MEDIATING EFFECT OF THE E-COMMERCE ENTREPRENEUR VOLUNTARY TAX COMPLIANCE BEHAVIOUR: SPSS PROCESS MACRO

ADIEBAH BINTI AHMAD[1], NORAZA BINTI MAT UDIN[2] AND RUSNIZA BINTI ABDUL RAHMAN[3]
[1,2,3]Tuanku Puteri Intan Shafinaz School of Accountancy (TISSA),
Universiti Utara Malaysia, 06010 Sintok Kedah Darul Aman, Malaysia
Corresponding email: nora896@uum.edu.my

Abstract: *The digital economy, including e-commerce, is expanding in modern life, making it possible for anybody to commence an online business and engage in tax evasion and non-compliance. However, IRBM consistently encourages taxpayers to voluntarily comply with tax laws, improves their access to tax services and provides improvements for tax declaration, tax computation, and tax payment. The purpose of this study is to look into the effects of the tax service and tax complexity on e-commerce entrepreneur voluntary tax compliance behaviour. Apart from that, this study also examines the mediating effect between these two determinants due to the legitimate power (of) and trust (in) the tax authority on e-commerce entrepreneur voluntary tax compliance behaviour. Approximately 146 Malaysian e-commerce entrepreneurs responded to the survey. The findings indicate that tax service affects e-commerce entrepreneur voluntary tax compliance behaviour but not tax complexity. However, analysis using a simple mediation model in SPSS Process Macro reveals that legitimate power and trust mediate tax complexity negatively but not tax service. The findings indicate that low tax complexity combined with legitimate power and trust increase voluntary tax compliance behaviour. E-commerce entrepreneurs are satisfied with the services provided, but as future improvements, IRBM must enrich their roles as tax service providers through improved trust such as efficient staff, good servicing, and supportive behaviour.*

Keywords *: e-commerce, tax service, tax complexity, voluntary tax compliance behaviour.*

Table of Contents

INTRODUCTION
1. **LITERATURE REVIEW**
   - **1.1 E-Commerce Malaysia**
   - **1.2 Slippery Slope Framework**
   - **1.3 Voluntary Tax Compliance Behaviour**
   - **1.4 Tax Service**
   - **1.5 Tax Complexity**
   - **1.6 Legitimate Power**
   - **1.7 Trust**
2. **METHODOLOGY**
   - **2.1 Conceptual Framework**
   - **2.2 Population and Sampling**
   - **2.3 Respondents' Profile**
   - **2.4 Descriptive Statistics**
   - **2.5 Techniques of Data Analysis**
   - **2.6 Simple Mediation Model (SPSS Process Macro)**
3. **RESULT AND DISCUSSION**
   - **3.1 Hypothesis Result**
   - **3.2 Mediation Analysis by SPSS Process Macro**
4. **DISCUSSION**
5. **CONCLUSION**

INTRODUCTION

The global computer network, also known as the internet, has changed the way businesses operate today. Of recent, many businesses turn to online business or electronic commerce (also known as e-

commerce). According to the Department of Statistics Malaysia (DOSM), Malaysia's e-commerce market grew by 2.8 percent from 2017 to 2019 and is expected to grow by 32.7 percent in 2020. The businesses became more profitable, which also encouraged more individuals to become e-commerce entrepreneurs, such as social media influencers on product reviews, drop shippers and agents of products, YouTubers, and video bloggers. The government is enthusiastic about e-commerce and hopes that as it expands, so will its use.

However, despite the positive growth of e-commerce, Malaysia's income showed a 20 percent decline in 2015 and 2016 due to tax non-compliance and tax evasion. Previous studies reported that there is tax evasion and tax non-compliance among e-commerce entrepreneurs in Malaysia (Hamid et al., 2018; Palil et al., 2020). However, the tax evasion and non-compliance not only happen among Malaysian e-commerce entrepreneurs, but has also been discovered in Hong Kong (Davis & Chan, 2000), Indonesia (Syakura et al., 2016) and China (Nan et al., 2018).

Everybody who earns income should be taxed, including individuals with employment income, individuals with self-employed income, and other business entities such as companies and limited liability partnerships. E-commerce entrepreneurs are encouraged to voluntarily declare and pay income tax. As a tax collection authority, IRBM has always introduced methods to improve voluntary tax compliance behaviour, such as providing good and efficient tax service and introducing the simple method of tax computation and tax payment via e-filing. Khamis and Mastor (2021) agreed that the optimistic perception of e-commerce taxpayers towards tax service quality will lead to more compliance. Meanwhile, e-commerce entrepreneurs also claimed that Malaysian tax rules and regulations are too complex to understand (Hamid et al., 2018).

Based on the situations stated above, this study aims to examine the influence of e-commerce entrepreneur voluntary tax compliance behaviour. Two determinants are used, namely tax service and tax complexity. An additional mediator, such as legitimate power and trust, is examined together with these determinants and the e-commerce entrepreneur voluntary tax compliance behaviour. The mediation effect is analysed using Process Macro by Andrew F. Hayes.

The article begins with an introduction, literature review on e-commerce, voluntary tax compliance behaviour, tax service, and tax complexity as determinants. In addition, mediators such as legitimate power and trust are used. The next segment discusses about the methodology and mediation analysis technique, namely SPSS Process Macro. After that the results of the hypotheses are discussed. Finally this article ends with a conclusion.

1. LITERATURE REVIEW

1.1 E-Commerce Malaysia

Internet use began to develop in the early 1970s, when it was only used for financial transactions. CompuServe, founded in 1969, was the first e-commerce company. E-commerce changed rapidly from Business to Business (B2B) to Business to Consumer (B2C) and Business to Employee (B2E) in 2004. Then, 'social commerce' was introduced by Yahoo in 2005, using social networks for e-commerce. E-commerce mobility has been improved by pushing commerce into a new landscape. According to research, the most money was spent online in 2015 on Facebook, Pinterest, and Twitter (Rouse, 2016). E-commerce is a new business model for transacting tangible and intangible goods and services over the internet. It uses the channels of the Internet for transactions, marketing, and the provision of product information. The U.S. Department of Treasury defines e-commerce as the ability to perform transactions involving the exchange of goods or services using electronic tools and techniques.

Malaysia's e-commerce sector is growing as middle class incomes are more digital and consumers seek out foreign branded offerings. Malaysia has one of the highest internet penetration rates (around 82.3 percent) in Southeast Asia. In addition, Malaysia's younger generation is acquiring technological skills by building an increasingly powerful Internet infrastructure. In 2019, sales from e-commerce transactions in Malaysia grew to RM675.4 billion, compared to RM447.8 billion in 2017. E-commerce contributed 15 percent of total income for Malaysian SMEs. The majority of them have utilised social commerce platforms such as Facebook, WhatsApp, and Instagram. Shopee Malaysia debuted in 2015, following Shopee Singapore. They focused on Consumer to Consumer (C2C) and B2C, and currently work with logistics companies such as Pos Malaysia and Ninja Van.

From 2018 to 2019, Shopee shows a 48.1 percent rise in e-commerce orders, with 200 million downloads. Malaysian e-commerce sites such as Zalora, FashionValet, Happy Fresh, and Hermo are among those that use their websites for online shopping. Customers can use their website to buy their products. Blogs are also one of the main income sources for online retailers in Malaysia. Malaysian YouTubers grew rapidly when YouTube was launched in 2005. Kafaym Ab, Les' Copaque YouTube Channel, Aliff Irfan, and Syahmi Production are among the popular platforms in Malaysia. One of the worrying questions is whether e-commerce in Malaysia is subject to voluntary compliance with tax.

1.2 Slippery Slope Framework

The Slippery Slope Framework (SSF) model as shown in Figure 1, has been developed by Kirchler (2007) and highlights two types of tax compliance behaviour: enforced and voluntary tax compliance. The model assumes that taxpayers always intend to commit tax evasion and that control measures such as fines and audits must be implemented to enhance enforced tax compliance. While voluntary tax compliance is higher due to increased trust in the tax authority, high voluntary tax compliance behaviour may reflect that the law and tax authorities who collect taxes are operating within a professional bureaucratic system. The SSF model emphasizes how tax authorities' power and trust influence either enforced or voluntary tax compliance. Power has been divided into coercive power, which influences enforced tax compliance, and legitimate power, which influences voluntary tax compliance, besides trust.

Furthermore, if there is strong coercive power, tax compliance will be strictly enforced. Meanwhile, high levels of legitimate power and trust will maximize voluntary tax compliance. When taxpayers have a high level of trust in the tax authorities, compliance is perceived as increasing (Kastlunger et al., 2013). The dimensions of trust are driven by tax-compliant psychological factors that lead taxpayers to believe that tax laws and regulations are clear and easy to follow. In the SSF model, there are seven determinants of economic and psychological factors, such as audit probability, fines, tax rates, tax knowledge, tax attitudes, norms, and perceived fairness that are useful to examine tax compliance behaviour.

This study aims to examine the determinants of the e-commerce entrepreneur voluntary tax compliance behaviour including the mediation effect of legitimate power and trust. Tax power refers to the ability of the tax authority to control the tax system and influence the tax compliance of the taxpayers. The appropriate level of legitimate power will influence the trust in tax authority, particularly if it is helpful and supportive, good for the tax officer's job, and provides professional service. The dimensions of trust are driven by tax-compliant psychological factors that lead taxpayers to believe that tax laws and regulations are clear and easy to follow. Because of this, the tax service and tax complexity are utilized as determinants.

