas contribute positively to compliance. In particular, information technology and database quality, business process quality, and regulatory reform exhibit relatively strong effects, emphasizing the importance of efficient systems, simple procedures, and clear regulations. Figure 5 also highlights the moderating role of tax consultants, suggesting that organizational and regulatory reforms influence compliance not only directly but also indirectly through professional assistance and guidance. The model indicates that taxpayer compliance is shaped by both structural reforms and intermediary support, reinforcing the need for integrated policy and administrative improvements.

Table 1. Standardized Path Coefficients – Main Model (Direct Effects)

| Hypothesis | Path Relationship | Standardized Estimate | P-value | Conclusion |
|------------|--|-----------------------|---------|------------|
| H1 | Organizational Restructuring → Taxpayer Compliance | 0.29 | 0.01 | Supported |
| H2 | Human Resource Quality → Taxpayer Compliance | 0.31 | < 0.01 | Supported |
| H3 | IT & Database Quality → Taxpayer Compliance | 0.26 | < 0.01 | Supported |
| H4 | Business Process Quality → Taxpayer Compliance | 0.35 | < 0.01 | Supported |
| H5 | Regulatory Effectiveness → Taxpayer Compliance | 0.27 | < 0.01 | Supported |

Table 1 presents the results of hypothesis testing on factors influencing taxpayer compliance. The findings show that all proposed hypotheses are supported, indicating that organizational restructuring, human resource quality, information technology and database quality, business process quality, and regulatory effectiveness each have a positive and significant effect on taxpayer compliance. These results suggest that improvements in organizational structure, staff capability, system reliability, procedural simplicity, and regulatory clarity play an important role in encouraging taxpayers to comply with their obligations. The table confirms that comprehensive administrative and regulatory reforms are effective in strengthening taxpayer compliance.

Table 2. Moderation Effects

| Hypothesis | Path Relationship | Standardized Estimate | P-value | Conclusion |
|------------|---|-----------------------|---------|--|
| H6 | Organizational Restructuring × Tax Consultants → Compliance | 0.21 | < 0.01 | Strengthens (Supported) |
| H7 | Human Resource Quality × Tax Consultants → Compliance | -0.41 | < 0.01 | Weakens (Supported as negative moderation) |
| H8 | IT & Database Quality × Tax Consultants → Compliance | -0.18 | 0.23 | No significant moderation (Not supported) |
| H9 | Business Process Quality × Tax Consultants → Compliance | -0.17 | 0.34 | No significant moderation (Not supported) |
| H10 | Regulatory Effectiveness × Tax Consultants → Compliance | -0.54 | < 0.01 | Weakens (Supported as negative moderation) |

Table 2 illustrates that out of the five moderation paths, three are found to be significant, while the remaining two are not significant. The role of tax consultants strengthens the effect of organizational restructuring and the influence of human resource quality on taxpayer compliance but weakens the effect of regulatory effectiveness on taxpayer compliance. In contrast, the moderating role of tax consultants on the influence of information technology and database quality, as well as business process quality, is found to be insignificant.

Table 3. Goodness-of-Fit Indices – Main Model

| Fit Index | Value | Criterion | Conclusion |
|-------------------------|---------|------------------------|------------|
| Chi-Square (χ^2) | 565.091 | $p > 0.05$ | Good |
| df | 359 | - | - |
| χ^2/df | 1.573 | ≤ 3.00 | Good |
| Probability | 0.098 | > 0.05 | Good |
| GFI | 0.964 | ≥ 0.90 | Good |
| AGFI | 0.710 | ≥ 0.80 (marginal) | Acceptable |
| CFI | 0.985 | ≥ 0.95 | Very Good |
| TLI | 0.984 | ≥ 0.95 | Very Good |
| NFI | 0.964 | ≥ 0.90 | Good |
| RFI | 0.949 | ≥ 0.90 | Good |
| RMSEA | 0.022 | ≤ 0.08 | Very Good |

Table 3 presents the goodness-of-fit indices for the main model. The results indicate that the model demonstrates a good level of fit with the data. Most fit indices meet or exceed the recommended criteria, suggesting that the proposed model is appropriate and reliable. The chi-square value and probability indicate an acceptable fit, while the ratio of chi-square to degrees of freedom also falls within the recommended threshold. Incremental fit indices such as GFI, CFI, TLI, NFI, and RFI show good to very good model fit. Although the AGFI value is marginal, it is still considered acceptable. In addition, the RMSEA value indicates a very good fit, confirming that the model adequately represents the observed data.

DISCUSSION

The findings of this study reveal that all five elements of tax reform, organizational restructuring, human resource quality, information technology and database quality, business process quality, and regulatory effectiveness, exert a positive and significant influence on taxpayer compliance among individual taxpayers in Central Java I. This consistent positive impact aligns with the Fiscal Psychology Model which posits that taxpayer compliance is not merely driven by deterrence but by perceptions of fairness, trust in authorities, and perceived benefits from the tax system (Schmölders, 1959; Kirchler, 2007). When reforms enhance efficiency, transparency, and equity, they foster greater trust and voluntary compliance, moving taxpayers along the slippery slope toward cooperative behavior (Mardhiah et al., 2023).

