*Advances in Taxation Research, 3(1), 2025. 15 - 27*
*DOI: [https://doi.org/10.60079/atr.v3i1.424](https://doi.org/10.60079/atr.v3i1.424)*

OPEN ACCESS

ISSN Online: 2985-7554

Advances in Taxation Research
[https://advancesinresearch.id/index.php/ATR](https://advancesinresearch.id/index.php/ATR)


# Comparative Analysis of Public Perceptions of Tax Justice and Public Responses to Changes in the Tax System

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Received: 2025, 01, 18 Accepted: 2025, 01, 30
Available online: 2025, 01, 30

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**KEYWORDS**

**Keywords:**

Tax Justice; Public Perceptions; Digitalization; Financial Literacy; Tax Compliance.

**Conflict of Interest Statement:**

The author(s) declares that the research was conducted in the absence of any commercial or financial relationships that could be construed as a potential conflict of interest.



**ABSTRACT**

**Purpose:** This study examines public perceptions of tax justice and responses to systemic tax reforms, particularly in the context of digitalization and reform-driven economies like Indonesia. It investigates how distributive and procedural fairness, financial literacy, and socio-economic dynamics shape trust, compliance, and acceptance of tax policies.

**Research Design and Methodology:** The study employs a qualitative approach, using a Systematic Literature Review (SLR) to synthesize insights from recent theoretical and empirical studies. Integrating key findings from interdisciplinary research explores the relationship between tax justice perceptions, digitalization, financial literacy, and public trust in tax reforms.

**Findings and Discussion:** The study reveals that perceptions of tax fairness significantly influence public trust and compliance. Distributive justice ensures equitable tax burdens aligned with economic capacity, while procedural justice emphasizes transparency and inclusive in policy implementation. Financial literacy moderates the relationship between perceived fairness and voluntary compliance, enhancing public understanding of taxation benefits. Digitalization offers efficiency but presents challenges of inclusivity, particularly for marginalized groups. The findings highlight the importance of tailoring reforms to socio-economic and cultural contexts to foster trust and acceptance.

**Implications:** The study underscores the need for transparent, equitable, and inclusive tax policies. Policymakers should prioritize public education on financial literacy, ensure equitable digital tax systems, and promote participatory governance in tax reform processes. These measures will enhance compliance, strengthen public trust, and promote sustainable economic development. Future research should empirically validate these relationships and explore cross-country comparisons to deepen understanding of taxation dynamics.

## Introduction

Taxation is a fundamental pillar of a nation's economic structure, serving as the primary mechanism through which governments secure the financial resources needed to support public services, infrastructure development, and social welfare programs. Beyond its practical role in fiscal policy, taxation embodies the broader social contract between governments and their citizens, built on fairness, accountability, and mutual obligation principles (Beeri et al., 2022). The effectiveness of a tax system, however, is not merely determined by its ability to collect revenue but also by the extent to which it is perceived as equitable and just. Tax justice, a concept central to discussions of modern tax systems, emphasizes the fair and proportionate distribution of tax burdens across various socio-economic groups (Rawlings, 2004). This principle ensures that individuals and corporations contribute to public finances by their capacity while benefiting from the collective outcomes of tax-funded programs. However, achieving tax justice is a complex challenge, particularly in countries experiencing significant systemic changes or reforms. The disparity between the theoretical ideals of tax justice and their practical implementation often leads to public dissatisfaction and distrust. Developing nations, including Indonesia, face compounded difficulties due to historical inefficiencies, weak enforcement mechanisms, and a lack of transparency in the allocation of tax revenues. Such challenges highlight the critical need for an equitable and transparent tax system that generates fiscal resources and fosters public trust and compliance. This foundational relationship between tax justice and public perception underscores the relevance of exploring the complex dynamics influencing taxation policies.

Like many developing economies, Indonesia has reformed significantly to modernize its taxation system and address long-standing inefficiencies. One of the key strategies adopted in recent years is digitalizing tax administration, which aims to reduce tax loopholes, streamline compliance processes, and improve overall transparency (Hesami et al., 2023). While these reforms represent a critical step toward fostering an efficient and equitable tax system, their implementation has not been without challenges. Public skepticism often arises due to limited understanding of the reforms, inadequate public education, and inconsistent enforcement of tax regulations (Valerian, 2023). Additionally, the perceived disconnect between these reforms' goals and taxpayers' lived experiences further exacerbates distrust in the system. For example, reports of inequitable tax enforcement have raised concerns that certain socioeconomic groups bear a disproportionate share of the tax burden (Alston & Reisch, 2019). Similarly, the lack of transparent communication about how tax revenues are allocated for public benefit has undermined efforts to strengthen public trust. These issues are compounded by cultural, political, and socio-economic factors that shape how individuals and groups perceive tax fairness and respond to systemic changes. Against this backdrop, understanding the intricate relationship between tax justice and public perception becomes crucial. The divergence in public responses to these reforms reveals underlying issues of trust, fairness, and compliance, which directly affect the success of taxation policies (Mohammed & Tangl, 2023). Examining this phenomenon provides a deeper understanding of the challenges in aligning innovative reforms with public expectations, shedding light on broader fiscal policy and governance implications.