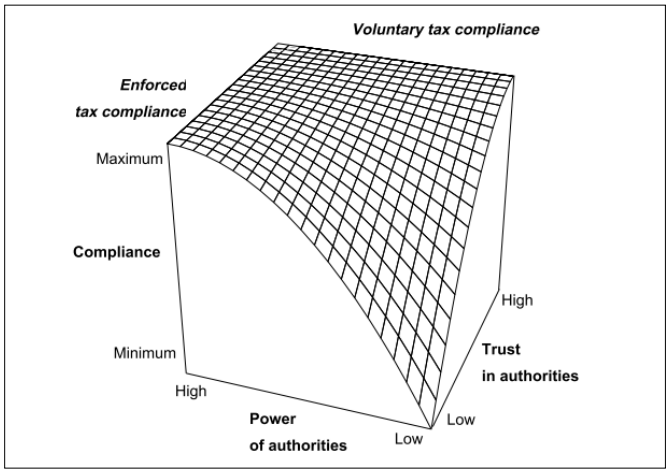

***Figure 1*. Slippery Slope Framework Model**

1.3 Voluntary Tax Compliance Behaviour

Voluntary tax compliance behaviour refers to compliance with tax requirements without any enforcement mechanisms (Isa & Pope, 2011). It creates a natural willingness to cooperate, which arises

from the taxpayer's moral obligations to contribute to the public's benefit (Kirchler & Wahl, 2010). On the other hand, voluntary tax compliance behaviour creates a natural willingness to cooperate, which arises from the taxpayer's moral obligations to contribute to the public's benefit. There are four fundamental tax compliance obligations; registration with the tax authority, accurately reporting tax liability, submitting a tax return in due time, and payment of tax liability by or before the due date or pre-restructuring schedule (Josephine & Dom, 2013).

Voluntary motivation to pay taxes increases due to positive reciprocity: if the taxpayer respects tax laws, they will be encouraged to voluntarily pay taxes without requiring enforcement. An increase in voluntary compliance normally arises as a result of high trust in tax authority (Kogler et al., 2013). In Malaysia, there has been much focus on encouraging voluntary tax compliance as one of the missions of the Malaysian tax authorities including for e-commerce entrepreneurs. As such, IRBM has provided tax service by enhancing voluntary compliance among taxpayers in Malaysia. Many strategies have been implemented by the IRBM to enhance voluntary tax compliance behaviour among taxpayers i.e. individuals, business, and companies, such as strengthening strategic cooperation in auditing, implementing a fair, efficient, and effective tax system and organising public awareness programs, such as Revenue4U, EduZone, and also interactive and informative website.

These efforts are aimed at ensuring an increase in the number of national revenues annually in order for the tax gap to be reduced. In Malaysia, the mission of the Self-Assessment System is to improve voluntary tax compliance. With the development of e-commerce in Malaysia, it is difficult for audits and investigations to be carried out comprehensively, and voluntary taxpayers are strongly encouraged to be efficient, strengthen strategic cooperation in auditing, implement a fair, efficient and effective tax system, and organise public awareness programs.

1.4 Tax Service

Tax service has been described by IRBM as the perception of excellent services provided by the tax authority, which include the primary reference of legal regulations, professional service, perceived fairness, and customer service. The outcomes of this research suggest that extending the tax compliance model to incorporate public governance quality, tax service quality, ethnic diversity, and the regulating effect of taxpayers' financial situations would provide a better understanding of tax compliance behaviour. Abdul Manaf et al. (2013) suggested that in order to enhance efficient service, tax professionals and the IRBM need to update their knowledge on current issues in the tax system to promote tax awareness among taxpayers. The quality of tax services has the power to influence their decisions regarding tax compliance (Maseko, 2013) which is supported by Faizal et al. (2019) because the taxpayers' perception of the service they received from tax authorities and the trust they gained were able to increase the level of tax compliance.

The tax authority is perceived as supportive and competent by Indonesian e-commerce taxpayers, who expend tax revenues for public goods and provide excellent cooperation because they want the tax system to run smoothly and with less bureaucracy (Syakura et al., 2016). They should be concerned with tax service and implement excellent interactions between taxpayers and tax authorities such as good reference of legitimate regulations through accurate information about tax law and increasing trust in authority, professional service through expert tax officers, entertaining unintentional mistakes or taxpayers who admit their mistake, perceived fairness in handling tax control activities, and customer service with a frugal attitude. Taxpayers and tax authorities need to work together to improve tax compliance. The tax authority should act as an intermediary and service provider for taxpayers.

Previous research has found a strong link between tax services and voluntary tax compliance. Oyewole et al. (2014) also revealed that tax compliance was related to the tax system. Serving with useful tax information (Alm et al., 2010; Alm et al., 2016), serving quality in tax service and public governance quality (Alabede et al., 2011; Alabede, 2012), having a low cost of tax services and being more welcoming to taxpayers (Alm et al., 2010) and providing expertise to officers (Alm et al., 2012) are the elements considered to be good in service. Generally, most of the previous studies on various taxpayers as respondents found that tax service has a significant relationship with voluntary tax compliance behaviour.

Therefore, H1 has been developed to examine the influence of the tax service on e-commerce entrepreneur voluntary tax compliance behaviour.

H1: There is a significant relationship between tax service and e-commerce entrepreneur voluntary tax compliance behaviour

1.5 Tax Complexity

The complexity of the tax system is defined as difficulties in the understanding of tax laws, computation of tax liability, and other tax procedures (Millron, 1985). Meanwhile, Saad (2010) agreed that tax complexity causes difficulty in understanding and complying with tax laws. Simple computation, as well as facilitation or assistance from a tax authority or tax service provider, influences voluntary tax compliance behaviour (Alm et al., 2010). Previous research from several types of taxpayers shows that tax complexity and voluntary tax compliance behaviour have significant relationship while some do not. However, Azriati et al. (2016) found no significant relationship between tax complexity and voluntary tax compliance behaviour.

Furthermore, it was also found that when tax complexity is high, tax compliance behaviour will be low (AlHaj, 2016). This is supported by Oyewole et al. (2014) which stated that tax complexity could decrease tax compliance. The measurements of tax complexity among corporate taxpayers are tax computation, record keeping, and tax uncertainty (Isa, 2014). According to Damajanti and Abdul Karim (2017), if taxpayers understood tax reporting procedures, tax calculating techniques, and tax payment procedures well, it could increase their compliance in performing their tax commitments. Syakura et al. (2016) who conducted a study on e-commerce in Indonesia found that high tax complexity will cause low tax compliance behaviour. Meanwhile, Hamid et al. (2019) investigated e-commerce in Malaysia and found that the resondents perceive that taxation is too complex. However, there also exist previous researches that found negative relationship between tax complexity and tax compliance behaviour (Adimassu & Jerene, 2016; AlHaj, 2016; Damajanti & Abdul Karim, 2017; Mahangila, 2017; Richardson, 2006; Oyewole et al., 2014).

In conclusion, most of the previous research agreed that tax complexity has a significant relationship with voluntary tax compliance behaviour. Therefore, H2 is developed to examine the influence of tax complexity on e-commerce entrepreneur voluntary tax compliance behaviour.

H2: There is a significant relationship between tax complexity and e-commerce entrepreneur voluntary tax compliance behaviour

1.6 Legitimate Power

Legitimate power is determined according to the perception power of the tax authority, where legitimate power can be dominant towards legitimacy, expertise, information, and identification (Gangl et al., 2015; Gangl et al., 2019). Legitimate power, according to the SSF model, reflects voluntary tax compliance behavior. The outcomes of legitimate power can foster honest tax payments, foster reason-based trust in the tax authority, lead to voluntary and committed tax cooperation, and sustain the moral dimension of tax compliance. Tax authorities are considered to have the ability to provide help and support, to have good reputations, to offer reasons to trust them, to be recognised and accepted by taxpayers, and to have the acceptable power to influence taxpayers' behavior, according to Gangl et al. (2015).

According to the SSF model, tax authorities should combine legitimate power with increased voluntary tax compliance behaviour (Hofmann et al., 2014; Kirchler et al., 2008). Other than that, Alm and Torgler (2011) also recommended that tax authorities increase their legitimacy by improving their services and reducing tax complexity by creating understandable tax procedures that can be viewed through websites and phone services. The tax authority could also provide an easily accessible platform and offer rewards to taxpayers who voluntarily update their business information (Palil et al., 2020).

In general, legitimate power mediates the effects of tax service and tax complexity on voluntary tax compliance behavior. Therefore, H3 and H4 have been developed to examine the influence of the

legitimate, tax service and tax complexity on e-commerce entrepreneur voluntary tax compliance behaviour.

