

Tax Morale, Tax Rate and Voluntary Personal Income Tax Compliance Post-COVID-19 Pandemic: Evidence from Vietnam

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Abstract

This study investigates the factor influence of voluntary personal income tax (PIT) compliance in the Vietnam context post Covid 19 with perception of fairness as a mediating variable and tax rate as a moderating variable. The research data were collected on the Google Form platform, with 300 responses forwarded to the participants from November 1, 2024, and December 31, 2024. SmartPLS 3 was used to test this relationship in the proposed hypotheses. This study found the existence of all proposed relationships. A highlight of the study proved the existence of the mediating variable, perception of fairness, and the moderating variable, tax rate. However, the relationship between the tax rate and voluntary tax compliance shows the opposite result. Based on these results, the authors provide valuable suggestions to taxpayers and policymakers to improve PIT compliance in Vietnam.

Keywords: Tax rate, tax morale, voluntary tax compliance, perception about government, perception of fairness,

1. Introduction

Voluntary tax compliance is crucial to a sustainable and equitable financial environment. It benefits both individuals and the state by reducing administrative costs, increasing state revenue, and providing financial resources to key sectors. It also fosters trust between the government and citizens, thereby promoting fairness and transparency. However, high tax evasion levels can weaken government budgets and lead to economic instability.

Globally, governments have implemented personal income tax regulations to encourage voluntary tax compliance. However, enforcement challenges exist because of evolving tax systems. Studies have identified key factors influencing voluntary tax compliance, such as economic factors such as income level, audit probabilities, tax rates, benefits, penalties, and fines, and non-economic factors such as attitudes towards taxes, personal, social, and national norms, and perceived fairness (Barbuta-Misu, 2011; Deyganto, 2018; Hofmann et al., 2008). These factors are driven by both economic (penalties and tax rates) and non-economic (social norms) elements.

Economic and non-economic determinants substantially affect voluntary tax compliance (VTC). Tax rates are a vital element, as they alleviate the financial strain on taxpayers and promote compliance. One of the most prominent non-economic factors is tax morale, which also contributes significantly. Tax morale is shaped by cultural values, ethics, and social conventions, whereas perceptions of fairness are determined by taxpayers' beliefs about the equity of the tax system. Research models have identified independent variables, such as Tax Morale and Tax Compliance Simplicity, whereas the Tax Rate functions as both an independent and moderating variable. The perception of fairness mediates the relationships between trust management, tax compliance systems, government expenditure, and compliance behavior (Hassan et al., 2021). Nevertheless, an exclusive emphasis on economic variables fails to comprehensively elucidate the VTC (Zamudio & Cama, 2020). A holistic approach that incorporates both economic and non-economic variables is essential for a complete understanding of VTC (Zamudio & Cama, 2020; Nguyen, 2022).

This study explores the correlation between economic and non-economic factors that influence personal income tax compliance in Southeast Asia, particularly in Vietnam. Unlike previous research, which focused on either economic or non-economic aspects, this study integrates both factors. This research focuses on the service, production, agriculture, and commerce sectors in Vietnam, a developing nation with a constantly

evolving tax system post-COVID-19. This study examines the relationship between tax morale, tax rate, and voluntary tax compliance among industry groups that have contributed to Vietnam's tax revenue post-COVID-19.

2. Literature review

2.1. Tax rate

Assfaw and Sebhat (2019) found that education level, tax knowledge, awareness, simplicity of the tax system, and perceived government expenditure encourage tax compliance in Ethiopia. However, higher tax rates were identified as deterrents, suggesting that excessive taxation may lead to reduced voluntary compliance. Helhel and Ahmed (2014) found that high tax rates and a lack of fairness in the tax system contributed to lower compliance levels in Sana'a, Yemen. Mas'ud et al. (2014) conducted a comprehensive study across 61 African countries, finding a statistically significant negative relationship between tax rates and compliance levels. The study concluded that African countries with tax rates exceeding the regional mean of 29.20% should consider tax rate adjustments to enhance compliance (Masud et al., 2014). Higher tax rates may be perceived as unfair by taxpayers, especially if they believe that the tax burden is disproportionately high compared to their income or the quality of public services received.

