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The Effect of Tax Knowledge and Financial Literacy on Tax Compliance with Taxation Socialization as a Moderating Variable

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ABSTRACT

Tax compliance remains an important concern, particularly among self-employed individual taxpayers whose compliance may be influenced by their understanding of taxation and financial management. However, the role of tax knowledge and financial literacy, as well as the extent to which taxation socialization strengthens these relationships, requires further empirical examination. This study aimed to analyze the effects of tax knowledge and financial literacy on tax compliance and to examine taxation socialization as a moderating variable. A quantitative confirmatory survey design was employed, involving active self-employed individual taxpayers registered at the South Makassar Primary Tax Office. Data were collected through questionnaires, and 80 valid responses were obtained using purposive sampling. The data were analyzed using SmartPLS 4 through measurement model evaluation, structural model assessment, and moderation analysis. The results showed that tax knowledge had a positive and significant effect on tax compliance ($\beta = 0.330$, $t = 5.770$, $p < 0.001$), while financial literacy also had a positive and significant effect ($\beta = 0.224$, $t = 3.603$, $p < 0.001$). Taxation socialization strengthened the effects of tax knowledge ($\beta = 0.160$, $t = 3.084$, $p = 0.002$) and financial literacy ($\beta = 0.168$, $t = 2.500$, $p = 0.013$) on tax compliance. The model explained 45.8% of the variance in tax compliance, with a predictive relevance value of 0.593. These findings highlight the importance of integrating tax education, financial literacy, and taxation socialization to strengthen taxpayer compliance.

1. Introduction

Taxation is one of the important sources of government revenue used to finance national development and the provision of public services. Therefore, tax compliance represents a critical element in determining the effectiveness of a taxation system. Tax compliance has become an important concern in Indonesia, particularly at the South Makassar Primary Tax Office, amid government efforts to increase tax revenue to support national development. This phenomenon reflects the challenges faced by the government in encouraging taxpayers to fulfill their tax obligations accurately, timely, and in accordance with applicable regulations. The issue is particularly important because low levels of tax compliance may disrupt the country's financial stability and constrain economic growth (Helmalia Putri et al., 2024).

At the South Makassar Primary Tax Office, data indicate a declining trend in the percentage of individual taxpayer compliance during the 2021–2025 period. The compliance rate was recorded at 65.42% in 2021, 64.75% in 2022, 58.80% in 2023, 40.96% in 2024, and 39.64% in 2025. This condition indicates that challenges remain in encouraging taxpayers to fulfill their tax obligations accurately, timely, and in accordance with applicable regulations. It also reflects the complex and multidimensional nature of tax compliance. Despite government efforts to increase state revenue through taxation, the relatively low level of tax compliance in Indonesia remains a significant concern. This local condition provides an important context for examining the factors that may influence taxpayers' compliance behavior.

Tax knowledge is theoretically one of the factors that may influence tax compliance. Tax knowledge encompasses an understanding of tax regulations, tax administration, sanctions, taxpayers' rights and obligations, as well as experience in

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completing tax returns. Taxpayers who understand tax procedures and the consequences of non-compliance are expected to experience less uncertainty when fulfilling their obligations. Thus, tax knowledge is not limited to the ability to understand tax regulations but also involves the ability to apply such regulations in actual tax-related behavior. Adequate tax knowledge is therefore expected to encourage taxpayers to comply with their tax obligations.

In addition to tax knowledge, financial literacy represents another relevant factor. Financial literacy refers to an individual's ability to understand financial concepts, manage income and expenditure, and make appropriate financial decisions. Within the taxation context, the ability to manage personal finances may help taxpayers allocate funds to meet their tax obligations, understand the financial consequences of their decisions, and plan tax payments more effectively. Taxpayers who lack an adequate understanding of basic financial concepts may experience difficulties in conducting effective financial and tax planning, which may subsequently influence their decisions regarding tax payments. In this context, strengthening financial literacy is important not only for supporting tax compliance but also for contributing to individuals' broader economic well-being.

Nevertheless, possessing adequate tax knowledge and financial literacy alone may not be sufficient to ensure tax compliance. Taxation socialization conducted by the relevant authorities also plays an important role in developing taxpayers' awareness and understanding. Such socialization may take the form of educational programs that explain the importance of paying taxes and the benefits generated from tax contributions to society. Through effective dissemination of tax-related information, taxpayers can obtain clearer guidance concerning their obligations and the broader role of taxation in supporting public services and national development.

Taxation socialization is positioned as a moderating variable because information provided by tax authorities may strengthen taxpayers' ability to translate their tax knowledge and financial literacy into compliant behavior. Effective taxation socialization can provide taxpayers with clearer information concerning their rights, obligations, procedures, tax benefits, and the consequences of non-compliance. Consequently, taxation socialization may function not merely as an independent source of information but also as a contextual factor that strengthens the relationship between taxpayers' individual capabilities and their compliance behavior.

Previous studies have found that tax knowledge and financial literacy have positive effects on tax compliance, whereas other research indicates that these relationships may depend on social and psychological factors as well as the quality of information received by taxpayers. This variation indicates a gap in the existing literature concerning the conditions under which tax knowledge and financial literacy are effectively translated into compliant behavior. In particular, limited attention has been given to the role of taxation socialization as a moderating mechanism that may strengthen the effects of both tax knowledge and financial literacy on tax compliance. This gap provides the basis for simultaneously examining the effects of tax knowledge and financial literacy on tax compliance and testing whether taxation socialization strengthens these relationships.

Based on this research gap, the specific research problem addressed in this study concerns whether tax knowledge and financial literacy significantly influence tax compliance among individual taxpayers conducting independent work at the South Makassar Primary Tax Office and whether taxation socialization strengthens these relationships. Accordingly, this study aims to: (1) examine the effect of tax knowledge on tax compliance; (2) examine the effect of financial literacy on tax compliance; (3) examine whether taxation socialization strengthens the effect of tax knowledge on tax compliance; and (4) examine whether taxation socialization strengthens the effect of financial literacy on tax compliance.

Theoretically, this study contributes to the tax compliance literature by integrating individual cognitive factors, represented by tax knowledge and financial literacy, with a social and informational factor, represented by taxation socialization. The study therefore provides a broader perspective on how individual capabilities and the tax authority's communication efforts may jointly contribute to compliant behavior. Practically, the findings provide considerations for tax authorities and related stakeholders in designing more targeted tax

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education and socialization programs that strengthen taxpayers' understanding, financial capability, and willingness to comply with their tax obligations. The novelty of this study lies in examining taxation socialization as a moderating mechanism in the relationships between tax knowledge and financial literacy and tax compliance within the specific context of self-employed individual taxpayers registered at the South Makassar Primary Tax Office.

