# The Relationship between Tax Knowledge and Social Environment on Tax Awareness among Accounting Students in the State of Polytechnic Sriwijaya, South Sumatera

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**Abstract**
Tax is one of the state revenues that is coercive and regulated by tax laws. While tax revenue can help the development of a country, developing countries normally generate low tax collection or at risk of losing corporate tax revenue due to issue of tax avoidance. To address the issue, the Indonesia government had introduced the Tax Inclusion program to increase the tax awareness among the younger generations. This study reviews the factors influencing tax awareness among diploma accounting students in the State of Polytechnic Sriwijaya South Sumatera, Indonesia. The study applies non-purposive sampling on 100 respondents. The results show that both tax knowledge and social environment positively influence the tax awareness among the students. The results confirmed the significant role of the government authority in instilling tax awareness which eventually lead to enhance tax compliance, hence consequently benefited the country and society.
**Keywords:** Tax Knowledge, Social Environment, Tax Awareness.

**Introduction**
In recent years, the importance of tax compliance has become increasingly prominent as countries strive to enhance their revenue collections to support national development. Indonesia is a developing country with a total population of 281,602,968 million in 2023 (source: Badan Pusat Statistik Indonesia). The country's reported tax revenue collection in 2021 amounts 1,844,652 billion rupiah which highest contribution comes from value added tax (29.2%) and corporate income tax (28.9%), whilst personal income tax (9%) is the second lowest contribution before social security contribution tax (5%) (source: OECD statistics). This

leads Indonesia's tax-to-gross domestic product (GDP) ratio was 10.9% in 2021, below the Asia and Pacific average of 19.8% (source: OECD statistics). Hence, it categorizes Indonesia in the low income countries that collected tax revenue between 10% to 20% of its GDP (Besley and Perrson, 2014).

Given the critical role of tax revenues in financing public goods and services, it is imperative to understand the factors influencing tax compliance among different segments of the population. One such segment is accounting students, who are future taxpayers and professionals who will play a vital role in the financial management and tax compliance of businesses. Whilst tax payment is compulsory for every liable person making income from the Indonesian territory, tax awareness is an important factor that contributes to tax compliance among taxpayers, hence leading to the level of tax revenue in the countries (Mohammad et al., 2022; Suparta et al., 2021; Ahmad & Ali, 2013). Tax awareness reflects the taxpayers' nationalism toward the country and society, where tax compliance or disobedience can benefit or harm the country. Stronger citizen-state relations contribute more accountable and responsive towards tax compliance (Carnahan, 2015).

The significance of this study lies in its focus on tax knowledge and the social environment as key determinants of tax awareness among accounting students. By identifying these factors, the study aims to contribute to the development of targeted educational programs and policies that can enhance tax compliance rates. In addition to economic structure, political factors and transparency on tax practices, tax knowledge and sociological factors contributed to the level of tax contribution in developing countries (Besley & Persson, 2014). Tax knowledge looks at the taxpayers' familiarity with the benefits of taxes to the country and society as well as their responsibility on the tax calculation, filing, and payment to the authority. Sociological factor discusses societal norms on paying tax. A person contributes to tax if he is living in a family, community, school, and tax agency that regularly updates the tax matter. Whilst building tax awareness is not an easy and fast task, it should be instilled from an early age through high-level education on an ongoing basis (Besley & Persson, 2014; Herawati et al., 2002). It is because the younger generation who are in higher education will be the immediate tax contributors upon joining the industry upon graduation as well as the future administrators of the country.

This study is particularly relevant for policymakers, educators, and tax authorities as it provides insights into how tax education can be effectively integrated into the curriculum to foster a culture of compliance among future taxpayers. Enhancing tax awareness through education creates a generation who can lead a country to be prosperous and independent (Said, 2018). The prosperity comes when the tax revenue could be channelled for the development and sustenance of the country. When the tax revenue is sufficient for the operation of the country, the country does not acquire loans from other institutions such as the World Bank or International Monetary Fund (IMF). Yet, if it does, the country would be liable to comply with its loan collateral, hence losing independence in managing its own country.