H3: There is a significant relationship between tax service and e-commerce entrepreneur voluntary tax compliance behaviour mediates by legitimate power
H4: There is a significant relationship between tax complexity and e-commerce entrepreneur voluntary tax compliance behaviour mediates by legitimate power

1.7 Trust

Tax compliance is considered to improve if the taxpayer has a high degree of trust in the tax authorities (Kastlunger et al., 2013; Faizal et al., 2019). Syakura et al. (2016) also found that if the tax authority is supportive and competent, spends tax revenues on public goods, and has excellent cooperation, Indonesian e-commerce taxpayers trust their tax authority because they want the tax system to function effectively and less poorly in the bureaucracy of the tax system. Furthermore, Bornman (2015) discovered that trust in tax authorities is positively associated with tax compliance, with the key elements impacting trust in tax authorities being views of justice, treatment by authorities, norms and attitudes, and subjective tax knowledge.

Taxpayers should be treated as a service, such as the service climate, which should be strengthened with trust in order to create voluntary compliance. Gangl et al. (2012) explained that trust is linked to the concepts of imputed, rational or knowledge-based trust. In addition, Jaidi et al. (2013) found that the taxpayers are satisfied with the Malaysian tax system because of the simple and secure system. Being professional in tax service can promote trust and improve tax compliance behaviour (Kirchler et al., 2014). Trust should be enhanced by excellent tax service and a high degree of confidence in the tax authorities where it will lead to increase in voluntary compliance (Kastlunger et al., 2013; Faizal et al., 2019).

Furthermore, voluntary tax compliance will be high when tax authority is perceived as trustworthy (Wahl et al., 2010). The dimensions of trust are driven by tax-compliant psychological factors that lead taxpayers to believe that tax laws and regulations are clear and easy to follow. In general, trust mediates the effects of tax service and tax complexity on voluntary tax compliance behaviour. As a result, H5 and H6 have been developed to investigate the impact of trust, tax service, and tax complexity on e-commerce entrepreneur voluntary tax compliance behavior.

H5: There is a significant relationship between tax service and e-commerce entrepreneur voluntary tax compliance behaviour mediates by trust
H6: There is a significant relationship between tax complexity and e-commerce entrepreneur voluntary tax compliance behaviour mediates by trust

2. METHODOLOGY

In this methodology part, the conceptual framework, population and sampling, including descriptive profiles of respondents, are briefly explained, as are the descriptive statistics for each study variable. Multiple regression is employed to calculate the direct relationship using SPSS while the SPSS Process Macro is employed to identify the indirect effect of the mediators on e-commerce entrepreneur voluntary tax compliance behaviour.

2.1 Conceptual Framework

The conceptual framework of this study is shown in Figure 2. There are two determinants which are tax service and tax complexity, two mediators such as legitimate power and trust, while dependent variable is e-commerce entrepreneur voluntary tax compliance behaviour.

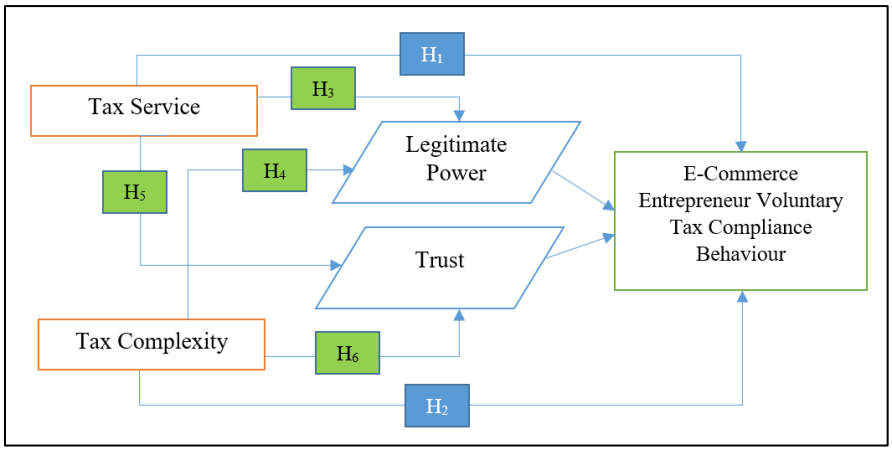

Figure 2. Conceptual Framework

2.2 Population and Sampling

This study uses e-commerce entrepreneurs as a group of study participants. Using systematic random sampling, 210 participants responded to the survey. After screening and cleaning, about 146 were accepted as qualified data.

2.3 Respondents' Profile

The descriptive statistics on the respondents' profiles indicate that they are drop shippers, agents, product distributors, and business owners. The respondents, who are between the ages of 31 and 40, have less than five years' involvement in e-commerce. About 67.8 percent of all respondents are female and the majority of them are employed in retail, services, or a combination of the two economic sectors related with e-commerce. The respondents participated in the business model for B2C e-commerce, and some of them also participated in both B2C and B2B. The majority of them also filed their tax returns and registered for e-commerce. They chose to establish their business permanently in Malaysia, with e-commerce as their secondary income source. The details are shown in Table 1.

Table 1
Frequencies Statistics of Respondents Profile

Category	Frequency	Percentage
Position/Designation		
Owner	52	*35.6*
Executive	18	*12.3*
Manager	15	*10.3*
Others (drop shippers/agents/distributors)	61	*41.8*
Age of the Owner		
Below 20	4	*2.7*
21-30	39	*26.7*
31-40	51	*34.9*
41-50	43	*29.5*
Above 50	9	*6.2*
Business Length		
Below 5 years	108	*74.0*
6-10 years	20	*13.7*
11-15 years	7	*4.8*
16-20 years	8	*5.5*
Above 20 years	3	*2.1*
Ethnicity		
Malay	131	*89.7*
Chinese	6	*4.1*

Category	Frequency	Percentage
Indian	3	*2.1*
Others	6	*4.1*
Gender		
Male	47	*32.2*
Female	99	*67.8*
Business Sectors (E-Commerce)		
Retailing *(Dropship/Agent/Stockist/Product Distributor)*	83	*56.8*
Transport & Logistic *(Logistic Service/Car Rental/Online Ticketing)*	2	*1.4*
Financial Services *(Bank/Payment Gateway/Credit Card/Debit Card/loyalty card/ membership card)*	5	*3.4*
Manufacturing & Agriculture *(3D Printing)*	4	*2.7*
Education *(eBook/online tutor/online tutorial)*	7	*4.8*
Healthcare *(online doctor/online pharmacy)*	2	*1.4*
Broadcasting & Media *(YouTube/Photography)*	0	*0*
Sharing economy *(Sharing cars, house, rooms, bikes)*	1	*0.7*
Subscription *(Comic Online/Newspaper Online/Video Streaming/Audio Streaming*	1	*0.7*
Services *(Infrastructure and software service, event management, wedding planner)*	7	*4.8*
Advertisement *(Blogger/Instafamous/Insta or Product Reviewer)*	0	*0*
Crowd Sourcing *(Kickstarter.com)*	0	*0*
Selling of Digital Product *(Data/eBook/Apps)*	0	*0*
Others e-commerce	12	*8.2*
More than one	2	*15.1*
E-Commerce Business Model		
B2B (Business to Business)	8	5.5
B2C (Business to Consumer)	81	55.5
B2G (Business to Government)	2	1.4
C2B (Consumer to Business)	0	0
C2C (Consumer to Consumer)	12	8.2
C2G (Consumer to Government)	3	2.1
More than one	40	27.4
Register with Registrar		
Yes	87	*59.6*
No	32	*21.9*
Not Yet	27	*18.5*
Register Tax File		
Yes	71	*48.6*
No	42	*28.8*
Not Yet	33	*2.6*
Permanent Establishment		
Malaysia	128	*87.7*
Outside Malaysia	5	*3.4*
Malaysian and Outside Malaysia	13	*8.9*
Business Size		
Micro Enterprise	113	*77.4*
Small Business	29	*19.9*
Medium Business	3	*2.1*
Big Companies	1	*0.7*
Income Source		
Primary Income	47	*32.2*

Category	Frequency	Percentage
(full-time in e-commerce/online business)		
Secondary Income	69	*47.3*
(part-time in e-commerce/online business)		
Primary and Secondary Incomes	30	*20.5*
(full-time and part-time in e-commerce)		

2.4 Descriptive Statistics

The mean scores, standard deviation, frequency, and percentage of the dependent variables, independent variables, and mediators were obtained using a descriptive statistical analysis. To determine the mean value of the variables, data were measured on a 5-point Likert scale. Frequency and percentage comprise three levels of agreements; *Strongly Agree* and *Agree*, *Neutral* and *Strongly Disagree* and *Disagree*. On a scale of 1 to 5, where 5 is highest, a score of 5.00 indicates a high level of agreement with the criterion; a mean score of 3.00 to 3.99 indicates moderate agreement, and 1.99 or less is regarded as low as adapted from Jamil (2005).

Table 2 shows the descriptive statistics for tax service. The means and standard deviations are 3.37 and 0.742, respectively. The majority of respondents agreed to a moderate level of agreement with the items under "tax services". About 62.3 percent agreed that the tax authority does everything possible to serve their clients (taxpayers), 55.5 percent agreed that tax authority treats them with respect, and 36.3 percent agreed that they take people's circumstances sufficiently into account. 51.4 percent had neutral responses for the item "tax authority keeps its promises" and 44.5 percent had neutral perceptions for the item "tax authority treats everybody fairly". Meanwhile, 33.6 percent perceived difficulties in consultation.