Recent studies have examined the multifaceted relationship between public perception and tax compliance, emphasizing the importance of fairness and transparency in tax systems. For example, research on digital property tax collection in Indonesia highlighted public acceptance of digitalization. However, it revealed concerns about fair implementation, stressing the need for transparency, public education, and stakeholder engagement (Maulidi & Munawaroh, 2025). Financial literacy and perceptions of fairness positively influenced compliance, with fairness as a moderating factor (Anaman et al., 2024). Socio-economic status, political ideology, cultural values, and institutional trust also significantly shape attitudes toward taxation. Naslia & Yulianti (2024) emphasized transparency, accountability, and responsiveness in tax administration as critical for building trust and compliance. Similarly, a UK study revealed a "hidden consensus" on tax preferences across income levels despite varying views on mechanisms (Barnes et al., 2024). In Indonesia, the interplay between tax discrimination, knowledge, and sanctions strongly impacts perceptions of tax evasion (Wulandari & Sanulika, 2024). The ethical dimensions of taxation have also been explored. Rossa et al. (2024) found that fairness and tax systems negatively influence tax evasion among corporate and individual taxpayers. Similarly, Margaretha et al. (2021) highlighted the role of fairness, tax understanding, and sanctions in shaping perceptions of tax evasion ethics. Despite these insights, studies show inconsistencies; Pramesty & Ratnawati (2023) found that fairness and tax rates positively influence students' views on tax evasion, while sanctions had minimal impact. These findings underscore the complexity of tax perceptions and the need for nuanced research to inform equitable tax policy interventions.

Despite the growing body of research on tax justice and public perception, significant gaps persist in understanding the interplay between systemic tax reforms and trust dynamics. Existing studies often emphasize individual factors such as financial literacy, perceptions of fairness, and sanctions. However, they fail to comprehensively address how these factors interact with broader structural changes, such as digitalization and policy reforms. For instance, research by Maulidi & Munawaroh (2025) and Anaman et al. (2024) highlights the public's acceptance of digitalized tax collection and the role of fairness in compliance. However, these studies do not explore the long-term implications of these reforms on trust and voluntary compliance across diverse socio-economic groups, leaving critical questions unanswered. Much of the literature examines tax perceptions and compliance behaviors as isolated phenomena rather than interconnected elements shaped by socio-political and cultural contexts. While studies by Naslia & Yulianti (2024) and Barnes et al. (2024) provide valuable insights into how socioeconomic status, political ideologies, and institutional trust influence tax attitudes, they fall short of offering actionable frameworks for integrating these findings into effective tax policy design. This disconnect between empirical observations and theoretical advancements suggests a need for more holistic research that bridges these gaps. Addressing these issues would provide a deeper understanding of how systemic reforms can align with public expectations to enhance trust and compliance while fostering equitable and sustainable fiscal systems.

This study offers a novel contribution by focusing on the comparative analysis of public perceptions of tax justice and their responses to systemic changes in taxation, particularly in the context of digitalization and reform-driven economies like Indonesia. Unlike previous research that predominantly isolates specific factors—such as financial literacy, fairness, or sanctions—this study uniquely examines how these factors interact with socio-political and cultural dynamics to shape long-term trust and compliance. The research goes beyond merely identifying these interactions; it delves into public trust's structural and psychological dimensions, uncovering how perceptions of fairness in tax reforms evolve across diverse socio-economic groups. By integrating theoretical frameworks with recent empirical findings, the study seeks to provide a deeper, multidimensional understanding of the mechanisms influencing tax compliance and public trust. The research addresses the question: How do comparative public perceptions of tax justice influence their responses to changes in the tax system, particularly in reform-intensive settings? This question is critical, as it reflects the urgency to understand the outcomes of tax reforms and the pathways through which public trust and compliance are established or eroded. Using a systematic literature review (SLR), this study aims to identify actionable insights for policymakers to design equitable, transparent tax systems that foster trust in environments characterized by rapid systemic changes. The findings will contribute to a more nuanced policy framework that aligns taxation strategies with modern societies' socio-cultural expectations and economic realities, addressing an often-overlooked intersection of tax policy and public sentiment.