The government is responsible for tax compliance which can be achieved through tax enforcement and tax awareness. Because of that, the Directorate General of Taxes (DGT) has implemented a tax education program called the "tax awareness inclusion program" since 2014. The purpose of the program is to increase tax awareness and motivation among the students which eventually will lead to increased tax compliance in the future. Therefore, this study aims to review the relationship between tax knowledge and the impact of the social

environment on tax awareness among accounting students, specifically at the State Polytechnic Sriwijaya, South Sumatera.

## Literature Review
### Tax Knowledge and Tax Awareness

Indonesia implemented self-assessment system (SAS) since 1984. It is where the taxpayers are trusted to calculate, pay, and report their own taxes in accordance with prevailing tax laws and regulations. Level of SAS compliance is contributed by level of tax knowledge Inayati (2022) as a tax payer does aware on the responsibility and consequences on non-compliance such as penalty imposed by the government.   Tax knowledge looks at from the tax payers' familiarity on tax benefit to the country and society as well as their responsibility on the tax calculation, filing and payment to the authority. Tax payer who has such tax knowledge, would then aware their compulsory obligation as the tax revenue is used to serve for the development of the country. The stakeholder theory supports that tax payers' compliance on the tax obligation is as a results for benefit and interest of the community as a whole.

Eriksen and Fallan (1996) suggest that, in theory, tax awareness is influenced by the level of tax knowledge. Tax knowledge increases awareness and ethics, thereby reducing the tendency to do tax non-compliance. A study by Carnahan (2015) using the public expenditure and financial accountability assessment data found that Asia Pacific countries (which also includes Indonesia) are low in the clarity, comprehensive and access to information on tax liabilities. Lack of tax knowledge would then lead to lack awareness on tax responsibility, which subsequently reflect lower commitment on discharging tax responsibility to the government. The lack of knowledge and awareness would consequently lead to non-declared or under-reported income from work or domestic business activities, which considered as a component of tax evasion and avoidance (Riedel and Fuest, 2009). This is supported by Umar, Derashid & Ibrahim (2017); Mas'ud et al (2014) that the level of tax non-compliance in developing countries is much more than developed countries.

### Social Environment and Tax Awareness

The social environment, encompassing the family, school, and community surrounding an individual, significantly influences their social attitudes and behaviors, including tax awareness and compliance (Kusumusari, 2015). This concept is supported by both the Planned Behavior Theory (PBT) and the Social Influence Theory (SIT).  According to the Planned Behavior Theory, individual behavior is a product of intentions, which are shaped by attitudes, subjective norms, and perceived behavioral control (Nurwanah, Sutrisni, Rosidi, Roekhudin, 2018). Attitudes reflect an individual's positive or negative evaluation of performing a behavior, subjective norms involve the perceived social pressures to perform or not perform the behavior, and perceived behavioral control refers to the perceived ease or difficulty of performing the behavior.

The Social Influence Theory on the other hand  posits that an individual's behavior is heavily influenced by their surroundings, including their attitudes, education, and knowledge (Al-Ttaffi et al., 2020). This theory underscores the importance of the social context in shaping individual behavior, suggesting that people are continuously affected by the norms and values prevalent in their environment.  The social environment plays a crucial role in shaping an individual's character, starting with the family, which serves as the first socializing agent. The family environment helps to mold the character of the individual, instilling values and norms

that influence future behavior, including tax compliance. The school environment further influences character development through formal education and social interactions, while the community environment provides broader social influences through real-life examples and community norms (Kawengian et al., 2017; Sitorus & Fauziyati, 2016). Research by Jotopurnomo and Mangoting (2013) highlights that the social environment has a significant impact on taxpayer compliance and awareness. The family, school, and community collectively form the closest social circles that can influence an individual's sense of responsibility and awareness regarding tax matters. When individuals are part of a community that values tax compliance and integrates these values into daily life, they are more likely to develop a similar emphasis on tax responsibilities (Suparta et al., 2021).