Table 2

Descriptive Statistics for Tax Service (n=146)

Items	M	Std. Dev.	SA/Agree		Neutral		SD/Disagree	
			F	%	F	%	F	%
Tax authority does everything possible to serve people.	3.73	1.033	91	*62.3*	39	*26.7*	16	*11.0*
Tax authority treats people with respect.	3.64	1.009	81	*55.5*	49	*33.6*	16	*11.0*
It is difficult for taxpayers to consult tax authority.	2.90	1.094	42	*28.8*	55	*37.7*	49	*33.6*
Tax authority keeps its promises.	3.36	0.892	56	*38.4*	75	*51.4*	15	*10.3*
Tax authority treats everybody fairly.	3.39	0.950	64	*43.8*	65	*44.5*	17	*11.6*
Tax authority takes people's circumstances sufficiently into account.	3.18	1.064	53	*36.3*	61	*41.8*	32	*21.9*
Total	***3.37***	***0.742***						

Note: M = Mean, Std. Dev. = Standard Deviation, F = Frequency, SA = Strongly Agree, SD = Strongly Disagree

Meanwhile, referring to Table 3, the mean score (M) is 3.06 and the standard deviation (SD) is 0.845 for e-commerce entrepreneurs' perception of tax complexity. According to Jamil (2015), the mean differences equal 3.06 indicates a moderate level of agreement with the items under tax complexity. About 34.2 percent did not agree that the rules related to income tax are clear, while 34.9 percent agreed the tax return guidelines are lengthy and not user friendly. However, the respondents agreed that explanation in guidebooks or explanatory material is easy to understand (34.2 percent).

Table 3

Descriptive Statistics for Tax Complexity (n=146)

Items	M	Std. Dev.	SA/Agree F	SA/Agree %	Neutral F	Neutral %	SD/Disagree F	SD/Disagree %
The sentences and wording in the income tax return guide are lengthy and not user-friendly.	3.27	1.091	51	*34.9*	62	*42.5*	33	*2.6*
The rules related to income tax are clear.	2.88	1.088	37	*25.3*	59	*40.4*	50	*34.2*
I do not have to make a lot of effort to understand the explanations given in tax authority guide books and other similar explanatory material.	3.03	1.129	50	*34.2*	48	*32.9*	48	*32.9*
Total	***3.06***	***0.845***						

Note: M = Mean, Std. Dev. = Standard Deviation, F = Frequency, SA = Strongly Agree, SD = Strongly Disagree

The descriptive statistics table for e-commerce entrepreneur voluntary tax compliance behaviour shows that the mean differences and standard deviations are 3.60 and 0.763. There is a moderate level of agreement with the items under the dependent variable (voluntary tax compliance behaviour). About 72 percent agreed to volunteer to comply because tax law in Malaysia is easier to deceive than the tax authority, while 53 percent agreed that the tax authority is tolerant of unintentional errors made by e-commerce taxpayers.

Table 4

Descriptive Statistics for Voluntary Tax Compliance Behaviour (n=146)

Items	M	Std. Dev.	SA/Agree F	SA/Agree %	Neutral F	Neutral %	SD/Disagree F	SD/Disagree %
I comply to the tax law in Malaysia because the tax authority will probably reciprocate my cooperation.	3.34	1.153	60	*41.1*	56	*38.4*	30	*20.8*
I comply to the tax law in Malaysia because the tax authority treats me correctly as long as I admit mistakes.	3.48	1.078	72	*49.3*	55	*37.7*	19	*13.0*
I comply to the tax law in Malaysia because the tax authority supports who make unintentional mistakes.	3.53	1.058	78	*53.4*	48	*32.9*	20	*13.7*
I comply to the tax law in Malaysia because it is easier to do so than to deceive the tax authority.	4.05	0.905	105	*71.9*	35	*24.0*	6	*4.1*
Total	***3.60***	***0.763***						

Note: M = Mean, Std. Dev. = Standard Deviation, F = Frequency, SA = Strongly Agree, SD = Strongly Disagree

The descriptive statistic for legitimate power is shown in Table 5. The results show that the mean scores concerning the respondents' responses for all statements on legitimate power range from 3.47 to 3.87, while the standard deviations range from 0.919 to 1.158. About 69 percent agreed that IRBM has the right power to prosecute tax evaders. Furthermore, 57 percent agreed that IRBM provides good information needed by taxpayers, provides comprehensive procedures which ease the difficulties of taxpayers. On average, most respondents had a moderate level of agreement for items of legitimate power, with the total mean equal to 3.63 and the standard deviation equal to 0.910.

Table 5
Descriptive Statistics for Legitimate Power (n=146)

Items	M	Std. Dev.	SA/Agree		Neutral		SD/Disagree	
			F	%	F	%	F	%
I believe that the tax authority arranges comprehensible procedures for the collection of taxes.	3.47	1.158	75	*51.4*	42	*28.8*	29	*19.9*
I believe that the tax authority ensures that concerns of taxpayers are processed efficiently and fast.	3.55	1.145	80	*54.8*	40	*27.4*	26	*17.8*
I believe that the tax authority is capable to provide good advice and information to taxpayers.	3.60	1.111	83	*56.8*	43	*29.5*	20	*13.7*
I believe that the tax authority has the right to prosecute tax evader.	3.87	0.919	101	*69.2*	36	*24.7*	9	*6.2*
Total	***3.63***	***0.910***						

Note: M = Mean, Std. Dev. = Standard Deviation, F = Frequency, SA = Strongly Agree, SD = Strongly Disagree

The results illustrated that the mean scores concerning the respondents' responses for all statements on trust range from 3.34 to 3.63, and the standard deviations range from 1.004 to 1.079. The average level of agreement among respondents is moderate, with a total mean of 3.52, whereas the standard deviation is 0.917. Respondents have agreed with the items in trust. Table 6 presents the descriptive statistics of trust based on the staff's knowledge, competence, reliability, and supportiveness.

Table 6
Descriptive Statistics for Trust (n=146)

Items	M	Std. Dev.	SA/Agree		Neutral		SD/Disagree	
			F	%	F	%	F	%
I trust the Malaysian tax authority because it has the necessary political support.	3.34	1.141	62	*42.5*	57	*39.0*	27	*18.5*
I trust the Malaysian tax authority because they are reliable.	3.52	1.091	72	*49.3*	51	*34.9*	23	*15.8*
I trust the Malaysian tax authority because the staff are knowledgeable.	3.63	1.004	82	*56.2*	50	*34.2*	14	*9.6*
I trust the Malaysian tax authority because they give competent advice.	3.61	1.079	79	*54.1*	49	*33.6*	18	*12.3*
I trust the Malaysian tax authority as they always provide taxpayer guidance and advice on tax issues without fail.	3.49	1.12	69	*47.3*	54	*37.0*	23	*15.8*
Total	***3.52***	***0.917***						

Note: M = Mean, Std. Dev. = Standard Deviation, F = Frequency, SA = Strongly Agree, SD = Strongly Disagree

Mostly, there is a moderate level of agreement for tax service, tax complexity, voluntary tax compliance behaviour, legitimate power, and trust.

2.5 Techniques of Data Analysis

Multi-regression (SPSS)

In this study, the Statistical Package for the Social Sciences (SPSS) is used to analyse the regression for the direct model. According to Arkkelin (2014), SPSS is the most widely used software package of its type. It allows many different types of analyses, data transformations, and forms of output. Also, SPSS software is continually updated and improved, whereby each major revision comes with a new version of that package. Multi-regression is the process of predicting the value of variables based on two or more variables. Before multi-regression is used, tests such as normality, linearity, homoscedasticity, and multi-collinearity are used. It is also known as "extended" simple linear regression, which is used in this study to examine the strength of the relationship between two or more variables.

The purpose of this study is to look into the direct relationship between tax service and tax complexity and the voluntary tax compliance behaviour of e-commerce entrepreneurs. In interpreting the regression results, the F value was first considered, followed by the R-squared (R^2) or adjusted R-squared (adjusted R^2) as well as the change in R-squared (R^2) and finally the weight of the contribution of each independent variable was evaluated as recommended in Hair et al. (2007).

2.6 Simple Mediation Model (SPSS Process Macro)

Andrew Hayes introduced a bootstrapping statistical computer tool, namely Process Macro, which is an extension for Statistical Package for the Social Sciences (SPSS) and Statistical Software Suite (SAS) software (Jones, 2021). It is extensively used in social science research to estimate direct and indirect effects in mediation and moderation models. It can be in single and multiple (parallel and serial) mediator models or two-way and three-way interactions in moderation models. Furthermore, with the simple slopes and regions of interest for research interactions and conditional indirect effects in simple mediation models with one or multiple mediators or moderators, this bootstrapping approach is suitable for small samples. As mentioned, the sample size is 146, making this approach suitable for this study.

In this study, SPSS Process Macro Version 4.0 is used to compute the direct and indirect effects of the tax service and tax complexity as independent variables (coded with X) on legitimate power or trust as mediators (coded with M) and e-commerce entrepreneur voluntary tax compliance behaviour (coded with Y). The extension can be downloaded at http://processmacro.org/. In Figure 3, the simple mediation model is illustrated, where "path a" is the direct model for X and Y, "path b" is the direct model for X to M, and "path c" is the direct model for M to Y. The results are then obtained using SPSS Process Macro Version 4.0 (use analysis → regression → Process v4.0). This tool can be used for mediation and moderation analysis, where 'Model 1' is for moderation and 'Model 4' is for mediation analysis. This study uses a 'Model 4' to analyse and interpret the mediation effect.

