

ABSTRACT

Tax compliance in Indonesia remains relatively low, highlighting the need for further research on tax compliance behavior. This study aims to analyze the effect of tax literacy on tax compliance, with peer influence serving as a moderating variable. The theoretical framework employed in this study is Social Learning Theory, which posits that individuals respond to external stimuli through self-regulation processes involving cognitive capabilities. In this study, peer influence represents the external stimulus, while individual cognitive ability is reflected in tax literacy. This research adopts an experimental method. The experimental participants are individual taxpayers, as evidenced by their ownership of a tax identification number. The results indicate that: (1) tax literacy has a significant effect on tax compliance; (2) taxpayers with high tax literacy supported by compliant peers exhibit higher levels of tax compliance, whereas taxpayers with tax literacy supported by non-compliant peers demonstrate lower levels of tax compliance.

Keywords: tax compliance, tax literacy, peer influence

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