Lower compliance levels are a direct result of the substantial impact of tax rates on taxpayers' perceptions of fairness (Helhel & Ahmed, 2014). According to Masud et al. (2014), higher tax rates have a detrimental effect on compliance according to studies conducted in 17 African nations. This is particularly noticeable when taxpayers believe that the tax burden is unfair. Another way that Ethiopia's high tax rates discourage taxpayers from willingly paying their fair share is by creating unfavorable impressions of the tax system's fairness (Assfaw & Sebhat, 2019). These results point to the importance of tax rates as a moderator in the association between perceptions of fairness and voluntary tax compliance.

2.2. Tax morale

Tax morale is related to the intrinsic motivation of persons or non-financial incentives that drive their willingness to fulfill tax duties beyond legal requirements and associated economic advantages (Alm & Torgler, 2011). Moreover, it encapsulates societal norms, ethical standards, and a sense of civic duty that drives voluntary tax compliance (Alm & Torgler, 2011). These applications are entirely aligned with and elucidated by the Altruistic Approach Theory. This theory posits that individuals are inclined to contribute to collective welfare due to motivations rooted in social responsibility and solidarity (Piliavin & Charng, 1990). Kirchgässner (2011) explains that this theory significantly accounts for tax-paying behavior; individuals with elevated tax morale perceive tax payments as a contribution to communal welfare rather than a compulsory financial duty to the government. Moreover, when individuals see that their tax contributions support public initiatives, such as education, healthcare, and infrastructure enhancements, their propensity to pay escalates, even without stringent enforcement (Lisi, 2015). Thus, the strong correlation between Tax Morale (TM) and Altruistic Approach Theory is predicated on the notion that individuals are more inclined to voluntarily pay taxes when they perceive taxation as a means to enhance societal welfare rather than as a mere obligation.

Tax morale is the attitude of a group or the entire population of taxpayers toward the completion or disregard of their tax obligations. According to Alm and Torgler (2011), people do not always act in their best interests or are based on reasonable calculations. Instead, ethical factors, such as morality, compassion, and fairness, influence judgments. When tax morale is good, these ethical elements motivate people to pay their taxes voluntarily (Alm & Torgler, 2011). Cummings et al. (2009) discovered that Botswana had a 6-percentage-point higher tax honesty rate than South Africa, supporting the idea that improved governance and public trust boost tax morale, which improves compliance.

Multiple studies have demonstrated that tax morale substantially enhances tax compliance by fostering a sense of equity. Taing and Chang (2020) demonstrated that tax morale significantly influences tax compliance intention, substantiating the assertion that individuals with a robust moral commitment to taxation are more inclined to perceive the tax system as just. This finding substantiates the assertion that tax morale positively affects the perception of justice, as individuals who view taxation as a civic duty are less likely to question its legitimacy. Hassan et al. (2021) and Hardika et al. (2021) indicate that enhancing tax morale by transparency, trust-building, and public education could elevate perceptions of equity and boost compliance rates. Tax morale significantly affects citizens' perception of the tax system's equity. Taxpayers

with a robust sense of civic duty and belief in societal contributions are more inclined to perceive the tax system as equitable and right. An enhanced perception of fairness results in greater voluntary tax compliance as individuals are more inclined to adhere to tax regulations when they see the system as equitable. Consequently, fairness links tax morale and voluntary compliance, thus enhancing the indirect impact of tax morale on compliance behavior.