## Literature Review

### *Equity Theory*

Equity Theory, introduced by Adams (1965), emphasizes how individuals evaluate fairness by comparing the ratio of their inputs, such as taxes paid, to the outputs they receive, including public goods and services. This evaluation is not limited to their experiences but extends to comparisons with others or specific groups, often shaping perceptions of equity in tax systems. For instance, perceived disparities—where taxpayers believe they pay more taxes but receive fewer benefits than others—can lead to dissatisfaction and non-compliance behaviors (Belahouaoui & Attak, 2023). Such responses highlight the critical role of fairness in fostering voluntary compliance within tax systems. Key elements of Equity Theory in taxation are distributive and procedural justice. Distributive justice pertains to the equitable allocation of tax burdens relative to economic capacity, often achieved through progressive tax policies that impose higher rates on wealthier individuals. Procedural justice, in contrast, concerns how tax-related decisions are made, focusing on transparency and accountability. When taxpayers perceive fairness in both dimensions, they are more likely to comply voluntarily (Gobena, 2024). Conversely, inequities such as discriminatory policies or inconsistent implementation can erode trust and fuel resistance to tax reforms. Transparency in the allocation of tax revenues further reinforces public trust, as taxpayers want assurance that their contributions are utilized effectively (Higgs et al., 2024). By addressing systemic inequities and fostering procedural fairness, policymakers can enhance trust and compliance, aligning tax systems with public expectations of equity and justice (Colquitt & Zipay, 2015).

Perceived fairness is critical in shaping taxpayer compliance, as Equity Theory highlights. This theory emphasizes the importance of balance between the inputs individuals contribute, such as taxes, and the outputs they receive, such as public goods and services. For instance, Belahouaoui & Attak (2023) noted that in Morocco, when taxpayers perceive that benefits equitably match their contributions, they are more likely to comply willingly, underscoring the importance of perceived equity in fostering trust in tax systems. Their findings reveal that fair distribution of tax burdens strengthens voluntary compliance and minimizes resistance. Similarly, Adem et al. (2024) identified justice as a crucial factor influencing compliance in Ethiopia. They observed that compliance behaviors increase significantly when taxpayers perceive fairness in tax burden and the procedural transparency of tax systems. Their research highlights that a lack of perceived fairness often results in non-compliance, driven by distrust in the system. Wilkinson & Hageman (2023) further expanded on equity in resource management, explaining that perceptions of inequity lead to resistance, a dynamic applicable to taxpayer behavior. Colquitt & Zipay (2015) also demonstrated that perceived injustices in organizational settings lead to withdrawal behaviors, drawing parallels to taxpayer disengagement in unfair tax systems. These studies emphasize that perceived fairness is foundational in achieving compliance and maintaining trust in tax systems.

Equity Theory provides a valuable framework for analyzing public responses to tax system reforms, particularly in the context of digitalization. While digitalization aims to enhance administrative efficiency and transparency, its success largely depends on public perceptions of fairness in implementation. For instance, Chen & Meng (2024) found that digital technology can improve corporate tax compliance, but the benefits may not be evenly distributed across different income groups. This underscores the importance of considering distributive justice principles in technology-based tax reforms. If such reforms fail to address disparities in technology access or digital literacy, disadvantaged groups may feel marginalized, leading to resistance against these policies. The theory emphasizes the necessity of stakeholder engagement and transparency throughout the reform process. Abu-Silake et al. (2024) highlighted that behavioral determinants are critical to accepting and effectively utilizing digital tax platforms. Transparent tax management bolsters public trust in governmental institutions and diminishes perceptions of public fund misappropriation. By involving the public in decision-making processes and ensuring equitable access to tax-related information, authorities can foster higher compliance rates and cultivate a more inclusive, sustainable tax system. In this regard, Equity Theory provides a robust framework for designing tax policies that are efficient and widely accepted by the populace.

### *Public Perceptions of Tax Justice*

Various factors, including socioeconomic status, cultural norms, and the visibility of tax benefits, shape public perceptions of tax justice. Socioeconomic status plays a significant role, as individuals from lower-income groups often perceive themselves as disproportionately burdened by taxes (Strand & Mirkay, 2019). Chen & Meng (2024) emphasized that this perception can intensify when the benefits of tax-funded programs are not evenly distributed, leading to diminished trust in the tax system. Cultural norms further influence these perceptions. In collectivist societies, taxpayers tend to view taxation as a collective responsibility that benefits the community, while in individualistic cultures, the focus shifts toward personal benefits (Mohammed & Tangl, 2023). The transparency and accountability of tax allocation are equally crucial. Prichard et al. (2019) highlighted that when taxpayers can see tangible results from their contributions—such as improved infrastructure or public services—they are more likely to comply voluntarily. Conversely, a lack of visible benefits or perceived mismanagement of tax revenues can lead to resistance and non-compliance. Idrus (2024) demonstrates this view by showing that transparency in digital tax administration systems significantly enhances public trust and compliance. These studies underscore the importance of creating a tax system that distributes burdens equitably and ensures that the benefits are visible and accessible, fostering public trust and engagement.