2. Literature Review

2.1 Conceptual and Theoretical Foundations

2.1.1 Tax Compliance Theory

Tax Compliance Theory provides a fundamental perspective for explaining why taxpayers fulfill their tax obligations. According to Torgler (2016), tax compliance results from the interaction between social norms, individual morality, and institutional influences. This perspective indicates that tax compliance is not merely a matter of fulfilling financial obligations but also reflects the values and social norms within which individuals operate.

Two principal approaches are commonly associated with tax compliance. First, the economic model focuses on the cost-benefit considerations faced by taxpayers. Taxpayers are expected to comply when the benefits of compliance outweigh the costs associated with fulfilling their tax obligations (Allingham & Sandmo, 1972). Second, the behavioral model emphasizes the importance of psychological and social factors in influencing taxpayers' decisions (Wenzel, 2005). These perspectives provide a theoretical basis for understanding tax compliance as a behavioral outcome influenced by both individual considerations and the surrounding social and institutional environment.

Within this framework, tax knowledge and financial literacy can be understood as internal capabilities that may facilitate taxpayers' ability to fulfill their obligations, while taxation socialization represents an external informational and institutional factor that may strengthen the translation of these capabilities into compliant behavior.

2.1.2 Behavioral Theory

Behavioral Theory explains how individual behavior may be influenced by psychological and social factors. In the taxation context, this theory assumes that individuals do not always act purely rationally but may also be influenced by emotions, perceptions, and social norms (Ajzen, 1991).

Taxation socialization is relevant to this perspective because effective dissemination of tax information can contribute to the formation of positive attitudes and social norms that support tax compliance. Through effective socialization programs, taxpayers are expected to develop greater awareness and understanding of their responsibilities. This perspective demonstrates the complementary relationship between Tax Compliance Theory and Behavioral Theory in explaining the complexity of individual tax behavior. Tax knowledge and financial literacy contribute to taxpayers' understanding and attitudes toward their tax obligations, while taxation socialization provides an informational environment that can support the application of such knowledge and capabilities.

2.1.3 Tax Knowledge

Tax knowledge refers to taxpayers' understanding of applicable tax rules and regulations. According to Putra (2022), adequate tax knowledge can help taxpayers fulfill their tax obligations accurately and on time. Such knowledge includes an understanding of the amount of tax payable, payment deadlines, and procedures for completing tax forms. Accordingly, the higher an individual's level of tax knowledge, the greater the likelihood that the individual will comply with applicable tax regulations.

Tax knowledge as an important factor in determining taxpayer compliance. Tax knowledge may be assessed through several indicators, including understanding of tax regulations, knowledge of tax administration processes, awareness of tax sanctions, knowledge of taxpayers' rights and obligations, participation in tax socialization, and experience and practice in completing tax returns.

2.1.4 Financial Literacy

Financial literacy refers to an individual's ability to understand financial concepts and manage financial resources effectively in everyday life. Financial literacy represents one of the factors that may contribute to higher taxpayer compliance.

Several aspects of financial literacy are particularly relevant to taxpayers. First, knowledge of taxation and the tax system may help individuals

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understand their rights and obligations as taxpayers, thereby minimizing misunderstandings that could result in non-compliance. Second, adequate financial literacy is associated with personal financial management. Taxpayers who understand how to manage their finances are more likely to be able to fulfill their tax obligations on time (Rahayu & Suaidah, 2025). Financial literacy can therefore be assessed through knowledge, skills, confidence in managing income and expenditure, and the ability to make appropriate financial decisions (Prathama et al., 2026).

2.1.5 Taxation Socialization

Effective taxation socialization provides clear information concerning various aspects of taxation, including types of taxes, calculation procedures, and potential sanctions for failing to fulfill tax obligations. Adequate understanding of taxation may encourage taxpayers to become more involved in the tax collection process and increase their participation in the existing taxation system.

Directorate General of Taxes provides several indicators of taxation socialization intended to build taxpayers' awareness and concern regarding taxation. These indicators include the procedures used to conduct socialization, the frequency of socialization activities, the ability of socialization programs to communicate information to taxpayers, and the tax knowledge conveyed through such activities.

In this study, taxation socialization is positioned as a moderating variable because information, education, guidance, and communication provided through tax socialization may influence the extent to which taxpayers translate their tax knowledge and financial literacy into compliant behavior.

2.1.6 Tax Compliance

Tax compliance refers to an individual's conscious behavior in fulfilling payment and reporting obligations for both periodic and annual taxes accurately and in accordance with applicable laws and taxation regulations (Hasanah, 2021).

From an epistemological perspective, tax compliance can be understood through taxpayers' knowledge of tax regulations. Tax knowledge and financial literacy are important components in this process. Adequate tax knowledge facilitates a better understanding of the benefits of tax compliance and the consequences of tax avoidance (Rosanti et al., 2024).

Several indicators can be used to assess taxpayer compliance. These include compliance in registering as a taxpayer, compliance in submitting tax returns, compliance in calculating, crediting, and paying tax liabilities, and compliance in reporting and settling outstanding tax liabilities.

2.2 Review of Empirical Studies

Previous empirical studies have examined various factors associated with taxpayer compliance. Tax literacy and financial literacy had positive and significant effects on the compliance of prospective taxpayers. Their study also found that perceived audit quality moderated the relationship by strengthening the effect of literacy on compliance. These findings indicate that strengthening literacy and audit quality may be important factors in promoting future tax compliance readiness.

Tax knowledge and tax sanctions had positive and significant effects on individual taxpayer compliance. Their findings further demonstrated that taxation socialization strengthened the effect of tax knowledge on individual taxpayer compliance, while taxation socialization weakened the effect of tax sanctions on compliance. This finding is particularly relevant to the present study because it demonstrates that taxation socialization may alter the strength of relationships between taxpayer-related factors and compliance.

Tax literacy, financial literacy, and tax socialization affected taxpayer compliance. Their study also demonstrated that tax socialization moderated the effect of tax literacy on taxpayer compliance but did not moderate the effect of tax digitalization on taxpayer compliance. This finding suggests that the moderating function of tax socialization may depend on the particular independent variable examined.

Conversely, taxation socialization had a significant effect on taxpayer compliance, whereas tax sanctions did not reduce the effects of taxation socialization and tax knowledge. Their findings also indicated that tax knowledge did not significantly affect taxpayer compliance. This result presents an important inconsistency with studies reporting a positive relationship between tax knowledge and compliance and therefore supports the need for further empirical examination.

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2.3 Identification of the Research Gap

Taxpayer compliance is an important component of Indonesia's taxation system because the self-assessment system places substantial responsibility on taxpayers to understand, calculate, pay, and report their tax obligations accurately. Within this framework, tax knowledge and financial literacy represent internal capabilities that may influence compliance, whereas taxation socialization represents a contextual factor that may strengthen or weaken these relationships.

Previous evidence generally indicates a positive relationship between tax knowledge and taxpayer compliance. For example, emphasized the importance of tax literacy in improving compliance. More recent research has also indicated that tax knowledge can increase compliance through better understanding of tax regulations and procedures .