Then, the results appeared in Process v4.0 are Model Summary 1 (X to M), Model Summary 2 (X to Y) and Model Summary 3 (M to Y). It summarises the computation of the direct, indirect and total effects of X on Y (coded as path c') as well as the unstandardized and standardised regression coefficients (β), standard errors (SE), and other statistics like t and p values and R squared (R2). In the end of the computation, the SPSS Process Macro summarises the total effect of X and Y, direct effect of X and Y, and the indirect effect of X on Y. After that, it concludes the relationship for direct and indirect models (X to Y) through a mediator.

To determine the effect of the lower and upper bootstrapping, i.e., BootLLCI (lower) and BootULCI (upper), according to Kane and Ashbaugh (2017), the confidence interval (CI) is included with 95 percent of the CI (CI_{95}) as level confidence; zero indicates not significant, but the CI below or above zero indicates a significant effect or mediator (*M*) effected relationship of the IV (*X*) on the DV (*Y*). Referring to the results of the bootstrapping, the indirect models of the Bootstrap LLCI and ULCI are negative (e.g. -.0462) and positive (e.g. .3267), respectively, indicating no significant effect. The indirect models Bootstrap LLCI and BootULCI have a significant positive effect when positive and positive (e.g., .0462 and .3267) and a significant negative effect when negative and negative (e.g., .0462 and .3267) (Kane & Ashbaugh, 2017).

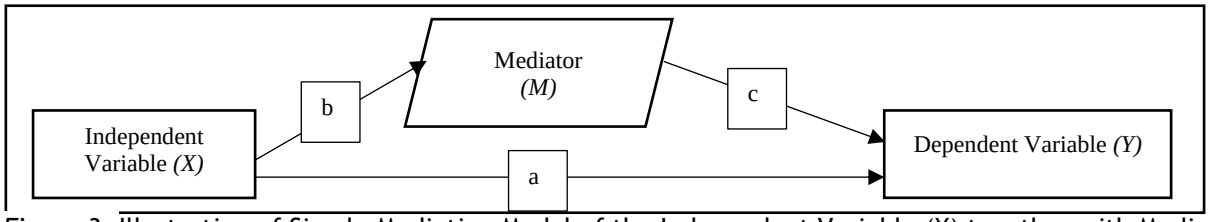

Figure 3. Illustration of Simple Mediation Model of the Independent Variable (X) together with Mediator (M) and Dependent Variable (Y)

3. RESULT AND DISCUSSION

In this part, the explanation focuses on hypothesis result and discussion. Hypothesis result consists of multi-regression model for direct model and mediation analysis using SPSS Process Macro.

3.1 Hypothesis Result

Multi-regression Analysis by SPSS

Before beginning any regression or mediation analysis, the data are checked for normality of all variables under consideration as well as their residuals, linearity, and homoscedasticity. Referring to the multi-regression results in Figure 3, R equals 0.469 or 47 percent where there is a strong correlation between tax service, tax complexity, and e-commerce entrepreneur voluntary tax compliance behaviour. The results show that R squared (R^2) is equal to 0.20 or 2 percent and F (2, 143) is 20.171. The p-value is .000, which indicates significance at the 1 percent level.

Then, the tax service has a coefficient value (ß) of.607 and a t-value of 5.92. With p-values of .000 (at a significance level of 1 percent), tax service has a significant relationship with e-commerce entrepreneurs voluntary tax compliance behavior. The H1 hypothesis is accepted and proven that tax service influences e-commerce entrepreneur voluntary tax compliance behaviour. In the meantime, the coefficient (ß) values for tax complexity is .128 and t-value is 1.420, but there is no significant correlation with the e-commerce entrepreneur voluntary tax compliance behaviour at any level of significance, with a p-value of .158. Consequently, the H2 hypothesis cannot be accepted. E-commerce entrepreneur voluntary tax compliance behaviour is not influenced by tax complexity as a determinant. The summary of the results for tax service and tax complexity is shown in Figure 4.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.469[a]	.220	.209	.75788	.220	20.171	2	143	.000

a. Predictors: (Constant), TC, TS

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	23.172	2	11.586	20.171	.000[b]
	Residual	82.138	143	.574		
	Total	105.310	145			

a. Dependent Variable: VTCB

b. Predictors: (Constant), TC, TS

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	1.165	.552		2.109	.037	.073	2.257
	TS	.607	.102	.528	5.922	.000	.404	.809
	TC	.128	.090	.127	1.420	.158	-.050	.306

a. Dependent Variable: VTCB

Figure 4. Unstandardized Coefficients (ß), Standard Error, t-value and p-value of the Tax Service and Tax Complexity

3.2 Mediation Analysis by SPSS Process Macro

Tax Service, Legitimate Power and E-Commerce Entrepreneur Voluntary Tax Compliance Behaviour

The simple mediation model of the tax service (TS), legitimate power (LP), and e-commerce entrepreneur voluntary tax compliance behaviour (VTCB) is shown in Figure 5. Using SPSS Process Macro v4.0, the results reveal direct and indirect mediating effects between variables. The relationship between the TS and VTCB is represented by the path "a," which has a coefficient value (ß) of .3966 and a t-value of 3.7434. While in the path 'b' is relationship between TS and mediator LPW and it has a coefficient value (ß) equals to .7630 and t-value is 9.4366. The path "c," which represents LPW and VTCB, reveals that the coefficient value (ß) is.1747 and the t-value is 2.0267. At the 1 percent level of significance, path 'a' and 'b' have a significant relationship where the p-value equals .0003 and .0000, respectively. While, path 'c' has a significant at 5 percent level of significance, with p-value equals to .0446.

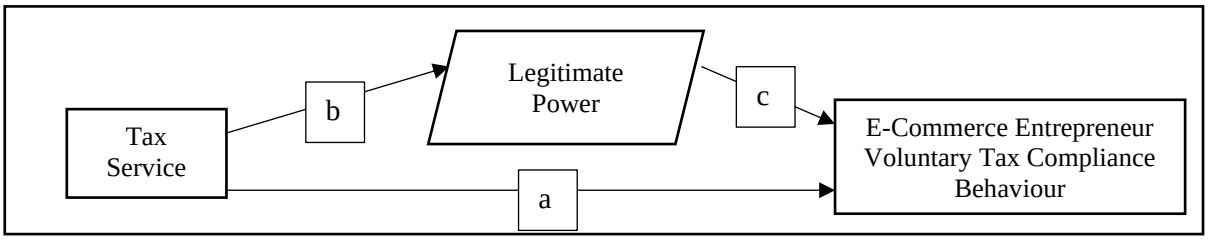

Figure 5. Simple Mediation Model of the Tax Service (TS) with Legitimate Power (LPW) and E-Commerce Entrepreneur Voluntary Tax Compliance Behaviour (VTCB)

Table 7 shows the results of the mediation analysis of the tax service together with legitimate power on e-commerce entrepreneur voluntary tax compliance behaviour. The indirect effect results based on 5000 bootstrap samples show that for the indirect relationship between tax service and e-commerce entrepreneur voluntary tax compliance behaviour, there is no significant mediation by legitimate power (a*b =.1333 with Bootstrap CI_{95} = -.0462 and .3267). The result shows that there is no significant relationship, indicating that legitimate power do not mediate tax service and e-commerce entrepreneur voluntary tax compliance behaviour. Hence, H3 hypothesis is not accepted.

Table 7

Mediation Analysis for the Tax Service, Legitimate Power and E-Commerce Entrepreneur Voluntary Tax Compliance Behaviour

Variable/Effect	**ß**	**SE**	**t**	**p**	**95% Confidence Interval**	
					LLCI	**ULCI**
TS → LPW→ VTCB *(path 'a')*	.3966	.1060	3.7434	.0003	.1872	.6061
TS → LPW *(path 'b')*	.7630	.0809	9.4366	.0000	.6031	.928
LPW → VTCB *(path 'c)*	.1747	.0862	2.0267	.0446	.0043	.3452
Effects						
Direct	.3966	.1060	3.7434	.0003	.1872	.6061
Indirect*	.1333	.0951			-.0462	.3267
Total	**.5299**	**.0840**	**6.3112**	**.0000**	**.3640**	**.6959**

* Based on 5,000 bootstrap samples

Tax Complexity, Legitimate Power, and E-Commerce Entrepreneur Voluntary Tax Compliance Behaviour

Next is a mediation analysis of the legitimate power between tax complexity and e-commerce entrepreneur voluntary tax compliance behaviour. Figure 6 shows the simple mediation model for legitimate power (LPW), tax complexity (TC), and e-commerce entrepreneur voluntary tax compliance behaviour (VTCB). Using SPSS Process Macro v4.0, the result reveals direct and indirect mediating effects between variables. As referred to Table 8, the path 'a' represents the relationship between TC

and VTCB which has a coefficient value (ß) is .0329 and a t-value .3721. Then, the path 'b' represents the relationship between TC and LPW which has a coefficient value (ß) of -.5373 and a t-value of -6.8171, while the path 'c' is between LPW and VTCB and has a coefficient value (ß) equals .3902 and a t-value of 4.7812. Paths "b" and "c" have p-values of.0000 at the 1 percent level of significance, while path "a" has no significance (p =.7104) at any level.