Perceived fairness is pivotal in shaping taxpayer compliance, influencing voluntary and enforced adherence to tax obligations. When taxpayers believe the tax system is equitable, they are more likely to comply willingly. For instance, Nathan et al. (2024) demonstrated that perceptions of fairness in tax burdens significantly enhance compliance behaviors, particularly when taxpayers feel their contributions are proportional to the benefits they receive. Similarly, Naslia & Yulianti (2024) emphasized that tax morale, closely linked to fairness perceptions, is a critical determinant of voluntary compliance, underscoring the importance of equitable policies. Transparency and accountability in tax administration strengthen the link between fairness and compliance. Adeyeye & Otusanya (2015) observed that taxpayers who perceive the tax system as transparent are more inclined to fulfill their obligations, as transparency fosters trust in government institutions. Bassey et al. (2022) found that implementing digital tax systems improves compliance only with clear communication and visible accountability, ensuring taxpayers understand the equitable distribution of their contributions. Perceived unfairness or opacity can erode trust, leading to resistance and non-compliance. These findings highlight the importance of designing tax systems prioritizing fairness, transparency, and accountability to enhance compliance and build sustained public trust. By addressing these elements, governments can create an environment that encourages voluntary compliance and active engagement from taxpayers.

Building public perceptions of tax fairness remains a significant challenge, mainly due to the unequal distribution of tax burdens among different economic groups. Lower-income individuals often feel disproportionately taxed compared to higher-income groups, especially when they do not perceive equivalent benefits from public services. Bodea & LeBas (2016) noted that this disparity fosters skepticism toward tax systems and decreases compliance. Similarly, Gribnau (2020) highlighted that perceptions of transparency and accountability are critical for maintaining trust in tax systems, as opacity in tax revenue allocation can further erode public confidence. A lack of understanding about how taxes contribute to societal development also exacerbates public doubt. Joel et al. (2023) emphasized that tax morale, influenced by public education and awareness, is vital to compliance. When taxpayers recognize the tangible benefits of their contributions, such as improved infrastructure or social services, they are more likely to comply voluntarily. Owens & Pemberton (2021) demonstrated that inclusive and equitable tax policies and active stakeholder engagement enhance public perceptions of fairness. Addressing these challenges requires comprehensive strategies, including public education programs that demystify tax systems and highlight their benefits. Governments can cultivate trust and compliance by fostering transparency and involving citizens in tax-related decision-making, ultimately creating a sustainable and equitable tax framework. These measures emphasize the critical interplay between fairness, transparency, and public trust in achieving tax compliance.

*Public Responses to Tax System Changes*

Modern tax systems have undergone significant transformations to address global challenges, including administrative inefficiencies and revenue gaps. Digitalization, as highlighted by D'attoma et al. (2017), represents a key reform to simplify tax reporting, enhance data accuracy, and reduce tax evasion. This shift has been met with diverse public responses influenced by cultural, economic, and institutional contexts. For instance, Bassey et al. (2022) emphasized that public trust in the fairness of digital tax systems is critical for their acceptance, particularly when transparency is perceived as lacking. Socio-economic disparities further complicate public responses to these reforms. Filippi (2024) noted that lower-income groups often view progressive tax policies as burdensome, especially when tangible benefits remain unclear. Conversely, wealthier groups may resist reforms targeting their financial status, a dynamic that underscores the need for equitable implementation. Public engagement is another decisive factor. As Hallsworth et al. (2017) observed, behavioral interventions like increased communication and taxpayer education significantly enhance compliance and acceptance of tax reforms. Additionally, Boogaard et al. (2020) stressed the role of visible accountability in fostering taxpayer morale, suggesting that transparent allocation of tax revenues strengthens public trust.

Socio-economic disparities and political ideology deeply influence public responses to tax system reforms. Lower-income groups often view progressive tax reforms as additional burdens, mainly when benefits are not immediately visible. Slemrod (2019) emphasized that such perceptions stem from inequities in the perceived distribution of tax benefits, leading to distrust in tax systems. Conversely, higher-income groups may resist reforms targeting their wealth, perceiving them as threats to financial security. This dynamic illustrates the critical role of socioeconomic factors in shaping public responses to tax reforms. Political ideology also significantly impacts the acceptance of tax policies. Zmerli & Meer (2017) argued that political trust is a fundamental determinant of public support for reforms. When governments demonstrate transparent and accountable management of public funds, citizens are more likely to support tax changes. Conversely, perceived mismanagement fosters skepticism, even towards reforms designed with equitable intentions. David & Sever (2024) further highlighted the influence of political cycles on tax reform acceptance, noting that reforms aligned with electoral objectives often face resistance due to perceived opportunism. Ultimately, designing tax reforms that are inclusive and transparent is crucial. As Slemrod (2019) and Zmerli & Meer (2017) noted, public engagement and clear communication can address socioeconomic concerns and foster trust. These strategies underscore the importance of addressing economic inequities and political trust deficits to implement successful tax reform.