2.3. Perception of fairness

Tehulu and Dinbem (2014) concluded that perceptions of fairness in the tax system significantly influence tax compliance behavior. Mukhlis et al. (2014) contended that social equality affects tax compliance. Palil and Mustapha (2011) assert that the equity of the tax system significantly influences taxpayer compliance. Hofmann et al. (2008) define procedural fairness as the perception of equitable implementation of procedures and services by authorities, whereas retributive fairness pertains to taxpayers' perceptions of suitable penalties for tax violations. Heuristic Theory offers a framework for evaluating fairness. Taxpayers may perceive the tax system as inequitable if they believe that their contributions exceed the benefits received from the government or are disproportionate compared to those of other taxpayers (Chau & Leung 2009). Societies must perceive the tax system as fair and equitable. Voluntary compliance is enhanced if this approach is valid (Gilligan & Richardson, 2005; Saad, 2011).

The perception of fairness in the tax system boosts citizens' faith in government bodies, boosting their chance of following tax laws (Alexander & Balavac-Orlic, 2022). According to studies conducted by Saptono and Khozen (2023) and Taing and Chang (2021), taxpayers' beliefs concerning tax equality considerably impact their intentions to fulfill their tax obligations. Saad's (2011) research supports the idea that positive attitudes toward justice lead to increased voluntary compliance. According to Saad, increased tax awareness and a more efficient tax system foster a greater sense of equity, which fosters voluntary compliance. Taxpayers with a strong sense of justice are more likely to comply voluntarily because of their tax knowledge and the perceived complexity of the system. Administrative and exchange fairness are important to New Zealanders, although Malaysians had stronger overall perceptions of fairness, possibly due to variations in tax enforcement and penalties.

2.4. Tax voluntary compliance behavior

Kelley and Michela (1980) applied The Theory of Attribution in the tax field to explain the causes of taxpayer behavior and the impact of surrounding entities, affecting their decisions and perspectives on tax compliance. In particular, this theory approaches two aspects: internal factors (personal responsibility and moral values) and external factors (government effectiveness and enforcement policies) that form voluntary tax compliance behavior (Kelley & Michela, 1980). When taxpayers believe in internal factors, they feel motivated not only by obligations and responsibilities but also by trust in the transparent tax system; this group of people tends to pay taxes more voluntarily (Palil & Mustapha, 2011). Conversely, their willingness to pay taxes may decrease as a result of external factors, including unfair tax policies, corruption, or inefficient public service provision (Hofmann et al., 2008). Additionally, taxpayers' tax compliance behavior is also influenced by their peers; when the majority of citizens comply due to shared moral values, they are more likely to follow suit (Braithwaite, 2002). However, in an environment of rampant tax evasion, taxpayers are willing to justify non-compliance (Braithwaite, 2002). As a result, the factors influencing voluntary tax compliance are determined by factors related to the government itself (tax rate) and social norms (perceptions of fairness and tax morality).

Based on the recommendations from prior discussions, the authors developed the following hypothesis:

H1: Higher tax rates negatively affect voluntary tax compliance fairness.

H2: The tax rate moderates the relationship between perceptions of fairness and voluntary tax compliance behavior.

H3: A positive perception of fairness in the tax system leads to higher voluntary tax compliance.

H4: Tax morale positively affects voluntary tax compliance behavior.

H5: Tax morale has a positive impact on voluntary tax compliance through the mediation of behavior.

3. Research Methodology

This research aims to explore the relationship between the influence of both economic (tax rate) and non-economic factors (tax morale) on voluntary tax compliance behavior with the perception of fairness as a

mediation factor and tax rate as a moderator factor. Based on the suggestions and gaps from previous studies, the research model is built by applying the Altruistic Approach Theory, Equity Heuristic Theory, and the Theory of Attribution. In addition, this study uses descriptive quantitative methods and tests the hypotheses using SmartPLS3. The new point in this study is highlighted by the exploration of the relationship between factors, including tax rate and tax morale, and voluntary compliance tax behavior in Vietnam in the post-Covid 19 context with the moderating role of perception of fairness and the moderating variable tax rate.