However, empirical findings regarding the moderating role of taxation socialization remain inconsistent. Tax knowledge affected taxpayer compliance, but taxation socialization did not moderate the relationship between tax knowledge and compliance. Research involving young taxpayers in Indonesia also indicated that taxation socialization was not able to strengthen the effect of tax knowledge on compliance, although it was able to moderate other variables. Conversely, other research has demonstrated that taxation socialization can contribute to taxpayers' understanding and compliance under particular conditions. These differences indicate that the moderating function of taxation socialization remains context-dependent and requires further empirical testing.

A second research gap concerns financial literacy. Recent studies have demonstrated a positive relationship between financial literacy and tax compliance. Financial literacy had a positive and significant effect on tax compliance among micro, small, and medium-sized enterprises in Yogyakarta. Financial literacy plays an important role in helping taxpayers understand their tax obligations and calculate their tax liabilities. Nevertheless, several studies have focused primarily on micro, small, and medium-sized enterprises, particular business groups, or specific taxpayer populations. This condition provides an opportunity to examine whether the positive relationship between financial literacy and compliance also applies to taxpayers within the context of the South Makassar Primary Tax Office.

A third research gap concerns the integration of variables within a single research model. Previous studies have frequently examined tax knowledge, financial literacy, taxpayer awareness, digitalization, or taxation socialization separately or with different moderating variables. Studies that simultaneously examine tax knowledge and financial literacy as independent variables affecting taxpayer compliance, while also testing taxation socialization as a moderator of both relationships, remain relatively limited. Therefore, the present study addresses this gap by integrating all variables into a single empirical framework involving taxpayers registered at the South Makassar Primary Tax Office. The novelty of this study consequently lies not only in examining the direct effects of tax knowledge and financial literacy but also in testing whether taxation socialization changes the strength of the relationships between taxpayers' internal capabilities and their compliance behavior.

2.4 Development of the Conceptual Framework

The conceptual framework of this study was developed based on the premise that taxpayer compliance is influenced by taxpayers' internal capabilities and the informational environment that supports the fulfillment of tax obligations. Tax knowledge refers to the level of taxpayers' understanding of tax regulations, procedures, rights, obligations, sanctions, and administrative requirements. Financial literacy refers to an individual's ability to understand financial information, manage resources, plan finances, and make appropriate financial decisions. Taxpayer compliance reflects the extent to which tax obligations are fulfilled accurately and in a timely manner. Meanwhile, taxation socialization is positioned as a moderating variable because activities involving tax-related information, education, guidance, and communication may influence how effectively taxpayers' knowledge and financial capabilities are translated into compliant behavior.

Based on these relationships, the conceptual framework of the study comprises two direct relationships and two moderating relationships: (1) Tax Knowledge (X1) affects Tax Compliance (Y); (2) Financial Literacy (X2) affects Tax Compliance (Y); (3) Taxation Socialization (M) moderates the

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relationship between Tax Knowledge (X1) and Tax Compliance (Y); and (4) Taxation Socialization (M) moderates the relationship between Financial Literacy (X2) and Tax Compliance (Y).

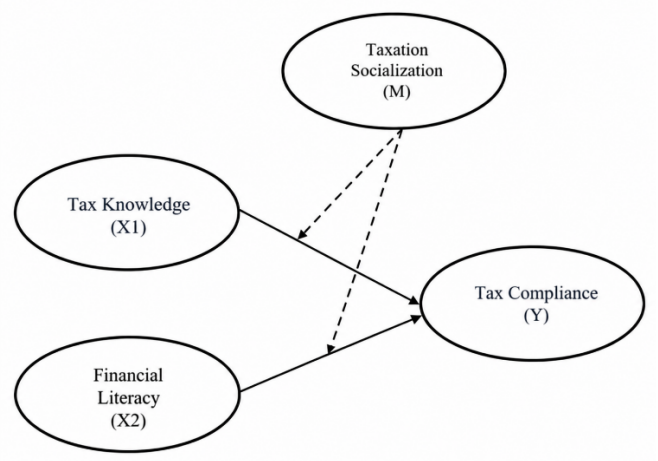


Fig. 1. Conceptual Framework of the Study

2.5 Hypotheses or Research Propositions

Based on the theoretical foundations, empirical evidence, and conceptual framework, four hypotheses were formulated to examine the direct and moderating relationships among the variables. The hypotheses are consistent with the quantitative research design and correspond directly to the proposed conceptual model.

Tax knowledge encompasses taxpayers' understanding of tax regulations, obligations, and rights. Previous research has demonstrated a positive relationship between tax knowledge and tax compliance (Alm et al., 2020; Torgler, 2007). Adequate knowledge of tax regulations can increase taxpayers' awareness of their obligations and consequently encourage them to comply with applicable taxation regulations. Therefore, the first hypothesis is formulated as follows:

H1: Tax Knowledge has a positive effect on Tax Compliance.

A positive relationship between financial literacy and taxpayer compliance. Individuals with a good understanding of taxation are more likely to report and pay their taxes on time. This relationship is consistent with findings indicating that tax literacy can influence taxpayers' attitudes and behavior in fulfilling their obligations. Taxpayers who understand the benefits of taxation, including infrastructure development and public services, tend to be more willing to fulfill their tax obligations (Susilawati et al., 2021). In addition, financial literacy may reduce compliance costs because adequately educated individuals are more capable of understanding how to complete tax reports and utilize available taxation facilities effectively (Erdi, 2024). Therefore:

H2: Financial Literacy has a positive effect on Tax Compliance.

Effective taxation socialization can improve taxpayers' understanding of the taxation system, which may subsequently strengthen the positive effect of tax knowledge on tax compliance. When socialization is conducted effectively, taxpayers can become better informed and more confident in fulfilling their tax obligations. Intensive taxation socialization can improve tax compliance within society. Thus, although tax knowledge may significantly influence tax compliance, the strength of this relationship may be enhanced through effective taxation socialization. Therefore:

H3: Taxation Socialization strengthens the effect of Tax Knowledge on Tax Compliance.

Tax compliance is an important aspect of the taxation system because it supports the continuity of government revenue. Compliance is influenced by various factors, including financial literacy. Adequate financial literacy can help taxpayers understand their obligations and comply with applicable taxation regulations. However, financial literacy alone may not be sufficient; effective taxation socialization is also required to improve taxpayers' awareness and understanding of their tax obligations.

Adequate taxation understanding is directly associated with taxpayer compliance. Taxpayers with higher financial literacy are expected to better understand the implications of tax payments and consequently become more motivated to fulfill their tax obligations. Accordingly, taxation socialization

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may strengthen the ability of financially literate taxpayers to translate their financial understanding into compliant tax behavior. Therefore:

H4: Taxation Socialization strengthens the effect of Financial Literacy on Tax Compliance.

