

The Role of Tax Knowledge and Awareness in Improving Tax Compliance: A Systematic Review

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ABSTRACT

Purpose - This article examines the role of tax knowledge and tax awareness in improving tax compliance. The topic is important because compliance depends not only on taxpayers' understanding of tax rules, but also on motivational and administrative factors.

Design/methodology/approach - This study used a Systematic Literature Review guided by the PRISMA framework. Articles were collected from the Directory of Open Access Journals and limited to peer-reviewed studies published between 2022 and 2026. Selected studies were analyzed using qualitative descriptive synthesis.

Findings/Results - The review shows that tax knowledge generally improves tax compliance by strengthening understanding of tax obligations and procedures, while tax awareness is a more consistent driver of compliant behavior. The findings also indicate that tax education, socialization, trust, fairness, service quality, and user-friendly digital systems reinforce compliance outcomes.

Originality/Value - This study presents tax compliance as a behavioral and institutional outcome shaped by cognitive, attitudinal, and administrative factors. The main implication is that efforts to strengthen voluntary compliance should combine taxpayer education, awareness building, fair administration, and accessible digital services.

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1. Introduction

Tax compliance remains a central issue in public finance because the sustainability of government revenue depends not only on tax policy design but also on taxpayers' willingness and ability to meet their obligations. This issue becomes even more consequential in self-assessment systems, where taxpayers are expected to calculate, report, and pay taxes independently. In such systems, compliance cannot be understood solely as a matter of enforcement; it is also shaped by the cognitive, moral, and administrative conditions that influence taxpayer behavior. Recent literature increasingly suggests that tax knowledge and tax awareness are among the most important non-coercive determinants of compliance, particularly in contexts where voluntary compliance is expected to complement formal supervision (Airlangga & Jati, 2025; Hanifah et al., 2024; Santioso, 2021).

Conceptually, tax compliance refers to the extent to which taxpayers fulfill their legal obligations accurately, timely, and in accordance with prevailing tax regulations. Within this framework, tax knowledge may be understood as the taxpayer's understanding of tax rules, procedures, rates, reporting mechanisms, and legal responsibilities, whereas tax awareness refers to the recognition that taxes are socially necessary and that paying them constitutes a civic and moral responsibility. The relationship between these concepts is not merely additive. Knowledge equips taxpayers with the technical capacity to comply, while awareness encourages the internalization of tax obligations as legitimate and necessary. For that reason, the literature increasingly treats compliance as the product of both informational and attitudinal factors rather than as a simple reaction to penalties alone (Erasashanti et al., 2024; Sonny et al., 2025; Subekti & Yuliana, 2024).

A substantial body of recent research reports that tax knowledge contributes positively to taxpayer compliance. Studies in different contexts indicate that when taxpayers better understand taxation procedures and obligations, they are more likely to file correctly, avoid mistakes, and perceive compliance as manageable rather than burdensome. This pattern has been observed in individual taxpayer settings and in broader discussions of voluntary compliance, where knowledge reduces uncertainty and lowers the practical barriers to compliance. The positive association between tax knowledge and compliance is especially visible when tax rules are communicated clearly and when taxpayers receive adequate administrative support (Airlangga & Jati, 2025; Hanifah et al., 2024; Karlina & Anggraini, 2024; Santioso, 2021).

At the same time, the literature shows that tax awareness has an even more consistently positive relationship with compliance. Awareness is frequently linked to taxpayers' recognition of the role of taxation in financing development, maintaining public services, and sustaining collective welfare. Taxpayers who understand not only how taxes work but also why taxes matter tend to demonstrate stronger compliance intentions and behavior. In this sense, awareness moves compliance beyond procedural understanding into the domain of ethical commitment and civic orientation. Studies from Indonesia and other settings suggest that awareness strengthens voluntary compliance because it encourages taxpayers to view tax payment as a meaningful obligation rather than merely a compulsory payment imposed by the state (Airlangga & Jati, 2025; Alamsyah et al., 2024; Erasashanti et al., 2024; Mascagni et al., 2024).