Additionally, the social environment can have both positive and negative impacts on individuals, depending on the context. Positive environments, such as families that emphasize responsibility and schools that promote comprehensive education, contribute to shaping responsible and compliant individuals. In contrast, negative influences from the community can lead to undesirable behaviors if negative norms are prevalent (Kusumasari, 2015). Furthermore, tax professionals play a key role in fostering positive tax compliance behavior. They are crucial in educating and guiding taxpayers, thereby encouraging adherence to tax regulations. The behavior and example set by tax professionals can significantly influence the attitudes and actions of current or potential taxpayers, promoting a culture of compliance (Nurwanah et al., 2018).

Integrating PBT and SIT in understanding tax compliance behavior highlights the interplay between individual intentions and the broader social context. Efforts to improve tax compliance should focus not only on individual attitudes and perceptions but also consider the influential role of the social environment in shaping these behaviors. This approach underscores the importance of creating supportive social environments that promote and reinforce tax compliance behaviors among individuals, particularly the younger generation. In summary, the social environment plays a pivotal role in shaping tax awareness and compliance, making it a critical area of focus for policy and educational interventions.

**Hypothesis Development**
Various studies supported tax awareness is influenced by the level of tax knowledge. Among them are study among licensed investor firms in Kenya by Bernad et al (2018), small and medium enterprise (SME) in Yaman by Al-Ttaffi et al (2020), SME of Bantul regency in Indonesia by Jodi & Sagoro (2020) and high school students in Indonesia by (Suparta et al., 2021). Jodi & Sagoro (2020) found social environment has a negative effect on tax awareness among the SME at Bantul regency in Indonesia. Yet other studies such as Al-Ttaffi et al (2020); Suparta et al (2021) found a positive influence.

As such, we hypothesized as follows
H1: There is a positive relationship between tax knowledge and tax awareness.
H2: There is a positive relationship between social environment and tax awareness.

**Research Method**
**Sample**
The research survey is answered by 100 students out of the total population 1,219 student from Diploma III and Diploma IV in State of Polytechnic Sriwijaya South Sumatera, Indonesia.

**Measurement**
Measurement of the variables are as follows:

Table 1
*Variables measurement*

| Dependent variable | Independent variables | |
|---|---|---|
| **Tax Awareness (TA)** | **Tax Knowledge (TK)** | **Social Environment (SE)** |
| TA1: Awareness that paying taxes is the obligation of Indonesian citizens. | TK1: Tax is a mandatory levy that is paid by the people to the state and is used for the benefit of the state. | SE1: The school environment provides learning about the basic of taxation. |
| TA2: Awareness of paying taxes are a form of community service to the state to support state development. | TK2: Tax have a function as a source of state finance. | SE2: The family instils discipline and a sense of responsibility in everything, one of which is to fulfil obligations as citizen. |
| TA3: Awareness that as citizens must pay tax on time. | TK3: The benefits of paying taxes are greater than those of not paying taxes. | SE3: The community environment gives encouragement to be able to understand taxation. |
| TA4: Awareness that delaying tax payments can harm the state. | TK4: The taxpayers Identification Number serves as the identity of the taxpayer and everytaxpayer must have it. | SE4: DJP or the government conducts socialization regarding taxation in the community. |
| TA5: Awareness that non-compliance with taxation as well as inappropriate payment can harm the state. | TK5: Indonesia uses a tax collection system where the taxpayer himself calculates, pays, and reports the SPT. | SE5: Teachers and the school environment motivate them to have tax awareness. |
| TA6: Awareness that taxes are stipulated in the law. | TK6: Citizens who already have a taxpayer Identification Number have an obligation to Reportan SPT. | |
| TA7: Awareness that tax obligations are coercive and will be subject to | TK7: SPT is tool used to report the calculation of tax payable. | |

| | | |
|---|---|---|
| sanctions if a violation occur. | | |
| | TK8: In addition to the Annual SPT, there is also a Periodic SPT and other taxes that must bepaid and reported. | |
| | TK9: The deadline for reporting the Annual SPT is different from the Periodic SPT. | |

The respondents answer the survey based of Likert scale from strongly agree, agree, doubtful, disagree and strongly disagree.