3. Research Methods

3.1 Research Design

This study employed a quantitative approach with an explanatory research design. A quantitative approach was used because the study aimed to examine the relationships and effects among the research variables based on data obtained from respondents and subsequently analyzed using statistical techniques. The explanatory research design was selected because the study sought not only to describe the condition of taxpayer compliance but also to explain the effects of tax knowledge and financial literacy on tax compliance and to examine whether taxation socialization could strengthen or weaken these relationships.

Data were collected through questionnaires distributed to respondents who met the characteristics of the research population. The collected data were subsequently processed and analyzed using the Partial Least Squares–Structural Equation Modeling (PLS-SEM) approach with SmartPLS 4. The use of PLS-SEM enabled the study to analyze relationships among latent variables and simultaneously examine moderating effects within a single research model.

3.2 Research Context and Setting

The study was conducted at the South Makassar Primary Tax Office (Kantor Pelayanan Pajak [KPP] Pratama Makassar Selatan). The research context focused on individual taxpayers who met the characteristics of the research population and were registered or maintained active status at the South Makassar Primary Tax Office. This setting was selected because individual taxpayer compliance is closely related to individuals' ability to understand their tax obligations, manage their financial conditions, and obtain and utilize taxation-related information.

3.3 Population and Sample / Research Participants

The population consisted of individual taxpayers conducting independent work who were registered at the South Makassar Primary Tax Office and maintained active status. As of January 2025, the population comprised 234,104 effective taxpayers.

The sample consisted of active taxpayers within the South Sulawesi Regional Office of the Directorate General of Taxes, particularly those distributed at the South Makassar Primary Tax Office. The selection of individual taxpayers was conducted using purposive sampling with judgment sampling, which is a non-random sampling technique in which information is obtained based on specific considerations, generally adjusted to the objectives or problems of the study (Indriantoro & Bambang, 2024).

Based on the minimum sample size considered in the research design, the sample size was determined by considering 15–20 respondents for each variable. With four variables and 20 respondents allocated to each variable, the minimum sample size was calculated as follows:

4 variables × 20 respondents = 80 respondents.

Accordingly, the minimum sample size was 80 respondents. This number served as the minimum data requirement for conducting the research model analysis using PLS-SEM.

3.4 Data Sources and Data Collection

This study primarily used primary data. The primary data were obtained directly from respondents through a research questionnaire. In addition, secondary data were used to support the development of the research framework. The secondary data were obtained from previous studies, scientific journal articles, research documents, and other relevant literature concerning tax knowledge, financial literacy, taxation socialization, and tax compliance.

Data were collected using an accidental sampling approach, whereby the researcher distributed questionnaires to individuals at the South Makassar Primary Tax Office over a period of one month who were willing to participate in the study. The questionnaire consisted of closed-ended questions, and respondents were asked to select a value from 1 to 5, representing responses ranging from strongly disagree to strongly agree.

3.5 Measurement of Variables and Research Instruments

The study examined four main variables: Tax

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Knowledge (X1), Financial Literacy (X2), Taxation Socialization (M), and Tax Compliance (Y). The research instrument was developed based on indicators relevant to each construct. Each indicator was translated into a number of statements that respondents answered using a five-point Likert scale.

3.5.1 Tax Knowledge (X1)

Tax knowledge represents taxpayers' level of understanding of tax regulations, provisions, procedures, rights, obligations, and tax administration. Adequate tax knowledge is expected to help taxpayers understand the actions required to fulfill their tax obligations. The indicators of tax knowledge included:

a. Understanding of tax regulations;
b. Understanding of tax administration;
c. Knowledge of tax sanctions;
d. Knowledge of taxpayers' rights and obligations;
e. Knowledge acquired through taxation socialization activities; and
f. Experience or training in completing tax returns (SPT).

3.5.2 Financial Literacy (X2)

Financial literacy represents an individual's ability to understand financial information, manage financial resources, plan expenditures, and make appropriate financial decisions. In the taxation context, these capabilities can help taxpayers incorporate tax obligations into their financial planning and management. The indicators of financial literacy included:

a. Financial knowledge;
b. Financial management skills;
c. Confidence in managing income;
d. Ability to manage expenditures; and
e. Ability to make appropriate financial decisions.

3.5.3 Taxation Socialization (M)

Taxation socialization refers to activities involving the dissemination of tax-related information intended to improve public understanding of tax rights, obligations, procedures, and regulations. In this study, taxation socialization was employed as a moderating variable. Its indicators included:

a. Public knowledge concerning taxation;
b. Public attitudes toward tax obligations;
c. Public participation in taxation activities;
d. Use of social media in taxation socialization activities; and
e. Changes in knowledge or attitudes after participating in taxation socialization activities.

3.5.4 Tax Compliance (Y)

Tax compliance refers to a condition in which taxpayers fulfill their tax obligations in accordance with applicable regulations. In this study, compliance relates to the implementation of tax obligations, from administrative requirements to the reporting of tax obligations. The indicators of tax compliance included:

a. Compliance with tax registration requirements;
b. Compliance in calculating tax obligations;
c. Compliance in paying taxes;
d. Compliance in submitting or reporting tax returns (SPT);
e. Timeliness in fulfilling tax obligations; and
f. Accuracy and correctness of reported information.

3.6 Data Analysis Techniques

Data analysis was conducted using the Partial Least Squares–Structural Equation Modeling (PLS-SEM) approach with SmartPLS 4. PLS-SEM was employed because the study involved multiple latent variables and both direct and moderating relationships that needed to be examined simultaneously. The data analysis procedures consisted of the following stages.

3.6.1 Descriptive Statistical Analysis

Descriptive statistical analysis was conducted to describe the characteristics of the respondents and the research variables. Descriptive statistics were presented using the mean, standard deviation, maximum, and minimum values of the research variables.

3.6.2 Outer Model Evaluation

Outer model evaluation was conducted to assess the quality of the research instrument in measuring the constructs. Several tests were performed. First, validity testing was conducted to determine whether the questionnaire accurately measured the intended constructs (Ghozali, 2019). The research instrument was considered to have convergent validity when each statement item had a factor loading greater than 0.70, while the Average Variance Extracted (AVE) and communality values

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were greater than 0.50. Discriminant validity was assessed by examining whether the AVE of each construct was greater than the correlations among latent variables and whether the cross-loadings exceeded 0.70 for the respective construct.

Second, reliability testing was conducted to assess the stability and consistency of the instrument in measuring a particular concept. Reliability was assessed using composite reliability and Cronbach's alpha. A construct was considered to have good reliability when the composite reliability value exceeded 0.80 and Cronbach's alpha exceeded 0.70 (Hair et al., 2021).

3.6.3 Inner Model Evaluation

The inner model represents the evaluation of causal relationships among latent variables within the research model based on the underlying theoretical framework. The evaluation included several indicators, namely R^2, Q^2, and Goodness of Fit (GoF).