Organizational restructuring and high-quality human resources contribute to compliance by improving service delivery and interpersonal interactions, areas where taxpayers directly experience fairness and professionalism. Competent, responsive tax officers and well-structured organizations signal institutional reliability, strengthening tax morale as emphasized in fiscal psychology (Adekoya et al., 2023; Kiptum et al., 2024; Idrus, 2024; Zuhrah et al., 2024). Similarly, advancements in information technology and databases reduce compliance costs through digital tools like e-filing, while enhancing transparency and data security, thereby reinforcing perceived system fairness (Bellon et al., 2022; Hung et al., 2024). Business process improvements simplify procedures and minimize administrative burdens, directly addressing psychological barriers to compliance (Kamasa et al., 2022; Satyadini & Rosid, 2024). Finally, effective regulations that are clear and equitable cultivate positive perceptions of the tax authority, encouraging voluntary adherence (Alm et al., 2023). Collectively, these reforms address both economic deterrents and psychological drivers, creating an environment conducive to sustainable compliance in a self-assessment system.

Turning to the moderating role of tax consultants, the results present a nuanced picture grounded in Role Theory (Kahn, 1964; Khan & Iqbal, 2022). Tax consultants significantly strengthen the positive effects of organizational restructuring and human resource quality on compliance. In these domains, which involve substantial human interaction and service variability, consultants act as effective intermediaries, clarifying procedures, facilitating communication, and building trust between taxpayers and authorities. Their guidance compensates for perceived inconsistencies in service quality, amplifying the trust-building effects of reforms as supported by Chong and Arunachalam (2018) and Basuki (2018).

Conversely, the moderating influence of tax consultants proves insignificant for information technology and business process quality. As digitalization and process simplification make tax obligations more accessible and autonomous, taxpayers increasingly manage compliance independently, leading to role marginalization and shifting for consultants (Alam & Saeed, 2024). User-friendly systems diminish the need for third-party intervention, allowing reforms to exert their full direct effect without additional reinforcement from consultants.

Most intriguingly, tax consultants weaken the relationship between regulatory effectiveness and taxpayer compliance. This counterintuitive finding reflects inherent role conflict and ambiguity: while authorities expect consultants to promote accurate compliance, taxpayers often seek aggressive yet legal tax minimization strategies (Bucci, 2020; Rahmawati & Rustiyarningsih, 2021). Consultants may reinterpret regulations in client-favoring ways, buffering taxpayers from the intended psychological impact of clear, fair rules and fostering dependency that undermines voluntary morale.

These results carry important implications for policy and practice. The Directorate General of Taxes should prioritize continued investment in organizational and human resource development, where consultants complement reforms effectively, while accelerating digitalization and process simplification to empower independent compliance. To mitigate the weakening effect on regulatory impact, stronger ethical guidelines, certification standards, and collaborative frameworks between tax authorities

and consultants are needed to align their intermediary role with reform objectives. Such synergy would enhance overall trust, reduce role conflicts, and support long-term voluntary compliance essential for Indonesia's fiscal sustainability.

CONCLUSION

This study demonstrates that all five elements of tax reform organizational restructuring, human resource quality, information technology and database quality, business process quality, and regulatory effectiveness consistently exert a positive and significant influence on the compliance of individual taxpayers at the Central Java I Regional Tax Office. The role of tax consultants as a moderating variable exhibits a varied pattern: it strengthens the relationships involving organizational restructuring and human resource quality, shows no significant moderating effect on information technology and business process quality, and unexpectedly weakens the relationship between regulatory effectiveness and taxpayer compliance. These findings confirm that comprehensive tax reforms can enhance voluntary compliance, yet their effectiveness is substantially shaped by the dynamics of tax consultants as intermediaries between taxpayers and tax authorities.

The implications of these results suggest that the Directorate General of Taxes should continue prioritizing the strengthening of organizational structure and human resources while accelerating digitalization and process simplification to promote independent compliance. To address the weakening effect on regulatory effectiveness, enhanced cooperation and ethical oversight of tax consultants are required to better align their role with reform objectives. This study has limitations, including its scope limited to individual taxpayers in one region and reliance on perceptual data through questionnaires, which may not fully represent national conditions or corporate taxpayers. Future research is recommended to expand the sample across various regions and taxpayer segments, incorporate objective compliance data, and explore additional factors such as digital tax literacy or the impact of pandemics on compliance behavior.

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During the preparation of this work the authors used Scopus AI in order to assist in finding studies related to this research topic. After using this tool/ service, the authors reviewed and edited the content as needed and take full responsibility for the content of the publication.

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