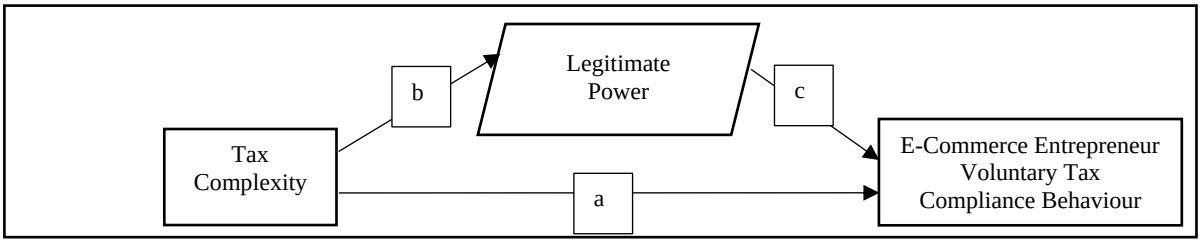

Figure 6. Simple Mediation Model for Tax Complexity (TC) with Legitimate Power (LPW) and E-Commerce Entrepreneur Voluntary Tax Compliance Behaviour (VTCB)

Table 8 shows the results of the mediation analysis for tax complexity together with legitimate power on e-commerce entrepreneur voluntary tax compliance behaviour. The indirect effect results based on 5000 bootstrap samples show significance for indirect negative relationship between tax complexity and e-commerce entrepreneur voluntary tax compliance behaviour when mediated by legitimate power (a*b =-.2096 with Bootstrap CI_{95} = -.3632 and -.0792). The result shows a significant relationship to a negative relationship, indicating that legitimate power mediates negatively on the tax complexity and e-commerce entrepreneur voluntary tax compliance behaviour. Hence, H4 hypothesis is accepted.

Table 8
Mediation Analysis for Tax Complexity together with Legitimate Power, and E-Commerce Entrepreneur Voluntary Tax Compliance Behaviour

Variable/Effect	**ß**	**SE**	**t**	**p**	**95% Confidence Interval**	
					LLCI	**ULCI**
TC → LPW→ VTCB *(path a)*	.0329	.0883	.3721	.7104	-.1417	.2074
TC → LPW *(path b)*	-.5373	.0788	-6.8171	.0000	-.6930	-.3815
LPW → VTCB *(path c)*	.3902	.0816	4.7812	.0000	.288	.5515
Effects						
Direct	.0329	.0883	.3721	.7104	-.1417	.2074
Indirect*	-.2096	.0729			-.3632	-.0792
Total	**-.1768**	**.0823**	**-2.1472**	**-.3395**	**-.0140**	**-.1752**

* Based on 5,000 bootstrap samples

Tax Service, Trust and E-Commerce Entrepreneur Voluntary Tax Compliance Behaviour

Next is the results for mediating effect of trust between tax service and e-commerce entrepreneur voluntary tax compliance behaviour. A bootstrapping method is performed using SPSS PROCESS Macro Version 4.0 to examine whether trust mediates the relationship between the tax service (TS) and e-commerce entrepreneur voluntary tax compliance behaviour (VTCB) as shown in Figure 7. First, the path 'a' is TS on VTCB and has a coefficient value (ß) = .4218, t-value of 3.8681 and a p-value is .0002. The p-value is less than 0.01 and regression analysis shows that the tax service (independent variable)

is a significant predictor of e-commerce entrepreneur voluntary tax compliance behaviour (dependent variable) at a 1 percent level of significance.

The coefficient value (ß) of TS to TRUST in path "b" is.7901, the t-value is 9.9909, and the p-value is 0.0000. The p-value is less than 0.01, and the second regression analysis shows that tax service is a significant predictor (at a 1 percent significance level) of trust (the mediator). Finally, path "c," which is TRUST to VTCB has a coefficient (ß) of.1369, a t-value of 1.5435, and a p-value of.1250. The p-value shows that the difference is not significant at any level of significance. The result shows that trust is not significant as a predictor of the e-commerce entrepreneur voluntary tax compliance behaviour.

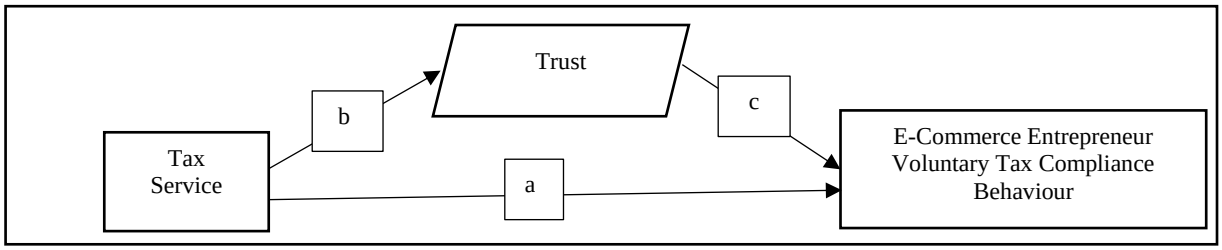

Figure 7. Simple Mediation Model of the Tax Service (TS) with Trust (M) and E-Commerce Entrepreneur Voluntary Tax Compliance Behaviour (VTCB)

The results of the indirect effect for mediation based on 5000 bootstrap samples show the tax service and e-commerce entrepreneur voluntary tax compliance behaviour (a*b =.1081 with Bootstrap CI_{95} = -.0480 and .3120). The results show that there is no significant relationship for indirect model. Therefore, H5 hypothesis is not accepted.

Table 9

Mediation Analysis for the Tax Service, Trust and E-Commerce Entrepreneur Voluntary Tax Compliance Behaviour

Variable/Effect	ß	SE	t	p	95% Confidence Interval	
					LLCI	ULCI
TS→ TRUST → VTCB *(path 'a')*	.4218	.1090	3.8681	.0002	.2062	.6374
TS → TRUST *(path 'b')*	.7901	.0791	9.9909	.0000	.6338	.9464
TRUST → VTCB *(path 'c')*	.1369	.0887	1.5435	.1250	-.0384	.312
Effects						
Direct	.4218	.1090	3.8681	.0002	.2062	.6374
Indirect*	.1081	.0928			-.0480	.3120
Total	**.5299**	**.0840**	**6.3112**	**.0000**	**.3640**	**.6959**

* Based on 5,000 bootstrap samples

Tax Complexity, Trust, and E-Commerce Entrepreneur Voluntary Tax Compliance Behaviour

Next is mediating effect of trust between tax complexity and e-commerce entrepreneur voluntary tax compliance behaviour.

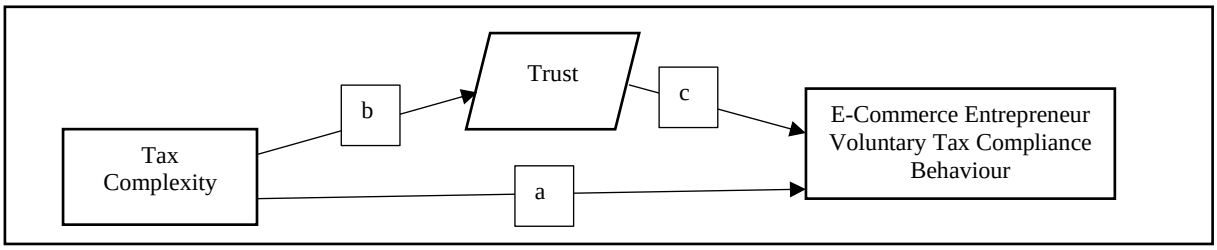

Figure 8. Illustration of Mediation: Tax Complexity with Trust and E-Commerce Entrepreneur Voluntary Tax Compliance Behaviour

Table 10 shows the results of the mediation analysis for tax complexity together with trust on e-commerce entrepreneur voluntary tax compliance behaviour. The results of the indirect effect based

on 5000 bootstrap samples show a significant for indirect negative relationship between tax complexity and e-commerce entrepreneur voluntary tax compliance behaviour mediated by trust (a*b =-.1651 with Bootstrap CI_{95} = -.2766 and -.0671). The results show that there is a significant relationship for indirect model, indicating that trust mediates tax complexity and e-commerce entrepreneur voluntary tax compliance behaviour. Hence, H6 hypothesis is accepted.