The coefficient of determination (R^2) was used to evaluate the extent to which independent latent variables explained the dependent latent variable in the research model. An R^2 value of 0.75 indicated a strong model, 0.05 indicated a moderate model, and 0.25 indicated a weak model.

The predictive relevance value (Q^2) was used to assess how well the model generated observed values based on its parameter estimates. According to Hair et al. (2018), Q^2 values can be qualitatively interpreted using categories of 0 (low), 0.25 (moderate), and 0.50 (high).

Goodness of Fit (GoF) was used to assess the overall adequacy of the model, including both the measurement model (outer model) and the structural model (inner model). The model was considered adequate when the Standardized Root Mean Square Residual (SRMR) was below 0.10, whereas an SRMR value above 0.15 indicated that the model was inadequate and required improvement.

3.6.4 Hypothesis Testing

Hypothesis testing was conducted using full-model structural equation modeling (SEM) through SmartPLS 4. SEM is used not only to test theoretical models and structural equations but also to explain whether relationships exist among latent variables. A hypothesis was considered supported when the path coefficient was positive and the p-value was below 0.05. Conversely, a hypothesis was considered unsupported when the path coefficient was negative or the p-value exceeded 0.05.

3.6.5 Moderated Regression Analysis (MRA)

Moderated Regression Analysis (MRA) was employed to examine the interaction effects in the study. MRA is a regression equation that includes an interaction component, namely the multiplication of two or more independent variables, to examine whether a moderating variable strengthens or weakens the relationship between an independent variable and a dependent variable.

In this study, MRA was used to examine the moderating role of Taxation Socialization (M) in the relationship between Tax Knowledge (X1) and Tax Compliance (Y), as well as in the relationship between Financial Literacy (X2) and Tax Compliance (Y).

3.7 Validity, Reliability, and Trustworthiness

Validity was assessed to ensure that the research instrument accurately measured the intended constructs. In the PLS-SEM framework, validity was evaluated through convergent and discriminant validity. Convergent validity was assessed using outer loading and Average Variance Extracted (AVE). Adequate loading values indicate that the indicators appropriately represent the constructs being measured. Meanwhile, AVE was used to assess the proportion of indicator variance explained by the corresponding construct. Discriminant validity was assessed to ensure that Tax Knowledge, Financial Literacy, Taxation Socialization, and Tax Compliance represented distinct constructs. This assessment was conducted using cross-loading analysis.

Reliability was assessed to determine the consistency of the research instrument. A reliable instrument indicates that the indicators used have adequate internal consistency in measuring the same construct. Reliability testing was conducted using Cronbach's alpha and composite reliability. Values meeting the established acceptance thresholds indicated that the research constructs had adequate internal consistency.

The reliability of the research process was further supported through the following procedures:

a. Developing indicators based on clearly defined research constructs;

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b. Using a questionnaire with a consistent structure and measurement scale;
c. Establishing respondent criteria before data collection;
d. Checking data completeness before analysis;
e. Documenting the data processing and analysis procedures;
f. Applying statistical procedures appropriate to the research model; and
g. Reporting the research findings objectively without altering or selectively excluding data to obtain particular results.

Through these procedures, the research process was designed to be transparent and to produce findings that could be academically and methodologically justified.

3.8 Ethical Considerations

The study adhered to research ethics throughout the data collection and data processing stages. First, respondents were informed about the purpose of the study and the intended use of the data before participation. Participation was voluntary, allowing respondents to decide freely whether to participate. Second, respondents' identities and personal information were kept confidential. The collected data were used solely for research purposes and were not used for purposes outside the study without an appropriate basis. Third, the researchers avoided collecting unnecessary personal information that was not required to address the research objectives. Respondents' data were presented in aggregate form to prevent the identification of individual participants. Fourth, data integrity was maintained by avoiding data manipulation, selective data removal, or alteration of analytical results to conform to the research hypotheses. Fifth, all sources used in developing the study were appropriately acknowledged to prevent plagiarism and maintain academic integrity.

3.9 Research Procedure

The research procedure was conducted systematically through the following stages:

a. Stage 1: Problem and research gap identification;
b. Stage 2: Development of the conceptual framework and hypotheses;
c. Stage 3: Operationalization of variables and development of the research instrument;
d. Stage 4: Determination of the population and sample;
e. Stage 5: Data collection;
f. Stage 6: Data processing and cleaning;
g. Stage 7: Data analysis; and
h. Stage 8: Interpretation of findings and formulation of conclusions.

These stages provided a systematic sequence from the initial identification of the research problem through the interpretation of the empirical findings.

3.10 Methodological Limitations

This study has several methodological limitations that should be considered when interpreting its findings. The use of a cross-sectional design means that the data reflect the conditions of respondents during a particular period and therefore cannot explain changes in taxpayer compliance over the long term. In addition, the use of questionnaires may introduce self-report bias because respondents' answers may be influenced by their individual perceptions and understanding. The use of purposive sampling also limits the generalizability of the findings because the results primarily apply to respondents with characteristics similar to those of taxpayers at the South Makassar Primary Tax Office.

Furthermore, the research model included only Tax Knowledge, Financial Literacy, and Taxation Socialization as the principal variables. Consequently, other factors that may influence taxpayer compliance were not examined. Differences in respondents' understanding of the questionnaire statements may also affect the measurement results. Future research may therefore consider broader geographical coverage and a larger number of respondents, employ more representative sampling techniques, and incorporate other relevant variables to obtain a more comprehensive understanding of the factors influencing taxpayer compliance.

4. Results and Discussion

4.1 Research Results

4.1.1 Sample Description and Descriptive Statistics

A total of 80 questionnaires were successfully processed and included in the analysis. The respondents were predominantly male and belonged to the 18–25-year age group. In terms of educational background, most respondents had completed senior high school/vocational high school, followed by those with a bachelor's degree. Regarding occupation, the majority of respondents were

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private-sector employees. The descriptive statistics of the research variables are presented in Table 1.

Table 1. Descriptive Statistics of Research Variables

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T-Statistics (|O/STDEV|)	P-Values
Financial Literacy (X2) → Tax Compliance (Y)	0.224	0.228	0.062	3.603	0.000
Moderation X1 → Tax Compliance (Y)	0.160	0.160	0.052	3.084	0.002
Moderation X2 → Tax Compliance (Y)	0.168	0.172	0.067	2.500	0.013
Tax Knowledge (X1) → Tax Compliance (Y)	0.330	0.325	0.057	5.770	0.000
Taxation Socialization (M) → Tax Compliance (Y)	0.169	0.165	0.044	3.807	0.000

Source: Processed data, 2026

Based on Table 1, Tax Knowledge (X1) had a minimum value of 12,00, a maximum value of 20,00, a mean of 15,8467, and a standard deviation of 2,50013. Financial Literacy (X2) had a minimum value of 18,00, a maximum value of 30,00, a mean of 24,8567, and a standard deviation of 3,26266. Taxation Socialization (M) had a minimum value of 24,00, a maximum value of 40,00, a mean of 31,4900, and a standard deviation of 4,53194. Meanwhile, Tax Compliance (Y) had a minimum value of 18,00, a maximum value of 30,00, a mean of 25,6833, and a standard deviation of 2,75227.