Figure 1 shows a hypothetical model to explore the correlation between tax rate (TR) and voluntary tax compliance behavior (VTC). TR is determined by three observations, TR1, TR2, and TR3, and the aspects VTC1, VTC2, VTC3, VTC4, VTC5, VTC6, and VTC7 are developed to observe the variable VTC. In addition, this model is suggested to test whether there exists a mediating role of perception of fairness and the moderating role of tax rate between the independent variables, including economic (TR) and non-economic (TM) factors, on the dependent variable VTC.

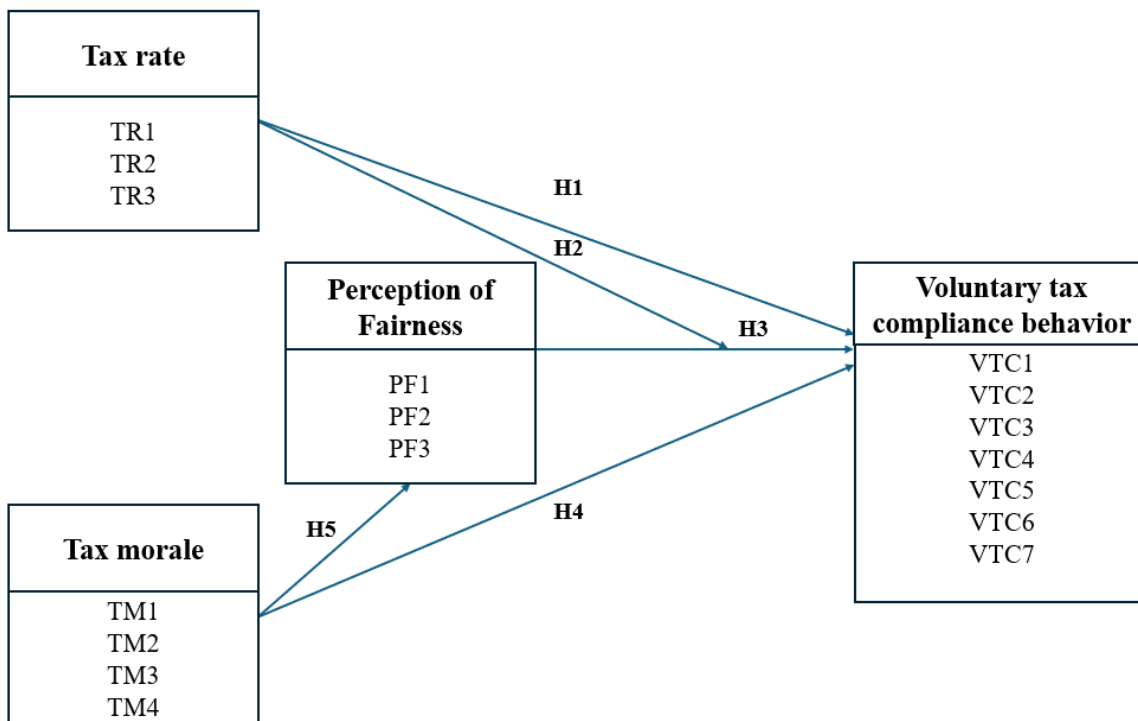


Figure 1: Research model

3.1. Measurement research model

The author constructed a questionnaire based on suggestions and recommendations from previous studies on this topic. The survey was forwarded to the respondents between November 1, 2024, and December 31, 2024. A 5-point Likert scale was used to construct a quantitative questionnaire measuring the observed variables. In addition, in the questionnaire, in addition to the main questions related to the research topic, a demographic questionnaire including gender, age, sector, position, and income level (per month) was mentioned to collect participants' information.