Another important stream of findings concerns the interaction between tax knowledge and tax awareness. Several studies indicate that knowledge does not always operate directly; instead, it often works through awareness. Taxpayers may understand the technical aspects

of taxation, yet such understanding does not necessarily lead to compliance unless it is accompanied by a sense of responsibility, legitimacy, and public purpose. Accordingly, awareness has been identified as a mediating mechanism that translates knowledge into actual compliant behavior. This insight is important because it suggests that the compliance process is not only informational but also psychological and normative. The implication is that strengthening compliance requires more than increasing taxpayer literacy in a narrow technical sense; it also requires cultivating awareness of the broader meaning and function of taxation (Sarpong et al., 2024; Sonny et al., 2025; Susanto & Fiorita, 2023).

The literature further demonstrates that education and socialization are critical instruments for building both tax knowledge and tax awareness. Taxpayer education programs, socialization campaigns, training, and curriculum-based exposure have been found to improve understanding of tax obligations while also shaping more positive attitudes toward compliance. These interventions are particularly important in contexts where tax complexity, misinformation, or weak administrative communication creates distance between taxpayers and the tax system. Evidence from recent studies shows that educational efforts can improve filing behavior, strengthen perceptions of fairness and legitimacy, and encourage more durable forms of voluntary compliance. Thus, tax compliance should not be treated only as a legal issue but also as an educational and behavioral policy concern (Jailuddin et al., 2025; Mascagni et al., 2024; Widiyasri & Fadjaranie, 2024).

However, the relationship between knowledge and compliance is not entirely uniform across the literature. Some studies suggest that greater knowledge may produce mixed effects when taxpayers become more aware of loopholes, perceive the system as excessively complex, or feel discouraged by procedural burdens. This indicates that knowledge alone does not automatically generate compliance if it is not supported by a user-friendly system and credible administration. In such cases, technological facilitation, particularly through e-filing and simplified reporting systems, may moderate the relationship by reducing complexity and making compliance more convenient. These findings are significant because they complicate the assumption that increasing tax knowledge will always have a straightforward positive effect on behavior (Sarpong et al., 2024; Sonny et al., 2025).

Moreover, recent studies emphasize that knowledge and awareness operate most effectively when combined with supportive contextual factors such as service quality, fair sanctions, and responsive administration. Good taxpayer services reduce friction in the compliance process, while credible sanctions help preserve the seriousness of legal obligations without making enforcement the only compliance mechanism. In this respect, taxpayer behavior appears to emerge from a broader compliance environment in which cognitive, attitudinal, and institutional factors are intertwined. The literature therefore suggests that tax compliance is best understood as a multidimensional phenomenon shaped by the interaction of knowledge, awareness, service experience, regulatory clarity, and administrative design (Hanifah et al., 2024; Karlina & Anggraini, 2024; Subekti & Yuliana, 2024; Susanto & Fiorita, 2023).

Despite the growing volume of empirical research, the existing literature still reveals an important gap. Most studies examine tax knowledge, tax awareness, sanctions, service quality, education, or e-filing in isolated empirical models and within specific local or national contexts. As a result, the field is characterized by fragmented findings, varied analytical emphases, and limited synthesis of how these variables are conceptually and empirically connected. The evidence is rich, but it remains dispersed across separate case-

based studies, making it difficult to identify broader patterns, recurring mechanisms, and unresolved contradictions. This fragmentation creates a strong rationale for conducting a Systematic Literature Review (SLR) that can organize, compare, and synthesize the accumulated findings in a more coherent and analytically useful manner (Mascagni et al., 2024; Sarpong et al., 2024; Sonny et al., 2025).