4.1.2 Data Quality and Preliminary Analysis

The measurement model evaluation (outer model) was conducted to assess the validity and reliability of the research constructs. The outer model evaluation included convergent validity, discriminant validity, and construct reliability. The analysis was conducted using SmartPLS 4.0 CB-SEM.

a. Convergent Validity

Convergent validity was assessed to determine the relationship between the indicators and their respective latent constructs. The results showed that all indicators for each research variable had outer loading values greater than 0.70. Therefore, all research indicators met the criterion for convergent validity.

Table 2. Convergent Validity Results

Indicator	Tax Compliance (Y)	Financial Literacy (X2)	Moderation_X1	Moderation_X2	Tax Knowledge (X1)	Taxation Socialization (M)
KPY.1	0.911					
KPY.2	0.821					
KPY.3	0.921					
KPY.4	0.735					
LKK2.1		0.990				
LKK2.2		0.773				
LKK2.3		0.783				
LKK2.4		0.988				
LKK2.5		0.765				
M1						0.997
M2						0.701
M3						0.960

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M4				0.673
M5				0.985
Mx_X1	1.000			
Mx_X2		1.000		
PPX1.1			0.883	
PPX1.2			0.980	
PPX1.3			0.777	
PPX1.4			0.881	
PPX1.5			0.985	
PPX1.6			0.793	

Source: Processed data, 2026

Table 2 shows that all indicators had outer loading values greater than 0.70. Thus, the indicators satisfied the convergent validity requirement.

b. Discriminant Validity

Discriminant validity was assessed to ensure that each construct could be distinguished from the other constructs in the research model. The results showed that the correlation of each variable with itself was greater than its correlations with other variables. Therefore, the research constructs fulfilled the discriminant validity criterion.

Table 3. Discriminant Validity Results

Construct	Tax Compliance (Y)	Financial Literacy (X2)	Moderation_X1	Moderation_X2	Tax Knowledge (X1)	Taxation Socialization (M)
Tax Compliance (Y)	0.852					
Financial Literacy (X2)	0.460	0.866				
Moderation_X1	0.171	0.037	1.000			
Moderation_X2	0.209	-0.044	0.542	1.000		
Tax Knowledge (X1)	0.504	0.206	-0.019	0.066	0.887	
Taxation Socialization (M)	0.517	0.542	-0.040	0.076	0.382	0.875

Source: Processed data, 2026

The results presented in Table 3 indicate that the constructs demonstrated adequate discriminant validity.

c. Construct Reliability

Reliability testing was conducted to assess the consistency of the research instruments in measuring the respective constructs. The results showed that each research variable had a composite reliability value of ≥ 0.70. Therefore, all research variables met the reliability criterion and were suitable for subsequent analysis.

Table 4. Composite Reliability Results

	Cronbach's Alpha (Standardized)	Cronbach's Alpha (Unstandardized)	Composite Reliability (rho_c)	Average Variance Extracted (AVE)
Tax Compliance (Y)	0.910	0.910	0.914	0.723
Financial Literacy (X2)	0.949	0.948	0.933	0.751
Moderation_X1	1.000	1.000	1.000	1.000
Moderation_X2	1.000	1.000	1.000	1.000

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Tax Knowledge (X1)	0.964	0.964	0.956	0.787
Taxation Socialization (M)	0.945	0.946	0.945	0.766

Source: Processed data, 2026

Table 4 indicates that all research variables met the required composite reliability criterion.

4.1.3 Main Analytical Results

The structural model evaluation (inner model) was evaluated using the coefficient of determination (R^2), predictive relevance (Q^2), and Goodness of Fit (GoF).

a. R-Square (R^2)

The R-Square test produced an R^2 value of 0,458. This indicates that the predictive strength of the research model was moderate. Tax Knowledge, Financial Literacy, and Taxation Socialization as a moderating variable jointly explained 45,8% of the variance in Tax Compliance, while the remaining 54,2% was explained by other independent variables not included in the research model.

Table 5. R-Square (R^2) Results

	R^2
Tax Compliance (Y)	0,458

Source: Processed data, 2026

b. Q-Square (Q^2)

The Q-Square test produced a value of 0,593. This value indicates that the Tax Compliance variable had predictive relevance categorized as high.

Table 6. Q-Square (Q^2) Results

	Q^2predict	RMSE	MAE
Tax Compliance (Y)	0,593	0.651	0.538

Source: Processed data, 2026

c. Goodness of Fit (GoF)

The overall model fit was assessed using the Standardized Root Mean Square Residual (SRMR). The analysis produced an SRMR value of 0,059, indicating that the research model was considered adequate.

Table 7. Goodness of Fit (GoF) Results

	Estimated Model	Null Model
Chi-Square	55.403	1153.343
Number of Model Parameters	36.000	12.000
Number of Observations	100.000	n/a
Degrees of Freedom	42.000	66.000
P-Value	0.081	0.000
Chi-Square/df	1.319	17.475
RMSEA	0.056	0.406
RMSEA Lower 90% CI	0.000	0.386
RMSEA Higher 90% CI	0.094	0.427
GFI	0.914	n/a
AGFI	0.841	n/a
PGFI	0.492	n/a
SRMR	0.059	n/a

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NFI	0.952	n/a
TLI	0.981	n/a
CFI	0.988	n/a
AIC	127.403	n/a
BIC	221.189	n/a

Source: Processed data, 2026

4.1.4 Hypothesis Testing Results / Key Findings

The hypothesis testing results obtained from the inner model are presented in Table 8.

Table 8. Hypothesis Testing Results

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values
Financial Literacy (X2) → Tax Compliance (Y)	0,224	0.228	**0.062**	**3.603**	**0.000**
Moderation_X1 → Tax Compliance (Y)	0.160	0.160	0.052	3.084	0.002
Moderation_X2 → Tax Compliance (Y)	0.168	0.172	0.067	2.500	0.013
Tax Knowledge (X1) → Tax Compliance (Y)	0.330	0.325	0.057	5.770	0.000
Taxation Socialization (M) → Tax Compliance (Y)	0.169	0.165	0.044	3.807	0.000

Source: Processed data, 2026

The results in the table indicate that the first hypothesis (H1), concerning the effect of Tax Knowledge (X1), had a t-statistic of 5,770, which was greater than the threshold of 1,96. In addition, the *path coefficient* (0,330) was positive and the *p-value* was (0,000 < 0,05). These results indicate that Tax Knowledge (X1) had a positive and significant effect on Tax Compliance (X1), and therefore the first hypothesis (H1) was accepted.