Table 1: Measurement research model

Symbol	Statement	Reference
Tax rate (TR)		
TR1	After Covid 19, according to the provisions of Resolution No. 954/2020/UBTVQH14 on adjusting the family deduction level of personal income tax, people with income from salary and wages of 17 million VND/month	(Azemi et al., 2020)

	(if having 1 dependent) or 22 million VND/month (if having 2 dependents) do not have to pay personal income tax, this helps me reduce the tax burden.	
TR2	High-income earners have a greater ability to pay their income tax, so it is fair that they would pay a higher rate of tax compared to low-income earners.	
TR3	A 'fair' tax rate should be the same for everyone, regardless of their income.	
Tax morale (TM)		
TM1	I believe in being transparent about all of my tax responsibilities.	(Taing & Chang, 2020)
TM2	I am committed to paying taxes and would not evade them, even if an opportunity arise.	
TM3	I believe that avoiding tax payments is unethical.	
TM4	I consistently adhere to and comply with tax laws.	
Voluntary tax compliance (VTC)		
VTC1	I feel a moral obligation to pay my taxes.	(Wahl et al., 2010)
VTC2	Paying my taxes ultimately benefits everyone.	
VTC3	Overall, I pay my tax with goodwill.	
VTC4	I think of tax-paying as helping the government of Vietnam do worthwhile things.	
VTC5	I accept responsibility for paying my fair share of tax.	
VTC6	Paying tax is the right thing to do.	
VTC7	Paying tax is a responsibility that should be willingly accepted by all citizens.	
Perception of Fairness (PF)		
PF1	I believe the government utilizes a reasonable amount of tax revenue to achieve social goals, such as the provision of benefits for low-income families.	(Saad, 2011; Gilligan & Richardson, 2005)
PF2	I believe everyone pays their fair share of income tax under the current income tax system.	

PF3	It is fair that low-income earners receive more benefits from the government compared to high-income earners.	
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3.2. Sample scale and Data collection

This study utilized a Virtual Access approach, employing an online survey format through Google Forms, with a random sample of 300 participants to gather data on the determinants of PIT compliance, including TR and TM. To examine the correlation between the independent variables affecting PIT compliance and the dependent variable, the authors developed a set of study questions to assess VTC through the mediating variable PF and the moderating variable TR, utilizing Google Forms for measurement. Upon completing the questionnaire, the author contacted enterprises in the service, manufacturing, agricultural, and commercial sectors, located in Hanoi and Thanh Hoa.

The survey was forwarded to the contributors from November 1st to December 31, 2024. Furthermore, upon collecting a complete sample size of 300, the author terminated the survey URL. The data of the survey participants and contacts were anonymized and retained for research purposes.

4. Results and discussion

4.1. Results

4.1.1. Sample collection

Table 2 illustrates the collection of sample sizes after completing 300 responses. Specifically, the number of males who took part in the study was 151 people (51%), while the figure for females was 149 people (49%). With respect to age, the majority of participants were in the young age group from 18 to 30 years old (30.3%), the runner-up was the group from 30 to 40 years old (28.2%), and the rest were middle-aged. In addition, the collected data witnessed an even distribution of participants from various fields. In particular, the service industry accounted for 24.08% of the total number of participants, while the production industry accounted for 24.66%, and the figures for the Agriculture and Commerce sectors were 23.58% and 27.68%, respectively. The sample also reflects a diverse representation of job positions, with staff members comprising the largest proportion (34.15%), followed by groundswell-level management (33.59%), middle management (18.16%), and senior management (14.1%). Income distribution indicates that 46.57% earned less than 10 million VND per month, 30.1% fell within the 10 to 20 million VND range, and 23.33% earned between 20 and 40 million VND.

Table 2: Sample scale of the study

Criteria		Percentage
Gender	Male	51%
	Female	49%
Age	18 - 30	30.3%
	30 - 40	28.2%
	40 - 50	21.4%
	50 - 60	20.1%
Sector	Service	24.08%
	Production	24.66%
	Agriculture	23.58%
	Commerce	27.68%
Position	Staff	34.15%
	Grassroots-level management	33.59%

	Middle management	18.16%
	Senior management	14.1%
Income per month	Less than 10 million VND	46.57%
	From 10 to 20 million VND	30.1%
	From 20 to 40 million VND	23.33%

4.1.2. The Examination of the Measurement Model

To test the correlation of the hypotheses, the authors used the PLS-SEM model with SmartPLS 3 software. The authors used this method because the statistical properties of PLS-SEM provide robust model estimates with data having normal distribution characteristics as well as non-normal distributions (Henseler et al., 2009). In addition, Chin and Newsted (1999) systematically evaluated the effectiveness of PLS-SEM using small sample sizes and concluded that it performed well.