## Research Methodology

The results of the survey are tested using multiple linear regression as follows:

$Y = \alpha + \beta_0 + \beta_1 X_1 + \beta_2 X_2 + e$

Where:

$\beta_{0,1,2}$ = Regression Coefficient

$X_1$ = Tax Knowledge

$X_2$ = Social Environment

$Y$ = Tax Awareness

$\alpha$ = Constant

$e$ = Error

## Research Results
### Respondents profile, reliability test and normality test

Table 2
*Profile of Respondents*

| Variable | Category | Frequency | Percentage (%) |
|---|---|---|---|
| Age | 18-20 | 33 | 33% |
| | 21-23 | 67 | 67% |
| Gender | Female | 57 | 57% |
| | Male | 43 | 43% |
| Year of study | 1 | 12 | 12% |
| | 2 | 17 | 17% |
| | 3 | 24 | 24% |
| | 4 | 47 | 47% |
| Program | Diploma III | 25 | 25% |
| | Diploma IV | 75 | 75% |
| Have taken tax subject | Yes | 83 | 83% |
| | No | 17 | 17% |

Table 2 shows the profile of respondents who are in diploma program where majority of them (83%) have taken tax subject during the course of their study.

Table 3
*Reliability Test*

| Variable | Number of Items | Cronbach's Alpha | Description |
|---|---|---|---|
| Tax Awareness | 7 | 0.766 | Reliable |
| Tax Knowledge | 9 | 0.856 | Reliable |
| Social Environment | 5 | 0.737 | Reliable |

Table 3 shows reliability test results that all the three variables have a Cronbach's Alpha coefficient > 0.60, reflecting the instrument in the analysis produces a reliable status.

Table 4
*Normality Test*

| Variable | Skewness | Kurtosis |
|---|---|---|
| Tax Awareness | -0.236 | -0.164 |
| Tax Knowledge | -0.328 | -0.290 |
| Social Environment | -0.547 | 1.306 |

Table 4 normality test shows the three variables have a value of skewness within the range between -0.236 to -0.547 and kurtosis within the range of -0.164 and 1.306. The data is considered normally distributed as the skewness is within the range of -2 to +2 and the kurtosis is within the range of -7 and +7.

**Descriptive Analysis**
The followings show the descriptive results of tax awareness, tax knowledge and social environment variables on the questionnaire results using a 5 (five) point Likert Scale.

Table 5
*Descriptive Statistic*

| Tax awareness | | | | | Tax knowledge | | | | | Social environment | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Var. | Min | Max | Mean | Std. dev | Var. | Min | Max | Mean | Std. dev | Var. | Min | Max | Mean | Std. dev |
| TA1 | 3 | 5 | 4.33 | 0.57 | TK1 | 2 | 5 | 4.20 | 0.67 | SE1 | 2 | 5 | 4.20 | 0.62 |
| TA2 | 2 | 5 | 4.25 | 0.64 | TK2 | 2 | 5 | 4.23 | 0.65 | SE2 | 1 | 5 | 4.25 | 0.70 |
| TA3 | 2 | 5 | 4.27 | 0.62 | TK3 | 2 | 5 | 3.93 | 0.81 | SE3 | 2 | 5 | 3.99 | 0.73 |
| TA4 | 1 | 5 | 3.73 | 0.84 | TK4 | 2 | 5 | 4.12 | 0.67 | SE4 | 3 | 5 | 4.10 | 0.69 |
| TA5 | 2 | 5 | 3.91 | 0.83 | TK5 | 3 | 5 | 4.12 | 0.73 | SE5 | 3 | 5 | 4.26 | 0.61 |
| TA6 | 3 | 5 | 3.92 | 0.71 | TK6 | 3 | 5 | 4.18 | 0.73 | | | | | |
| TA7 | 2 | 5 | 4.03 | 0.72 | TK7 | 3 | 5 | 4.04 | 0.71 | | | | | |
| | | | | | TK8 | 3 | 5 | 3.94 | 0.79 | | | | | |
| | | | | | TK9 | 2 | 5 | 3.81 | 0.79 | | | | | |