The second hypothesis (H2), concerning Financial Literacy (X2), had a t-statistic of 3,603, which was greater than the threshold of 1,96. In addition, the *path coefficient* (0,224) was positive and the *p-value* was (0,000 < 0,05). These results indicate that Financial Literacy (X2) had a positive and significant effect on Tax Compliance (Y), and therefore the second hypothesis (H1) was accepted.

Furthermore, the results for the third hypothesis (H3) indicated that the moderating variable, Taxation Socialization (M), strengthened the effect of Tax Knowledge (X1) on Tax Compliance (Y). This was indicated by a t-statistic of 3,084, which was greater than the threshold of 1,96. In addition, the *path coefficient* (0,160) was positive and the *p-value* was (0.002 < 0,005). Thus, Taxation Socialization (M) acted as a moderating variable that strengthened the relationship between Tax Knowledge (X1) and Tax Compliance (Y), and therefore the third hypothesis (H3) was accepted.

Finally, the results for the fourth hypothesis (H4) indicated that the moderating variable, Taxation Socialization (M), strengthened the effect of Financial Literacy (X2) on Tax Compliance (Y). This was indicated by a t-statistic of 2,500, which was greater than the threshold of 1,96. In addition, the *path coefficient* (0,168) was positive and the *p-value* was (0.013 < 0,005). Therefore, Taxation Socialization (M) acted as a moderating variable that strengthened the relationship between Financial Literacy (X2) and Tax Compliance (Y), and consequently, the fourth hypothesis (H4) was accepted.

4.1.5 Visual Presentation of Results

Because the original manuscript provides the results of the PLS Algorithm and bootstrapping primarily in graphical form without reproducing all

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individual indicator values in the text, the available information has been converted into concise tables rather than creating new numerical values.

The PLS Algorithm CB-SEM results showed that the outer loading values of all indicators for each research variable were > 0,70.

a. PLS Algorithm CB-SEM Results

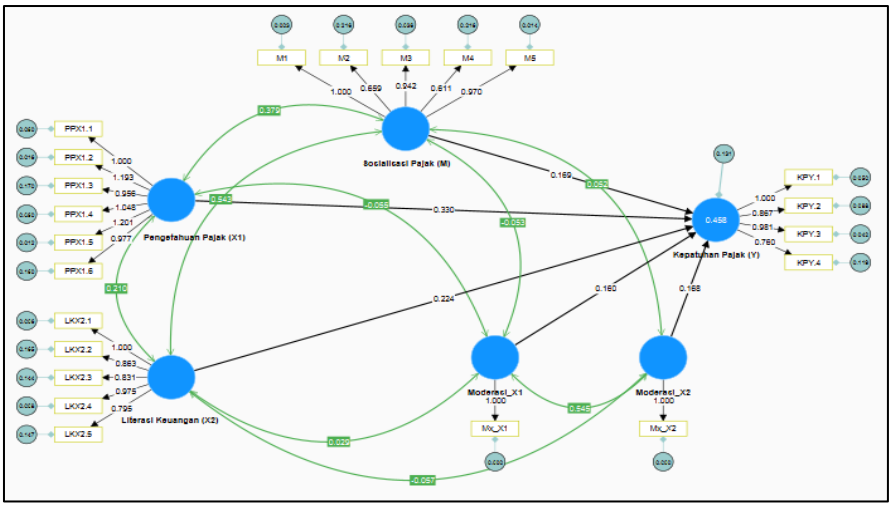


Fig. 2. PLS Algorithm CB-SEM Results

b. Research Model: Bootstrapping Results

The figure presents the bootstrapping results based on the research *rules of thumb*, assessed by examining the path coefficients and statistical significance with a p-value < 0.05 (5%).

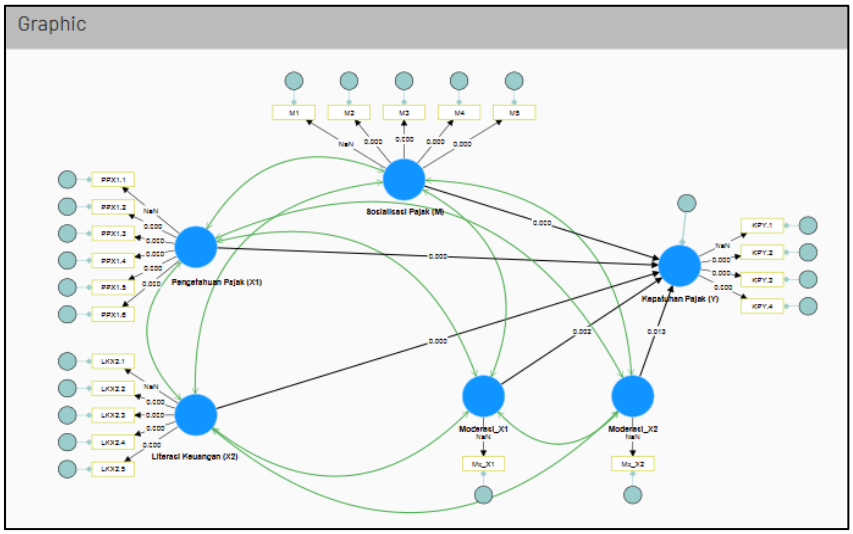


Fig. 2. PLS Bootstrapping Results

4.2 Research Discussions

4.2.1 Interpretation of Key Findings

Based on the hypothesis testing results, this study shows that tax knowledge has a positive and significant effect on tax compliance. These results indicate that the better taxpayers' knowledge of tax regulations, tax administration, tax rights and obligations, and procedures for fulfilling tax obligations, the higher their tendency to fulfill their tax obligations. Thus, tax knowledge not only functions as an understanding of regulations but also serves as one of the foundations that can shape compliant behavior. The hypothesis testing results show that the first hypothesis (H1) is accepted, providing empirical support for the proposition that an increase in tax knowledge is associated with an increase in taxpayer compliance.

Furthermore, financial literacy was also found to have a positive and significant effect on tax compliance. This finding indicates that taxpayers

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who have a better ability to understand and manage financial information tend to be more capable of fulfilling their tax obligations. Financial literacy can help individuals understand the financial consequences of tax obligations and manage financial resources to fulfill those obligations. Therefore, the second hypothesis (H2) is accepted, and the findings demonstrate that tax compliance is not only related to an understanding of tax regulations but also to individuals' ability to manage their financial affairs.

The subsequent results show that taxation socialization strengthens the effect of tax knowledge on tax compliance. This finding indicates that the presence of taxation socialization can strengthen the relationship between taxpayers' knowledge and their compliance behavior. In other words, tax knowledge is more effective in encouraging compliance when taxpayers receive adequate tax-related information, explanations, and education. Socialization can help translate tax knowledge into a more practical understanding of how tax obligations should be fulfilled. Accordingly, the third hypothesis (H3) is accepted.