Table 3: Reliability validity

Variables	Cronbach's alpha	rho_A	Average variance extracted (AVE)
TRxPF	1.000	1.000	1.000
TR	0.726	0.736	0.644
PF	0.714	0.772	0.643
VTC	0.852	0.855	0.529
TM	0.709	0.732	0.522

Table 3 refers to the reliability validity test of the model after the author ran the PLS Algorithm was run. According to DeVellis (2017), Cronbach's alpha threshold must be above 0.7. If a scale does not meet the reliability threshold, it is necessary to remove each observed variable with the lowest outer loading to improve the reliability. In this study, both Cronbach's alpha and rho_A were guaranteed to exceed the threshold of 0.7, ranging from 0.709 to 1.000 and 0.732 to 1.000, respectively. In addition, Höck and Ringle (2010) suggested that a scale achieves convergent validity if the AVE is 0.5 or higher. The AVE values for TR at 0.644, PF at 0.643, VTC at 0.529, and TM at 0.522 exceeded the recommended threshold of 0.50, indicating a strong convergent validity. Thus, the variables observed in the model had satisfactory internal consistency and convergent validity.

Table 4 presents the results of the discriminant validity assessment using the Heterotrait-Monotrait (HTMT). Grason (2016) suggested that the HTMT should be below 1,000 to ensure the discriminant value between two latent variables. The observed variables PF, TM, TR, TRxPF, and VTC are all below 1,000, meaning that all items are constructed in full accordance with the research model.

Table 4: Results of the discriminant validity

Heterotrait-Monotrait (HTMT)				
Variables	PF	TM	TR	TRxPF
PF				
TM	0.641			

TR	0.681	0.813		
TRxPF	0.358	0.450	0.487	
VTC	0.895	0.833	0.999	0.496

4.1.3. Examination of the Structural Model

The test for collinearity of independent variables (inner VIF) is presented in Table 5. The VIF score in the research model ranges from 1.000 to 2.201 less than 3, which means that there is no multicollinearity (Hair et al., 2019).

Table 5. Multi-collinearity

Variables	VIF	Variables	VIF
PF1	2.083	VTC1	1.567
PF2	2.023	VTC2	1.418
PF3	1.146	VTC3	1.799
TM1	1.173	VTC4	1.815
TM2	2.102	VTC5	1.718
TM3	1.227	VTC6	1.676
TM4	2.201	VTC7	1.674
TR1	1.504	TRxPF	1.000
TR2	1.348		
TR3	1.471		

Table 6 provides an overview of the coefficients of determination R^2 , adjusted R^2 , and effect size f^2 for the structural model. The findings indicate that 23.1% of the variance in PF is accounted for by the model, whereas VTC exhibits a notably high R^2 of 0.826, suggesting strong explanatory power. The adjusted R^2 values, which account for model complexity, were slightly lower, but remained within an acceptable range. In terms of effect size, PF demonstrated a substantial impact on VTC with f^2 equal to 0.601, whereas TM f^2 at 0.300 and TR f^2 at 0.639 showed moderate influences. Conversely, the interaction term TRxPF recorded a minimal effect size f^2 of nearly 0.024, implying a weak moderating effect.

Table 6. R^2 , R^2 adjusted and f^2

Variables	R^2	R^2 adjusted	f^2 (PF)	f^2 (VTC)
PF	0.231	0.228		0.601
VTC	0.826	0.824		
TM			0.300	0.086
TR				0.639
TRxPF				0.024

The author tests the proposed hypotheses through Bootstrapping, described in Table 7.