Table 5 shows TA1 has a higher mean score of 4.33 (with lowest value of standard deviation of 0.57) while TA4 has a lowest mean score of 3.73 (with highest value of standard deviation of 0.84). It reflects majority of respondent awareness that paying taxes is the obligation of Indonesian citizens which eventually benefited the society.

TK2 has a higher mean score of 4.23 while TK9 has a lowest mean score of 3.81. It reflects majority of respondents know that tax functions as a source of state finance. TK3 has a higher value of a standard deviation of 0.81 while TK2 has the lowest value of a standard deviation of 0.65.

SE5 has a higher mean score of 4.26 (with lowest value of standard deviation of 0.61) while SE3 has the lowest mean score of 3.99 (with highest value of standard deviation of 0.73). It shows that the majority of respondents acknowledge that the teacher and the school environment motivate them to have tax awareness.

## Correlation Analysis
Pearson correlation analysis is a method used to see the strength and the mutual relationship between two or more variables under study (Evans et al, 2019).

Table 6
*Correlation between Independent Variables and Dependent Variable*

| Variable | TA | TK | SE |
|---|---|---|---|
| Tax Awareness | 1 | 0.771** | 0.525** |
| Tax Knowledge | 0.771** | 1 | 0.588** |
| Social Environment | 0.525** | 0.588** | 1 |

**. Correlation is significant at the 0.01 level (2-tailed)

Table 6 shows both the independent variables of tax knowledge and social environment are strongly correlate with a dependent variable of tax awareness. The result shows 77.1% positive correlation significant at 0.01 between tax knowledge and tax awareness. This means students with positive tax knowledge, will positively have tax awareness. The relationship between social environment and tax awareness shows 52.5%, significant at of 0.01. This means a student with a positive social environment, will positively have tax awareness. Positive correlation at 58.8% (significant at 0.01) between tax knowledge and social environment shows people have better tax knowledge are from the family, school and community environment that are conducive into tax matter.

## Multiple Regression Analysis
In this study, multiple regression analysis is applied to further examine the hypothesis concerning the factors influencing the tax awareness of accountancy students in the State of Polytechnic Sriwijaya. The coefficient of determination (R-Square) and ANOVA (F-test) are the outputs that need to clarify together when doing multiple linear regression analysis.

Table 7
*Regression Model Summary Statistic*

| Predictors | B | Beta | SE | t-statistic | Sig |
|---|---|---|---|---|---|
| Constant | 0.975 | | 0.283 | 3.451 | <0.001* |
| Tax Knowledge | 0.651 | 0.707 | 0.073 | 8.928 | <0.001* |
| Social Environment | 0.106 | 0.109 | 0.077 | 1.376 | 0.172 |
| R | 0.776[a] | | | | |
| R Square ($R^2$) | 0.602 | | | | |
| Adjusted R-squared | 0.594 | | | | |
| F Statistic | 73.387 | | | | |
| Significance F | <0.001[b] | | | | |

[a]   Predictors: (Constant), Tax Knowledge, Social Environment
[b]   Dependent Variable: Tax Awareness

Table 7 shows the independent variables (Tax Knowledge and Social Environment) have a positive correlation (R = 0.776). $R^2$ = 0.602 which means 60.2% of the total of student aware about tax is explained by the independent variable which is tax knowledge and social environment, while 39.8% is explained by other factors. The model is significant since the F-test value is 73.387 with a p-value less than 0.05 (p = <0.001 < α = 0.05).