Table 10
Mediation Analysis of the Tax Complexity, Trust, and E-Commerce Entrepreneur Voluntary Tax Compliance Behaviour

Variable/Effect	**B**	**SE**	**t**	**p**	**95% Confidence Interval**	
					LLCI	**ULCI**
TC→ TRUST → VTCB *(path a)*	-.0117	.0858	-.1363	.8918	-.1813	.1579
TC → TRUST *(path b)*	-.482	.0819	-5.7154	.0000	-.6301	-.3063
TRUST → VTCB *(path c)*	.3526	.0793	4.4485	.0000	.1959	.5093
Effects						
Direct	-.0117	.0858	-.1363	.8918	-.1813	.1579
Indirect*	-.1651	.0533			-.2766	-.0671
Total	**-.1768**	**.0823**	**-2.1472**	**.0335**	**-.0140**	**-.1752**

* Based on 5,000 bootstrap samples

4. DISCUSSION

Tax service and tax complexity are used as determinants of the e-commerce entrepreneur voluntary tax compliance behaviour. Tax service includes elements such as useful tax information, low tax service costs, and a welcoming environment for taxpayers. Meanwhile, tax complexity causes difficulties in the understanding of tax laws, the computation of tax liability, and other tax procedures.

Tax service influences voluntary tax compliance behaviour which is similar to other studies by Alabede et al. (2011), Alabede (2012), Alm et al. (2010), Alm et al. (2016), Alm and Torgler (2011), and Alm et al. (2012). The significant results reveal a direct relationship between tax service and e-commerce entrepreneur tax compliance behaviour. However, legitimate power and trust cannot be mediators to generate a relationship between the tax service and e-commerce entrepreneur voluntary tax compliance behaviour. This finding is contrary to those of Gangl et al. (2015), Gangl et al. (2019), Torgler (2011), and Palil et al. (2020). The findings indicate that e-commerce entrepreneurs are satisfied with the tax services provided by the tax authority rather than believing the tax authority has legitimate power over them or trusting them as mediators. They accept that the tax authority has done everything possible to serve their client, treats clients with respect and fairly, and provides good service in consultation.

Meanwhile, tax complexity has not influenced voluntary tax compliance behaviour, similar to Azriati et al. (2016). However, this finding differs from Adimassu and Jerene (2016), AlHaj (2016), Damajanti and Abdul Karim (2017), Mahangila (2017), Richardson (2006), and Oyewole et al. (2014). However, legitimate power and trust serve as mediators to generate a significant relationship and negative effect between tax complexity and e-commerce entrepreneur voluntary tax compliance behaviour. Similar to Richardson (2006), the findings show a negative relationship when testing legitimate power and trust as mediators. This finding is consistent with the findings of Hamid et al. (202) and Hamid et al. (2019), who identified that Malaysian taxpayers believe that taxation is overly complicated in terms of tax law, tax computation, and tax management. Likewise, the Indonesian e-commerce taxpayers perceive that the tax authority should be focused on tax simplicity, and not tax complexity, as well as less bureaucracy in the tax system (Syakura et al., 2016). This study identifies that when tax authority increases its roles as legitimate power and taxpayers gain more trust in tax authority, the tax complexity will be reduced, and it enhances the e-commerce entrepreneur voluntary tax compliance behaviour especially in Malaysia.

Generally, this study contribute additional literature regarding e-commerce entrepreneur tax compliance behaviour. Only tax service influenced e-commerce entrepreneur voluntary tax compliance behaviour and tax complexity should together with legitimate power (of) and trust (in) tax authority to increase the e-commerce entrepreneur voluntary tax compliance behavior

5. CONCLUSION

The main purpose of this study is to determine the e-commerce entrepreneur voluntary tax compliance behaviour. Tax service and tax complexity are used as determinants of the e-commerce entrepreneur voluntary tax compliance behaviour. This study also tested the mediation effect of legitimate power and trust together with tax service and tax complexity on e-commerce entrepreneur voluntary tax compliance behaviour. It was tested either independently or through simple mediation. Multi-regression was used to identify the direct relationship in order to achieve the goal. Then SPSS Process macro was used in mediation analysis. This empirical study successfully identified that tax service influences e-commerce entrepreneur voluntary tax compliance behaviour, but not tax complexity. Meanwhile, when the mediation analysis is done, legitimate power and trust have a significant relationship with tax complexity, but not tax service.

E-commerce entrepreneurs agreed that the Malaysian tax authority must do everything possible to provide good service. A good service includes to serve client with full responsibility, good in consultation, treats clients fair and respectfully, and keeps their promises. Tax authority is also recommended to focus on reducing costs of tax recording, tax filing, and tax computation such electronic filing (e-filing) and promotes tax simplify to use it. The tax authority should be concerned with tax service and implement excellent interaction between taxpayers and tax authorities, as well as a good reference to legitimate regulations through accurate tax law information and increased trust in authority. Tax service in Malaysia should provide useful tax information, low cost of tax service, welcoming taxpayers, and have expert knowledge of tax law to influence voluntary tax compliance behaviour.

According to this study, tax complexity does not affect the e-commerce entrepreneur voluntary tax compliance behavior, but should promote legitimate power and trust in tax authority. Expanding roles as legitimate powers, as well as indirectly increasing trust in tax authority, will reduce perceptions of tax complexity, which may affect e-commerce entrepreneur voluntary tax compliance behavior. In addition, while tax authority also focuses on reducing the complexity of tax knowledge, simple tax guidance, and tax rules that are clearer and easier to understand, including simple tax computation and tax payment, tax compliance can also be improved through more efficient and faster procedures. In fact, tax authority should always give good advice and information. In addition, support, reliable, knowledgeable staff, competence, advice and guidance facilitate the implementation of tax regulations and promote voluntary tax compliance of the e-commerce entrepreneurs.

This study contributed to an e-commerce study on tax compliance behaviour. Meanwhile, the results of the mediation analysis and bootstrapping approach using SPSS Process Macro provide additional literature suitable for small data sets. Besides that, this study exclusively looked into two determinants of voluntary tax compliance behavior, namely tax service and tax complexity, besides the mediation effect of legitimate power and trust on e-commerce entrepreneur voluntary tax compliance behaviour. This study could be improved by detailing each variable. Furthermore, this study was conducted in the context of microenterprise entrepreneurs in e-commerce. Future research is suggested to concentrate on small and medium-sized businesses that have been active in e-commerce for more than five years, have experience with IRBM's tax services, and have faced the complexity of taxation when preparing their tax returns.

REFERENCES

[1] *Arkkelin, D. (2014). Using SPSS to Understand Research and Data Analysis. Psychology Curricular Materials, 1,194. http://scholar.valpo.edu/psych_oerhttp://scholar.valpo.edu/psych_oer/1%0Ahttp://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.139.2050&rep=rep1&type=pdf*

[2] *Abdul Manaf, N., Noraza, M. U., Zuaini, I., & Rusniza, A. R. (2013). Tax Professionals' Perceptions toward Tax Authority: Ways to Strengthen The Malaysian Tax Administrative System. Journal of*

Governance and Development, 9, 1-13. http://repo.uum.edu.my/11879/1/4.pdf

[3] *Alabede, J.O (2012). An Investigation of Factors Influencing Taxpayers' Compliance Behaviour : Evidence From Nigeria. Universiti Utara Malaysia.*

[4] *Alabede, J. O., Ariffin, Z. B. Z., & Idris, K. M. (2011). Determinants of Tax Compliance Behaviour: A Proposed Model for Nigeria. International Research Journal of Finance and Economics. 78(1), 121-136.*

[5] *Alm, J., & Torgler, B. (2011). Do ethics matter? tax compliance and morality. Journal of Business Ethics, 101(4), 635-651. https://doi.org/10.1007/s10551-011-0761-9*

[6] *Alm, J., Kirchler, E., & Muehlbacher, S. (2012). Combining psychology and economics in the analysis of compliance: From enforcement to cooperation. Economic Analysis & Policy, 42(2), 133-151. https://doi.org/10.1016/S0313-5926(12)50016-0*

[7] *Alm, J., Bruner, D. M., & McKee, M. (2016). Honesty or dishonesty of taxpayer communications in an enforcement regime. Journal of Economic Psychology, 56, 85-96. https://doi.org/10.1016/j.joep.2016.06.001*

[8] *Alm, J., Clark, J., & Leibel, K. (2016). Enforcement, socioeconomic diversity, and tax filing compliance in the United States. Southern Economic Journal, 82(3), 725-747. https://doi.org/10.1002/soej.12106*

[9] *Azriati, A., Azmi, C., Zainuddin, S., Mustapha, M. Z., & Nawi, Y. (2016). The Mediating Effect of Tax Fairness on the Relationship Between Knowledge , Complexity and Voluntary Tax. Asian Journal of Accounting Perspectives, 9, 1-12.*

[10] *Adimassu, N. A., & Jerene, W. (2016). Determinants of voluntary tax compliance behavior in self assessment system : Evidence from SNNPRS, Ethiopia. International Journal of Science and Research, 5(12), 967—973. https://doi.org/10.21275/ART20163576*

[11] *Alhaj, A. B. M. (2016). An investigation of factors affecting salaried and waged taxpayer compliance behavior: Evidence from Libya. Universiti Utara Malaysia. http://etd.uum.edu.my/6309/1/s816469_01.pdf*

[12] *Bornman, M. (2015). The determinants and measurement of trust in tax authorities as a factor influencing tax compliance behaviour. Journal of Economic and Financial Sciences | JEF, 8(3), 772-789. https://doi.org/10.4102/jef.v8i3.121*

[13] *Damajanti, A., & Abdul Karim, S. Ms. A. (2017). Effect of tax knowledge on individual taxpayers compliance. Economic & Business Solutions Journal, 1(1), 1-19.*