Public engagement and education are critical in enhancing the acceptance of tax system reforms. When citizens feel included in decision-making, they develop a stronger sense of ownership over the policies. Prichard et al. (2019) highlighted that public dialogue and open consultations strengthen the relationship between governments and communities, increasing trust in tax reforms. This trust is further bolstered when citizens perceive transparency and accountability in managing tax revenues. These researchers found that a lack of visible accountability often leads to resistance, particularly in developing countries. Educational initiatives play a strategic role in addressing resistance to tax reforms. Idrus (2024) pointed out that taxpayer education improves understanding of tax obligations and enhances compliance by fostering a culture of trust and fairness. Inclusivity in educational programs is essential for vulnerable groups, who may feel alienated by systemic changes. Tomlinson (2005) argued that reforms ensure that all societal groups understand how tax contributions lead to national development and welfare when paired with inclusive education. Without effective communication and transparency, tax reforms risk being rejected despite their potential benefits. By integrating public engagement and targeted education, governments can foster a sense of shared responsibility, creating a more sustainable and equitable tax system. These strategies ultimately build trust, ensuring broader acceptance of reforms.

## Research Design and Methodology

*Study Design*

This research adopts a qualitative systematic literature review (SLR) methodology to analyze and synthesize existing studies on public perceptions of tax justice and responses to tax system changes. The study design emphasizes a structured and transparent approach to reviewing relevant literature, ensuring comprehensive topic coverage. By systematically examining prior research, the study aims to provide insights into key themes, gaps, and implications for policymakers and researchers.

*Sample Population or Subject of Research*

The study focuses on scholarly articles, book chapters, and credible academic reports published between 2015 and 2025. The inclusion criteria include English studies addressing tax fairness, public perceptions, compliance behaviors, and systemic tax reforms. These materials were sourced from reputable databases, including Emerald Insight, SpringerLink, Elsevier, and Wiley Online Library. Studies lacking methodological rigor or not directly addressing the research themes were excluded to ensure the credibility and relevance of the findings.

*Data Collection Techniques and Instrument Development*

Data collection involved systematic searches using predefined keywords, such as "tax justice," "public perceptions of taxation," "tax reform responses," and "compliance behavior." Boolean operators and advanced search filters were applied to refine the results. Additionally, backward and forward citation tracking was used to identify further relevant studies. A data extraction sheet was developed to record key information, including study objectives, methodologies, findings, and theoretical frameworks, ensuring consistency throughout the review process.

*Data Analysis Techniques*

Thematic analysis was employed to identify and synthesize recurring themes within the literature. Key themes were categorized based on socio-economic influences on tax perceptions, the role of transparency and accountability, and public engagement in tax reforms. Cross-study comparisons were conducted to identify patterns, contradictions, and gaps, providing a nuanced understanding of the research topic and offering actionable insights for policymakers and academics.

## Findings and Discussion

***Findings***

Public perceptions of tax justice are profoundly influenced by socio-political and cultural contexts, which determine how fairness in tax systems is perceived and evaluated. Cultural norms play a critical role in shaping these perceptions. In collectivist societies, taxation is often viewed as a collective effort to achieve shared goals, such as public infrastructure development and social welfare. Conversely, individualistic cultures may emphasize personal benefits, leading to higher expectations for tangible returns on tax contributions (Rawlings, 2004). Political ideologies further shape these perceptions. For instance, left-leaning ideologies may advocate for progressive taxation to address income disparities, while right-leaning perspectives prioritize minimizing tax burdens to promote individual financial growth (Wilkinson & Hageman, 2023). Institutional trust also significantly impacts how tax justice is perceived. When governments demonstrate transparency and accountability in tax allocation, citizens are likelier to trust and view the system as fair. For example, studies show that clear and accessible reporting on tax expenditures builds public confidence and fosters compliance (Van den Boogaard et al., 2020). Conversely, perceptions of corruption, inefficiency, or mismanagement erode trust, leading to resistance against tax policies and reforms (Bodea & LeBas, 2016). Such resistance is particularly pronounced in countries where historical mismanagement has led to skepticism about governmental intentions. Public discourse surrounding taxation often amplifies these socio-political and cultural dynamics. When media and civic organizations highlight inequities in tax systems, public awareness of fairness issues increases, potentially leading to calls for reform. To address these complexities, governments must design tax systems that align with cultural expectations, uphold transparency, and actively build institutional trust. These elements are essential for creating equitable systems that gain widespread acceptance and compliance.