The result supported both H1 and H2. It shows a positive relationship between tax knowledge and tax awareness (t = 8.928, p-value = <0.001 < α = 0.05). There is also a positive relationship between social environment and tax awareness (t = 1.376, p-value = 0.172 >α = 0.05).

**Analysis and Discussion**

The study's findings reveal a positive and significant relationship between tax knowledge and tax awareness, which aligns with prior research by (Andreas and Savitri, 2015; Suparta et al., 2021; Herawati et al., 2022). The significant positive correlation underscores that students who have undergone taxation courses demonstrate a robust understanding of tax principles, which in turn heightens their awareness of tax obligations and predicts higher compliance upon entering the professional sphere. This outcome is consistent with the Planned Behavior Theory (PBT), which posits that an individual's behavior is a direct result of their intentions, influenced by attitudes, subjective norms, and perceived behavioral control (Nurwanah et al., 2018). Tax knowledge enhances the individual's attitude towards tax compliance and strengthens perceived behavioral control, thereby fostering a sense of responsibility and awareness. Amanita (2017) corroborates this, indicating that tax knowledge is crucial for personal financial management, helping individuals become more prudent and informed about their financial responsibilities. Integrating comprehensive tax education into the school curriculum can significantly enhance tax knowledge and awareness among students. This educational initiative can be aligned with the PBT framework, emphasizing attitudes, subjective norms, and perceived behavioral control to foster a culture of tax compliance from a young age.

The positive significant relationship between the social environment and tax awareness is consistent with the findings of Al-Ttaffi et al (2020); Suparta et al (2021) but contrasts with the negative results of (Jodi & Sagoro, 2020). The significant yet not entirely consistent results suggest that there is still significant potential for enhancing tax awareness within the social environment. The descriptive scores revealing some students' lack of tax awareness from their family, community, and government highlight areas needing improvement. This observation is supported by the Social Influence Theory (SIT), which suggests that individuals are continuously influenced by their environment, including family, school, and community (Al-Ttaffi et al., 2020). Families play a crucial role in shaping the tax awareness and compliance behavior of individuals. Programs aimed at educating families about the importance of tax compliance can leverage the influence of family dynamics to instill responsible financial behavior. Community-based initiatives and peer-led discussions can also reinforce positive tax behavior, aligning with SIT's emphasis on social influence.

Family and social interactions are critical in shaping an individual's psychology and behavior. The family environment, which performs multifaceted roles such as socialization, education, instillation of religious values, economic responsibility, protection, and affection, forms the bedrock of character development (Kusumasari, 2015). Effective family roles can significantly influence an individual's ability to interact, communicate, and exhibit socially responsible behavior, including tax compliance (Suparta et al., 2021). Families that emphasize tax awareness are likely to cultivate tax-conscious behavior and compliance in the younger

generation as they transition into the workforce. This aligns with PBT, where the influence of family and social norms significantly shapes an individual's intention and behavior regarding tax compliance. The family environment that is conscious of tax awareness encourages a young generation to have a tax-conscious behavior and obedience towards tax compliance once they join the industry upon graduation. Educational initiatives that involve parents and guardians can strengthen this foundation by providing resources and support to foster a tax-compliant mindset.

Moreover, the role of educational institutions and community environments cannot be overstated. Schools play a pivotal role in complementing family efforts by providing formal education that includes tax-related subjects. This formal education helps inculcate the importance of tax compliance, further reinforcing positive attitudes and perceived behavioral control over tax-related obligations. Additionally, community environments where individuals observe tax-compliant behaviors tend to reinforce such behaviors through social learning mechanisms as outlined in SIT (Kusumasari, 2015). Governmental authorities should actively engage in enhancing community tax awareness through organized events and campaigns. Interactive and engaging activities can significantly boost tax compliance and revenue, which are essential for effective government management (Al-Ttaffi et al., 2020). These activities can positively influence attitudes towards tax compliance and enhance perceived behavioral control, in line with the principles of PBT.