Meanwhile, the results of H4 show that taxation socialization also strengthens the effect of financial literacy on tax compliance. This finding indicates that taxpayers' ability to understand and manage financial matters contributes more to compliance when supported by adequate taxation socialization. In other words, financial literacy as an internal taxpayer capability requires support from tax-related information to be applied more appropriately in fulfilling tax obligations. Therefore, the fourth hypothesis (H4) is accepted. Overall, all four research hypotheses received empirical support, indicating that tax knowledge and financial literacy are positively associated with tax compliance, while taxation socialization strengthens both relationships.

4.2.2 Comparison with Previous Studies

The findings of this study are generally consistent with previous studies indicating that tax knowledge is one of the factors that can improve taxpayer compliance. These results are also consistent with studies that have found a positive relationship between tax knowledge and compliance. However, this study provides an additional emphasis by demonstrating that the relationship becomes stronger when supported by taxation socialization.

The findings concerning financial literacy also support previous studies demonstrating a positive relationship between financial literacy and tax compliance. Meanwhile, the finding regarding the moderating role of taxation socialization provides a more specific perspective because previous studies have reported inconsistent results concerning the ability of socialization to strengthen such relationships.

4.2.3 Theoretical Contributions

Theoretically, the findings of this study contribute to an understanding of the factors influencing tax compliance by strengthening the perspectives of Tax Compliance Theory and Behavioral Theory. Both perspectives provide a basis for understanding that compliance behavior is determined not only by formal obligations but is also associated with knowledge, understanding, individual capabilities, and environmental factors that influence taxpayer behavior. The finding that tax knowledge and financial literacy have positive effects on compliance provides empirical support for the role of cognitive factors and individual capabilities in shaping compliant behavior.

Another theoretical contribution is reflected in the positioning of taxation socialization as a moderating variable. The findings demonstrate that the relationship between taxpayers' internal capabilities and compliance does not operate independently but can be strengthened by external factors in the form of tax-related information and education. Thus, this study extends the understanding of tax compliance by integrating tax knowledge, financial literacy, and taxation socialization into a single empirical model. This integration demonstrates that tax compliance is behavior that can be shaped through the interaction between taxpayers' internal capabilities and the informational environment that supports them.

4.2.4 Practical and Policy Implications

The findings of this study provide theoretical, practical, and policy implications. Theoretically, this study enriches the taxation literature by demonstrating the relationships among tax knowledge, financial literacy, and tax compliance while opening opportunities to examine other factors that may influence taxpayer compliance. Practically, these findings can serve as a basis for tax institutions

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to develop educational programs that integrate tax knowledge and financial literacy and implement more inclusive, adaptive, and technology-based socialization strategies to reach a broader segment of society. From a policy perspective, the government needs to promote policies that support improvements in public tax knowledge and financial literacy through educational programs and tax campaigns conducted regularly, systematically, and sustainably to improve understanding and encourage taxpayer compliance.

4.2.5 Integration with the Research Gap

This study addresses the research gap identified in previous studies, particularly concerning the inconsistent role of taxation socialization as a moderating variable. The findings demonstrate that, in the context of taxpayers at the South Makassar Primary Tax Office, taxation socialization strengthens the effects of both tax knowledge and financial literacy on tax compliance.

In addition, this study addresses the limitations of previous studies that tended to examine tax knowledge, financial literacy, and taxation socialization separately. Integrating these three variables into a single model provides more comprehensive empirical evidence regarding the factors associated with taxpayer compliance within the context of this study.

4.2.6 Acknowledgement of Study Limitations

Although all hypotheses received empirical support, the findings should be understood within the context of the taxpayers examined at the South Makassar Primary Tax Office. Therefore, the application of these findings to taxpayers with different characteristics or to other regions should be undertaken cautiously because social, economic, and taxation characteristics may differ.

In addition, tax compliance is a behavior that may be influenced by various other factors beyond the research model, such as perceptions of tax fairness, supervision, awareness, and psychological factors. Therefore, the findings of this study do not capture all factors that may explain tax compliance.

5. Conclusion

5.1 Summary of Key Findings

The findings show that tax knowledge and financial literacy have positive and significant effects on tax compliance. This means that the better taxpayers' understanding of taxation and the higher their ability to manage financial information, the greater their tendency to fulfill their tax obligations. In addition, taxation socialization was found to strengthen the effects of tax knowledge and financial literacy on tax compliance, meaning that all research hypotheses were accepted.

5.2 Theoretical Contributions

Theoretically, this study enriches the taxation literature by demonstrating the relationships among tax knowledge, financial literacy, taxation socialization, and tax compliance. The findings strengthen the view that taxpayer compliance is influenced not only by an understanding of tax regulations but also by individuals' ability to understand and manage their financial affairs.

This study also contributes by examining taxation socialization as a moderating variable. The finding that taxation socialization strengthens the relationships between tax knowledge and financial literacy and tax compliance indicates that external factors in the form of information dissemination can enhance the effectiveness of taxpayers' internal capabilities. Thus, this study extends the understanding of the mechanisms that can promote tax compliance.

5.3 Practical and Policy Implications

Practically, the findings indicate the need to develop educational programs that integrate tax knowledge and financial literacy. Tax institutions can develop educational programs that help the public understand their tax obligations while simultaneously relating them to everyday financial management. Socialization should also be conducted continuously through various media, including seminars, workshops, and digital platforms.

From a policy perspective, the government and relevant institutions need to strengthen taxation socialization strategies so that they are more inclusive, accessible, and aligned with taxpayers' characteristics. The use of information technology can be enhanced to facilitate public access to information regarding tax rights and obligations. Tax education policies implemented regularly are expected to increase taxpayer awareness and compliance.

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5.4 Limitations of the Study

This study has limitations in terms of the generalizability of its findings because it was conducted on a specific population, namely individual taxpayers conducting independent work who were registered as active taxpayers at the South Makassar Primary Tax Office. Therefore, the findings should be interpreted according to the characteristics of the population and research context and should not be directly generalized to all taxpayer groups.

In addition to the population limitation, this study focused only on tax knowledge, financial literacy, and taxation socialization in explaining tax compliance. Other factors that may influence taxpayer compliance, including social and cultural factors, were not examined. Furthermore, research conducted within a specific period does not fully capture changes in taxpayer compliance over time.

5.5 Directions for Future Research

Future research is recommended to expand the population and sample coverage by involving taxpayers from more diverse regions and with more varied characteristics. Comparative research across regions may also be conducted to identify differences in the factors influencing tax compliance across regions with different characteristics and levels of compliance.

Future studies may also employ a longitudinal approach to understand changes in tax compliance over time and develop research models that incorporate psychological, social, and cultural factors. The inclusion of these variables is expected to provide a more comprehensive understanding of the factors influencing taxpayer compliance.

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