Table 7. Research hypotheses testing

Hypothesis	Original Sample (O)	STDEV	T statistics	P values	Results
H1: TR → VTC	0.479	0.479	10.710	0.000	Not supported
H2: TRxPF → VTC	-0.059	-0.062	3.010	0.003	Supported
H3: PF → VTC	0.384	0.037	10.343	0.000	Supported
H4: TM → VTC	0.357	0.355	9.928	0.000	Supported
H5: TM → PF → VTC	0.184	0.022	8.410	0.000	Supported

The results in Table 7 show that the hypothesis of a positive relationship between PF and VTC (H3), Tm and VTC (H4), the existence of the mediating variable PF (H5) and the moderating variable TR (H2) are all examined. However, this model does not show a positive relationship between TR and VTC (H1). The research results are consistent with the views and results of studies on the same topic. The research model shows that TR has a positive relationship with VTC, implying that high tax rates not only contribute to activities that bring public benefits. In addition, if rationalized according to the income level of individuals, taxpayers are willing to comply with voluntary tax payments at high tax rates. Furthermore, the negative moderating effect of TR on the relationship between perceived fairness PF and VTC indicates that higher tax rates weaken the positive effect of perceived fairness on compliance, implying that overtaxation may reduce trust in the tax system. The strong positive relationship between PF and VTC reinforces the idea that taxpayers are more likely to voluntarily comply when they perceive the tax system as fair. In addition, the significant effect of TM tax morale on both VTC H4 and PF, which strengthens VTC H5, implies the important role of social norms and moral considerations in shaping tax compliance behavior. These findings suggest that while tax rates are important, policymakers should focus on building fairness perceptions and strengthening taxpayer morale to enhance voluntary tax compliance effectively.

4.2. Discussion

In the current socio-economic context, ensuring the tax compliance of people plays a very important role in maintaining budget revenue, ensuring public spending, and sustainable economic development. Our research focused on analyzing factors affecting voluntary compliance with personal income tax in Vietnam after the Covid-19 pandemic, with a research model including independent variables such as TM TR,, TR mediating variable PF, moderating variable TR, and dependent variable VTC. The results show that this model is capable of explaining most of the variance in tax compliance behavior while affirming the important role of both economic factors (tax rate) and non-economic factors in shaping people's tax payment behavior. During the analysis, the authors found that not only economic factors such as tax rates, but also non-economic factors such as tax morality and the perception of the fairness of the tax system contribute to increasing taxpayers' voluntary tax declaration and payment.

First, the results show that TM, also known as intrinsic motivation and taxpayers' sense of responsibility, has a clear positive effect on VTC. When taxpayers have a high sense of civic duty and a sense of contributing to the common development of society, they tend to voluntarily comply with tax regulations, despite financial difficulties or administrative barriers (Alexander & Balavac-Orlic, 2022). This shows that, in the current context, building a tax-paying culture where people understand and feel the value of contributing to society is a key factor in increasing compliance behavior. The empirical results show that the relationship between TM and VTC not only exists in a simple direction but is also strongly reinforced by increasing the perception of fairness (PF) in the tax system, thereby creating a positive spillover effect on voluntary declaration behavior.

An equally important economic aspect is the impact of the Tax Rate on compliance behavior. Tax rate is not only a factor that directly affects people's ability to pay taxes but also plays a role in regulating the relationship between other factors and VTC. Tax rates raise taxpayers' awareness of financial responsibilities and the importance of the economy. High rates may enforce stricter compliance and enhance

transparency, thus making tax evasion less appealing (Hassan et al., 2021). However, this benefits only when the tax rates remain reasonable. If rates exceed taxpayers' tolerance, this may lead to tax avoidance, emphasizing the need for appropriate tax rates. Furthermore, TR is also identified as having a regulatory role, helping to strengthen PF for VTC when appropriate tax rates increase taxpayers' confidence in the fairness of the system.