The study also suggests that governmental authorities should actively engage in enhancing community tax awareness through organized events and campaigns. Interactive and engaging activities can significantly boost tax compliance and revenue, which are essential for effective government management (Al-Ttaffi et al., 2020). These activities can positively influence attitudes towards tax compliance and enhance perceived behavioral control, in line with the principles of PBT. Learning from the Malaysian experience, where a lack of community awareness led to the short-lived implementation of the goods tax (VAT), highlights the necessity of robust and continuous educational campaigns. The government, especially in developing countries, must take action to improve its tax system to increase its tax revenue. Rather than focusing solely on tax incentives and reliefs, expanding the tax base through comprehensive policies such as broadening income and value-added taxes can enhance government revenue. This strategy requires a well-informed public, emphasizing the need for persistent efforts in community tax education and awareness campaigns.

In conclusion, the study underscores the significant influence of tax knowledge and the social environment on tax awareness. These findings highlight the importance of educational and social interventions in fostering a culture of tax compliance, supported by the theoretical frameworks of PBT and SIT. Enhancing tax knowledge and leveraging the social environment through family, educational institutions, and community initiatives are critical strategies for improving tax compliance and ensuring sustainable government revenue. Such comprehensive approaches not only align with the principles of PBT and SIT but also provide a robust foundation for policymakers aiming to enhance tax compliance and awareness in the broader society.

**Conclusion**
In conclusion, this study examined the influence of tax knowledge and the social environment on tax awareness among accounting students at the State Polytechnic Sriwijaya, South Sumatra. Conducted in 2023, the survey involved 100 students, following the ongoing implementation of the Tax Inclusion program by the Ministry of Higher Education and the

Director General of Taxation (DGT) in Indonesia. The study supports hypotheses H1 and H2, highlighting that students generally acquire good tax awareness from tax knowledge imparted in school. However, while the social environment, including family, community, and government, positively influences students' tax awareness, its contribution lacks significant impact.

The findings affirm the Planned Behavior Theory, demonstrating that enhancing tax knowledge through intentional actions improves tax awareness. Additionally, knowledge shared by family, community, and government supports the Social Influence Theory by highlighting the social environment's role in shaping behavior. These insights also align with Stakeholder Theory, underscoring the collective benefit of improved tax awareness for society and the nation. Future research should explore other factors contributing to tax awareness, such as tax sanctions, and examine elements influencing tax compliance among young professionals.

Empirically, the results emphasize the crucial role of schools and the DGT in promoting tax knowledge. School-based tax education has proven effective in raising awareness among students. Therefore, it is recommended that the Ministry of Higher Education continuously reviews and updates the syllabus to ensure that students receive relevant and current tax knowledge. Furthermore, the DGT should expand its Tax Inclusion program to include the community and business operators. The tax knowledge acquired by these groups can then be disseminated within families, enhancing tax awareness among the younger generation. This approach ensures that as they enter the workforce, they will be well-informed and compliant taxpayers, ultimately contributing to the country's tax revenue.

Overall, the study underscores the significant influence of tax knowledge and the social environment on tax awareness. These findings highlight the importance of educational and social interventions in fostering a culture of tax compliance, supported by the theoretical frameworks of PBT and SIT. Enhancing tax knowledge and leveraging the social environment through family, educational institutions, and community initiatives are critical strategies for improving tax compliance and ensuring sustainable government revenue. Such comprehensive approaches not only align with the principles of PBT and SIT but also provide a robust foundation for policymakers aiming to enhance tax compliance and awareness in the broader society.

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