Financial literacy is a pivotal factor in mediating the relationship between perceptions of tax justice and compliance behavior. Taxpayers with higher financial literacy are better equipped to understand complex tax policies, enabling them to evaluate these systems' fairness and societal benefits. This understanding fosters voluntary compliance, as individuals perceive their contributions as equitable and purposeful (Anaman et al., 2024). For instance, well-informed taxpayers are more likely to appreciate progressive tax systems as mechanisms for redistributing wealth and funding public goods, reducing resistance to such policies. On the contrary, limited financial literacy can exacerbate misconceptions about tax systems, mainly when perceptions of fairness are already low. Individuals who lack an understanding of tax obligations and benefits may view taxation as an undue burden, leading to skepticism and non-compliance (Adem et al., 2024). These challenges are especially pronounced in low-income communities, where educational disparities often correlate with higher rates of tax evasion. Public education initiatives targeting financial literacy have proven practical tools for addressing these issues. These programs reduce resistance and build trust in tax systems by improving public understanding of how taxes contribute to social welfare and national development (Gobena, 2024). For instance, tailored campaigns that explain tax policies in simple terms and highlight tangible benefits, such as improved healthcare or infrastructure, have significantly increased compliance rates in various contexts. Financial literacy can moderate the effects of systemic inequities. Taxpayers educated about their rights and obligations are more likely to demand accountability and fairness from tax authorities, creating a feedback loop that promotes better governance. Therefore, integrating financial education into broader tax reform strategies is crucial for fostering a well-informed, compliant taxpayer base.

Digitalization represents a transformative shift in tax administration to increase efficiency, transparency, and accessibility. However, public perceptions of digital tax reforms are critical to their success. For many taxpayers, digital platforms simplify processes such as filing returns and making payments, reducing the administrative burden associated with traditional tax systems (Abu-Silake et al., 2024). These platforms also enhance transparency by providing real-time access to tax records and reducing opportunities for corruption, fostering greater trust in the system (Bassey et al., 2022). Despite these advantages, digitalization poses challenges, particularly for marginalized groups with limited access to technology or low digital literacy. In low-income communities, taxpayers may view digital reforms as exclusionary, exacerbating perceptions of inequity (Chen & Meng, 2024). For instance, individuals who lack reliable internet access or are unfamiliar with digital platforms may struggle to comply, leading to frustration and resistance. Such challenges highlight the importance of designing inclusive digital systems that address the needs of all socio-economic groups. Governments must also address data security and privacy concerns, critical to building trust in digital systems. Transparent communication about how taxpayer data is protected can alleviate fears and encourage participation. Furthermore, public engagement during the implementation phase of digital reforms is essential. Governments can identify potential barriers and develop solutions that ensure equitable access by involving stakeholders in the design and rollout of digital platforms.

Socio-economic status significantly influences public perceptions of tax justice and responses to systemic changes. Low-income individuals often perceive progressive taxation as disproportionately burdensome, especially when tangible benefits are not immediately visible (Filippi, 2024). For example, taxpayers in this group may feel that their contributions do not translate into improved public services or infrastructure, leading to dissatisfaction and reduced compliance. On the other hand, high-income groups may resist progressive tax policies, viewing them as punitive measures that unfairly target their wealth (Nathan et al., 2024). These divergent perceptions underscore the importance of designing tax policies that balance equity with efficiency. Inclusive approaches that consider the unique concerns of different socio-economic groups can help address these disparities. For instance, policies that allocate tax revenues to visible and impactful projects, such as healthcare and education in low-income areas, can demonstrate the value of taxation and increase acceptance among marginalized communities. Public consultations and stakeholder engagement are critical in bridging the gap between policy design and societal expectations. Governments can ensure that tax reforms address the population's diverse needs by involving citizens in the policymaking process. Beeri et al. (2022) emphasized that participatory approaches improve policy outcomes and foster a sense of ownership and trust among taxpayers. The effectiveness of tax policies also depends on how well they communicate their objectives and benefits to different groups. Tailored communication strategies that address the specific concerns of low- and high-income taxpayers can enhance understanding and reduce resistance.

Building and sustaining public trust in tax systems requires addressing psychological and structural dimensions. Psychologically, perceptions of fairness, transparency, and accountability are central to fostering trust. Citizens are more likely to comply with tax obligations when they believe their contributions are used effectively for societal development (Gribnau, 2020). For example, clear communication about allocating tax revenues—such as healthcare, education, and infrastructure funding—strengthens public confidence in the system. Structurally, the design and implementation of tax policies must prioritize inclusivity and transparency. Regular audits, accessible public reports, and open communication channels enhance the perceived legitimacy of tax systems (Adeyeye & Otusanya, 2015). These structural measures improve governance and mitigate perceptions of corruption and inefficiency, which are significant barriers to trust. Systemic inequities also influence public trust. Policies that are perceived as favoring particular groups over others can undermine confidence and compliance. Addressing these inequities requires targeted interventions, such as progressive taxation that balances the tax burden according to economic capacity. Engaging the public in policy development and decision-making can create shared responsibility and mutual trust. The interconnected nature of psychological and structural factors highlights the need for holistic

***DOI: https://doi.org/10.60079/atr.v3i1.424***

approaches to tax policy design. By integrating fairness, transparency, and public engagement into tax systems, governments can build sustainable trust and compliance, ensuring the long-term success of taxation initiatives.