In addition, the perception of the fairness of the tax system is identified as an important intermediary factor, acting as a bridge between economic and non-economic factors and voluntary tax declaration behavior. When taxpayers feel that the tax system is built and implemented fairly, from determining tax rates to applying penalties for violations, they tend to trust and voluntarily comply with the regulations (Alexander & Balavac-Orlic, 2022). Research shows that PF not only has a direct impact on VTC, but also strengthens the relationship between intrinsic factors such as TM. Specifically, in the case of taxpayers with high TM, if the tax system is assessed as unfair, the effectiveness of intrinsic motivation is reduced. Conversely, when PF is strengthened through transparent and consistent policies, the relationship between TM and VTC becomes stronger, thereby creating a positive cycle that encourages full tax filing and payment behavior.

5. Conclusion

This research explores the factors, including economic factors such as tax rate and non-economic factors such as tax morale, that influence voluntary personal income tax compliance behavior through the mediating role of the perception of fairness and moderating tax rate in Vietnam in the context of post-COVID-19. The highlight of this study is that there exists a mediating relationship between PF and the moderating variable TR. In particular, PF plays a mediating role in the relationship between TM and VTC, implying that taxpayers in Vietnam are aware of their responsibilities for public initiatives, such as education, health care, and infrastructure improvement. Their propensity to pay taxes increases, and when this motivation appears, they feel that they contribute to the collective as fair, leading to higher compliance. Conversely, if they feel unfair, their trust in the system declines, reducing both the TM and VTC. Additionally, TR plays a direct role in VTC and moderates the relationship between PF and VTC. This implies that after Covid 19, the progressive tax system in Vietnam is still consistent with taxpayers' income, but the government also needs to consider adjusting policies appropriately and reasonably in each context to improve compliance.

From a practical perspective, the results of this study have many important implications for policymakers and tax authorities. Tax policies need to be appropriately adjusted in terms of the tax rates. Policymakers need to carefully consider current economic factors, thereby providing appropriate tax rates that both ensure revenue for the state budget and do not put too much pressure on taxpayers. Reasonable tax rates help maintain people's trust in the tax system, create fairness, and promote voluntary tax declaration behavior. At the same time, measures to punish tax violations need to be implemented in a transparent, fair, and consistent manner, avoiding feelings of injustice or unfairness in the eyes of taxpayers.

Another practical implication of this study is related to building and strengthening trust in the tax system. When taxpayers perceive that their tax money is used effectively for public services and social development, they tend to comply with their tax obligations more voluntarily. Therefore, tax authorities and governments need to strengthen communication and clearly explain how tax revenue is used for community purposes, thereby building trust and consensus in the community. This not only contributes to improving PF, but also creates a culture of voluntary tax payment, where each individual is aware of their role and responsibility in contributing to building a fair and sustainable society.

This study of the factors affecting tax compliance in Vietnam has provided valuable insights into the current literature. However, this study has some shortcomings. In the initial stage, although the sample size is relatively large, most come from the northern provinces of Vietnam; this only reflects a part of the income of individual taxpayers in Vietnam. The labor force in Vietnam is unevenly distributed, leading to a large difference in the distribution of salaries between provinces. The study only reflects a part of the personal income tax of those with average income, not all PIT taxpayers in the Central and Southern regions of Vietnam. In addition, the duration of the study during the observation period was relatively short, partly reflecting only one aspect of the difficulties in tax compliance. The scope of simplicity in constructing a set of questions related to the government was limited to the basic knowledge of the participants. This is simply because more technical questions with more complex levels of understanding may provide deeper insights into the study but also cause confusion or misunderstanding of the participants. To overcome these limitations, future studies should incorporate in-depth interviews, as they may be useful in providing a

deeper understanding and explaining the relationships between variables. Case studies may provide better quality responses to several issues of interest, including exploring the impact of lower compliance costs on compliance decisions. Although the project has some of the above shortcomings, the value it brings contributes to Vietnamese tax planners' practice of developing policies suitable for PIT taxpayers.

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