[14] *DOSM. (2020). Usage of ICT & e-commerce by establishment.*

[15] *https://newss.statistics.gov.my/newss/ep/epFreeDownloadContentSearch.seam?cid=1435518*

[16] *Faizal, S. M., Palil, M. R., Maelah, R., & Ramli, R. (2019). The Mediating Effect of Power and Trust in the Relationship Between Procedural Justice and Tax Compliance. Asian Journal of Accounting and Governance, 11, 1-11. https://doi.org/10.17576/ajag-2019-11-01*

[17] *Gangl, K., Hofmann, E., Hartl, B., Berkics, M. (2019). The impact of powerful authorities and trustful taxpayers : evidence for the extended slippery slope framework from Austria, Finland, and Hungary. Policy Studies, 0(0), 1-14. https://doi.org/10.1080/01442872.2019.1577375*

[18] *Gangl, K., Hofmann, E., & Kirchler, E. (2015). Tax authorities' interaction with taxpayers: A conception of compliance in social dilemmas by power and trust. New Ideas in Psychology, 37, 13-23. https://doi.org/10.1016/j.newideapsych.2014.12.001*

[19] *Gangl, K., Hofmann, E., & Kirchler, E. (2012). Tax authorities ' interaction with taxpayers : Compliance by power and trust. WU International Taxation Research Paper Series No.2012-06. https://doi.org/https://dx.doi.org/10.2139/ssrn.2174917*

[20] *Hamid, N. A., Ibrahim, N. A., Ariffin, N., Taharin, R., & Jelani, F. A. (2018). Factors Affecting Tax Compliance among Malaysian SMEs in E-Commerce Business. International Journal of Asian Social Science, 9(1), 74-85. https://doi.org/10.18488/journal.1.2019.91.74.85*

[21] *Hamid, N. A., Ismail, I. S., Yunus, N., Jali, M. N., & Rosly, A. S. (202). Taxpayer Perceptions of Tax Awareness , Tax Education , and Tax Complexity among Small and Medium Enterprises in M Malaysia : A Quadrant Analysis Approach. Universal Journal of Accounting and Finance, 10(1), 231-242.*

[22] *https://doi.org/10.13189/ujaf.202.100124*

[23] *IRBM. (2017). Annual Report 2016. Inland Revenue Board of Malaysia (IRBM) Retrieved*

[24] *from http://lampiran1.hasil.gov.my/pdf/pdfam/annual_report_2016.pdf*

[25] *Isa, K., & Pope, J. (2011). Corporate Tax Audits: Evidence from Malaysia. Global Review of Accounting and Finance,2(1), 42-56. https://espace.curtin.edu.au/bitstream/handle/20.500.11937/9513/161055_39259_Isa and Pope _2011_ GRAF.pdf?sequence=2&isAllowed=y*

[26] *Jamil, M. G. (2015). Technology Enhanced Teacher-Learning in Rural Bangladesh : a Critical Realist Inquiry With Secondary Teachers of English. In University of Southampton Research Repository ePrints Soton. https://eprints.soton.ac.uk/383975/1/MG%2520Jamil_PhD%2520Thesis.pdf*

[27] *Josephine, B., & Dom, H. (2013). Enforcement Trend and Compliance Challenges : Malaysia ' s*

Experience. The Fourth IMF-Japan High-Level Tax Conference For Asian Countries 2013. https://www.imf.org/external/np/seminars/eng/2013/asiatax/pdfs/malaysia2.pdf

[28] Khamis, M. R., Kamarudin, M. F., Hashim, M. J., & Arifin, N. A. M. (2018). Length of Business Operation and Its Relationship with Compliance Behaviour of Business Zakat among Owners of SMEs. Journal of Emerging Economies and Islamic Research, 6(3), 69–82.

[29] Khamis, I. H., & Mastor, N. H. (2021). Service Quality, Tax Awareness and Tax Fairness as Determinants of Tax Compliance among E-Commerce Enterprises in Malaysia. International Journal of Academic Research in Business and Social Sciences, 11(2), 938–951. : https://doi.org/10.6007/ijarbss/v11-i2/9190

[30] Kirchler, E., & Wahl, I. (2010). Tax compliance inventory TAX-I: Designing an inventory for surveys of tax compliance. Journal of Economic Psychology, 31(3), 331–346. https://doi.org/10.1016/j.joep.2010.01.002

[31] Kogler, C., Batrancea, L., Nichita, A., Pantya, J., Belianin, A., & Kirchler, E. (2013). Trust and power as determinants of tax compliance: Testing the assumptions of the slippery slope framework in Austria, Hungary, Romania and Russia. Journal of Economic Psychology, 34, 169–180. https://doi.org/10.1016/j.joep.2012.09.010

[32] Kane, L., & Ashbaugh, A. R. (2017). Simple and parallel mediation: A tutorial exploring anxiety sensitivity, sensation seeking, and gender. The Quantitative Methods for Psychology, 13(3), 148–165. https://doi.org/10.20982/tqmp.13.3.p148

[33] Hair, J. F., Money, A. H., Samouel, P., & Page, M. (2007). Research methods for business. New York, NY: John Wiley & Sons Inc

[34] Hayes, A. F. (2012). PROCESS: A Versatile Computational Tool for Observed Variable Mediation, Mod-Eration and Conditional Process Modeling [White paper].

[35] http://www.afhayes.com/ public/process2012.pdf

[36] Hayes, Andrew F. 2013. Introduction to Mediation, Moderation, and Conditional Process Analysis: A Regression-Based Approach. New York, NY: The Guilford Press.

[37] Hofmann, E., Gangl, K., Kirchler, E., & Stark, J. (2014). Enhancing tax compliance through coercive and legitimate power of tax authorities by concurrently diminishing or facilitating trust in tax authorities. Law and Policy, 36(3), 290–313. https://doi.org/10.1111/lapo.12021

[38] Kastlunger, B., E. Lozza, E. Kirchler and A. Schabmann (2013), Powerful authorities and trusting citizens: The Slippery Slope Framework and tax compliance in Italy, Journal of Economic Psychology 34, 36-45.

[39] Kirchler, E. (2007). The Economic Psychology of Tax Behaviour. Cambridge (Vol. 42). https://doi.org/10.1017/CBO9780511628238

[40] Kirchler, E., Hoelzl, E., & Wahl, I. (2008). Enforced versus voluntary tax compliance: The "slippery slope" framework. Journal of Economic Psychology, 29(2), 210–25. https://doi.org/10.1016/j.joep.2007.05.004

[41] Mahangila, D. N. (2017). The impact of tax compliance costs on tax compliance behaviour. Journal of Tax Administration, 3(1), 57—81.

[42] https://doi.org/10.1017/CBO9781107415324.004

[43] Margaret Rouse. (2016). What is e-commerce (electronic commerce or EC)? - Definition from WhatIs.com. Techtarget.Com.

[44] http://searchcio.techtarget.com/definition/e-commerce

[45] Maseko, N. (2013). Determinants of Tax Compliance in Small and Medium Enterprises in Zimbabwe. SSRN Electronic Journal, 2(March 2013).

[46] https://doi.org/10.2139/ssrn.237849

[47] Milliron, V. C. (1985). A behavioural study of the meaning and influence of tax complexity. Journal of the Accountng Research, 23(2), 794-816.

[48] Nan, X., Huang, E., & Zhao, J. (2018). Transaction-based Tax Evasion on Chinese E-commerce Platforms : Compliance Difficulties for Three Types of Taxes , VAT Reform , and New Winners Empirical Research on the Influences of VAT Reform on Regional Factor Input Investment : According to China ' s. Journal of Chinese Tax and Policy, 8(1). : https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3757889

[49] Oyewole, O. S., Gambo, E.-M., Mas'ud, A., & Nasidi, M. (2014). Tax Complexity And Tax Compliance in African Self-Assessment Environment. International Journal of Management Research & Review, 4(5), 575—583.

[50] Palil, M. R., Amin, H., & Turmin, S. Z. (2020). Challenges in Implementing Taxes on E-Commerce Transactions in Malaysia. Jurnal Bisnis Dan Akuntansi, 2(2), 179–200. https://doi.org/10.34208/jba.v2i2.829

[51] Richardson, G. (2006). Determinants of tax evasion : A Cross-Country Investigation. Journal of International Accounting, Auditing and Taxation, 15, 150–169.

[52] https://doi.org/10.1016/j.intaccaudtax.2006.08.005

[53] Saad, N. (2011). Fairness Perceptions and Compliance Behaviour : Taxpayers' Judgements in Self-

Assessment Environments [University of Canterbury].

[54] https://ir.canterbury.ac.nz/bitstream/handle/10092/5065/thesis_fulltext.pdf?sequence=1&isAllowed=y

[55] Syakura, M. A., Nur Khairin, F., Lestari Ginting, Y., Kusumawardani, & Yunita Fitria, A. (2016). A behavioral study on voluntary compliance of e-commerce tax. 4th Asian Academic Society International Conference (AASIC), 433–442. : http://aasic.org/proc/aasic/article/view/210/207

[56] Torgler, B. (2011), "Tax Morale and Compliance Review of Evidence and Case Studies for Europe", Policy Research Working Paper No. 592, The World Bank, Europe and Central Asia Region, December.