***Discussion***

The findings of this study emphasize that the perception of tax justice plays a pivotal role in fostering public trust in governmental institutions, particularly in the context of tax reform and the digitalization of tax systems. Tax justice is underpinned by two complementary elements: distributive and procedural justice. Distributive justice ensures that the tax burden is allocated equitably according to individuals' or entities' economic capacities. In contrast, procedural justice emphasizes fairness and transparency in decision-making processes and the management of tax revenues. The combination of these elements enhances the legitimacy of tax policies. For example, progressive taxation—where higher-income groups contribute more—can be perceived as fair when accompanied by transparent allocation of tax revenues to socially beneficial initiatives, such as infrastructure development and improved public services. However, when transparency and public engagement are lacking, justice perceptions deteriorate, reducing trust in tax systems. This erosion of trust undermines public support for tax reforms and threatens compliance levels. By addressing these gaps, governments can strengthen the public's perception of tax justice, ultimately fostering a sense of equity and fairness within the broader tax system.

This research highlights financial literacy as a critical mediator between perceptions of tax justice and voluntary tax compliance. Enhanced financial literacy equips individuals with a comprehensive understanding of taxation policies, enabling them to appreciate better the relationship between their tax contributions and the societal benefits of those contributions. Financial literacy empowers taxpayers to evaluate the fairness of tax policies, fostering a sense of legitimacy and compliance. For instance, individuals with a firm grasp of tax principles tend to view their contributions as essential to national development, increasing their willingness to support reforms, even in challenging contexts like digitalization. Moreover, financial literacy helps mitigate resistance by clarifying the role of taxes in funding public goods and services. The findings align with broader discussions in financial education, which position literacy as a tool to bridge gaps in understanding, particularly among underserved or undereducated populations. Governments can leverage this insight by implementing educational initiatives tailored to various demographic segments, ensuring that all taxpayers are adequately informed about their rights and responsibilities within the tax system. This strategic approach is vital for enhancing compliance and addressing misconceptions that could impede the acceptance of tax reforms.

The study further identifies the dual challenges and opportunities of digitalizing tax systems. Digitalization offers significant potential to improve administrative efficiency, broaden the tax base, and enhance transparency, making tax systems more accessible and reliable. However, its success is intricately linked to inclusivity. For marginalized groups with limited access to technology or low digital literacy, digital tax reforms may exacerbate existing inequalities, leading to perceptions of exclusion and increased resistance. This is particularly true in developing economies, where digital infrastructure and literacy levels often lag behind policy ambitions. Moreover, data security and privacy concerns further undermine public trust in digital systems. Addressing these challenges requires governments to implement technology reforms that are not only effective but also equitable. Initiatives such as providing accessible digital platforms, training for low-income and rural populations, and ensuring robust cybersecurity measures can significantly improve public perceptions and acceptance of digitalization. Transparency in communicating the benefits of digital tax reforms, coupled with tangible support mechanisms for disadvantaged groups, is essential for building trust and fostering widespread adoption. These findings underscore the importance of an inclusive approach to digitalization that aligns technological advancements with societal needs, ultimately enhancing the credibility and effectiveness of tax systems.

Regarding theoretical frameworks, the findings of this study strongly align with the principles outlined by Adams (1965) in Equity Theory, which posits that individuals assess fairness by comparing their input-output ratios to those of others. In the context of taxation, this concept translates into evaluating the amount of tax paid (input) against the benefits received from public expenditures (output). When individuals perceive that their contributions are disproportionate to the benefits they derive, dissatisfaction and resistance to tax policies are likely to emerge. For instance, taxpayers may feel aggrieved if they believe their tax contributions are used inefficiently or unfairly allocated to benefit specific groups while neglecting others. Such perceptions can undermine the legitimacy of tax systems and erode trust in government institutions. Equity Theory highlights the importance of procedural justice, which emphasizes fairness in designing and implementing tax policies. Transparent decision-making processes, active stakeholder engagement, and equitable access to information are crucial for fostering a sense of procedural fairness. When taxpayers feel included and believe their contributions are used responsibly, they are more likely to comply voluntarily with tax obligations. Integrating distributive and procedural justice principles offers a comprehensive framework for addressing public mistrust and enhancing compliance. By applying these theoretical insights, this study provides evidence on how equity-based strategies can build trust and support for tax reforms, ultimately contributing to a more effective and fair taxation system.

The findings of this study align closely with several previous studies, further reinforcing the importance of transparency and accountability in enhancing perceptions of tax fairness. Research by Naslia & Yulianti (2024) emphasized that governmental transparency and accountability in managing tax revenues significantly increase public trust. This aligns with the current findings, demonstrating that public confidence in the tax system strengthens when governments openly manage tax revenues and provide transparent reporting on their utilization. Transparency fosters trust and mitigates skepticism regarding the equitable allocation of tax revenues for public welfare. The study by Maulidi & Munawaroh (2025) supports the findings by highlighting that perceptions of fairness significantly influence public acceptance of digital tax reforms. Their work emphasizes that equitable implementation of digital tax systems enhances public approval, which is critical for the success of such reforms. However, this study also notes some disparities in findings compared to prior research. For instance, Belahouaoui & Attak (2023) found that tax burden inequities are more pronounced in developing countries with lower levels of tax literacy. This suggests that the context of a country's socioeconomic and institutional framework significantly impacts public perceptions of tax fairness, adding complexity to implementing equitable tax policies across diverse settings. Despite these variations, the results of this study remain consistent with the broader argument that perceptions of fairness and financial literacy are critical to the success of tax reforms. These findings highlight the importance of tailoring tax policies to local contexts while addressing underlying issues such as limited financial literacy and uneven access to resources.

The practical implications of this study are highly relevant for policymakers in designing a fair and inclusive tax system. The findings suggest that tax reforms must prioritize transparency, not only in tax collection processes but also in the allocation of tax revenues. A transparent system fosters greater trust among taxpayers, ensuring they perceive their contributions as being used effectively for public benefit. Governments must implement clear and accessible reporting mechanisms that allow the public to track how their tax payments are utilized, which can significantly enhance compliance and mitigate skepticism toward the tax system. This study highlights the critical need for investment in public education programs to improve tax literacy across all socioeconomic socioeconomic groups. Increasing financial literacy and understanding of tax policies can reduce resistance to new tax reforms by ensuring that individuals recognize taxation's direct and indirect benefits in national development. Public education campaigns should focus on clarifying tax obligations, emphasizing the societal value of tax contributions, and addressing misconceptions that may discourage compliance. Governments must address technological disparities by expanding access and providing digital training programs, particularly for marginalized communities, to ensure the successful implementation of digital tax systems. Without such measures, digitalization risks exacerbating social inequalities, as lower-income groups may struggle to adapt to new systems due to limited digital skills and resources.

## Conclusion

This study has provided a comprehensive analysis of the comparative public perceptions of tax justice and their responses to systemic changes in taxation, particularly in the context of tax reforms and digitalization. The findings reveal that perceptions of fairness in taxation—both distributive and procedural—play a crucial role in shaping public trust and compliance. Furthermore, financial literacy has been identified as a key moderating factor influencing how individuals perceive and react to tax policies, affecting their voluntary tax compliance. Digitalization, while offering significant benefits in terms of efficiency and transparency, presents challenges in inclusivity, particularly for socio-economically disadvantaged groups. These insights contribute to a more nuanced understanding of the socio-political and economic dynamics that drive public attitudes toward taxation, highlighting the need for transparent, equitable, and inclusive tax reforms.

The originality of this study lies in its integrative approach, which bridges theoretical perspectives such as Equity Theory with empirical findings from various taxation contexts. This research advances existing literature on tax compliance and policy effectiveness by examining the interplay between tax justice, financial literacy, and digitalization. From a practical and managerial standpoint, these findings provide valuable insights for policymakers in designing fair and transparent tax systems that enhance public trust. Governments must prioritize transparency in tax collection and allocation, invest in financial literacy programs, and ensure that digital tax reforms are inclusive. These measures will improve voluntary compliance and improve long-term social and economic stability. For tax administrators and public officials, adopting a participatory approach involving citizens in decision-making will foster greater acceptance and legitimacy of tax policies.

Despite its contributions, this study has certain limitations. As a systematic literature review (SLR), it relies on secondary data and existing research findings, which may limit its ability to capture real-time public sentiment and evolving tax policy dynamics. Additionally, the study does not empirically test the relationships between key variables, which leaves room for further quantitative and qualitative validation. Future research should consider conducting empirical studies, such as surveys or experimental research, to assess the causal impact of tax justice perceptions on compliance behavior. Moreover, cross-country comparative studies could provide deeper insights into how different cultural and institutional contexts shape tax perceptions. By addressing these research gaps, scholars can refine taxation theories and offer more targeted policy recommendations.

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