Based on that gap, this article conducts a Systematic Literature Review on The Role of Tax Knowledge and Awareness in Improving Tax Compliance. Specifically, this study aims to review, analyze, map, and synthesize prior research on the conceptual roles, empirical relationships, mediating pathways, and contextual conditions through which tax knowledge and tax awareness influence taxpayer compliance. The article is expected to contribute theoretically by clarifying the position of knowledge and awareness within contemporary compliance research and by identifying how these constructs interact with education, technology, sanctions, and service quality. Practically, the review is intended to provide a useful reference for researchers, academics, educators, tax administrators, and policymakers who seek evidence-based strategies to strengthen voluntary tax compliance through more informed, more aware, and better supported taxpayers (Airlangga & Jati, 2025; Jailuddin et al., 2025; Widiyasri & Fadjarenie, 2024).

Further support for this argument is provided by evidence published in high-impact studies showing that tax compliance is shaped not only by taxpayers' knowledge and awareness in a narrow sense, but also by the institutional conditions that help translate those capacities into actual behavior. A taxpayer education program in Rwanda demonstrates that educational interventions can improve compliance by strengthening taxpayers' understanding and engagement with tax obligations, while evidence from the introduction of electronic tax filing shows that digital reform can reduce compliance costs and limit opportunities for corruption, thereby making compliance more feasible and credible. In a related vein, field-experimental evidence indicates that taxpayers are more willing to comply when the fiscal exchange between taxes and public services becomes more visible, and when perceptions of fairness regarding how much others contribute are strengthened. Taken together, these studies reinforce the argument that tax knowledge and tax awareness become most effective when they are embedded in a fair, transparent, and administratively supportive tax environment that reduces procedural burden and strengthens the perceived legitimacy of taxation (Nathan et al., 2026; Okunogbe & Pouliquen, 2022; Schächtele et al., 2023).

2. Literature Review & Hypothesis Development

Tax compliance is a fundamental concept in taxation studies because it reflects the extent to which taxpayers fulfill their legal obligations accurately, honestly, and on time. In self-assessment systems, compliance is not determined solely by enforcement capacity, but also by taxpayers' understanding of tax regulations and their internal willingness to comply. Within this framework, tax knowledge refers to taxpayers' understanding of tax rules, procedures, rights, and obligations, while tax awareness refers to the recognition that taxes are important for public development and that paying taxes is a civic responsibility. The reviewed literature shows that both concepts are central drivers of voluntary compliance, with tax knowledge generally showing a positive effect, although sometimes mixed, and tax awareness demonstrating a more consistently positive relationship with compliance behavior. The same source also indicates that education and socialization function as

reinforcing mechanisms because they improve both knowledge and awareness, which in turn strengthen taxpayer compliance.

From a theoretical perspective, the relationship among these concepts can be understood as a progression from cognition to attitude and then to behavior. Tax knowledge provides the informational basis for compliance by reducing uncertainty and helping taxpayers understand how to calculate, report, and pay taxes correctly. Tax awareness, by contrast, reflects the moral and social internalization of taxation, including the belief that taxes contribute to collective welfare and state development. The reviewed literature suggests that these two constructs are interconnected rather than independent. In several studies, awareness acts as a mediating variable through which knowledge is translated into actual compliance. The same body of literature also notes that this relationship may be shaped by moderating factors such as e-filing, service quality, sanctions, and administrative simplicity. This means that compliance should be interpreted not merely as a legal outcome, but as a behavioral product of knowledge, awareness, institutional support, and system design.

Recent empirical studies reinforce this conceptual relationship. Santioso (2021) found that tax knowledge and tax awareness both contribute to individual taxpayer compliance, highlighting the importance of taxpayer understanding in voluntary reporting behavior. Widiastri and Fadjaranie (2024) further showed that tax education, tax awareness, and tax morality jointly shape compliance, suggesting that educational interventions can build both cognitive and normative readiness to comply. Sarpong et al. (2024) added an important analytical refinement by demonstrating that taxpayer awareness mediates the relationship between taxpayer knowledge, taxation socialization, and compliance. Similarly, Mascagni et al. (2024) provided evidence from Rwanda that taxpayer education programs can improve perceptions and actual compliance behavior, while Sonny et al. (2025) showed that e-filing may moderate the effect of knowledge and awareness by reducing procedural complexity. Together, these studies contribute to the topic by showing that compliance is strengthened not only by what taxpayers know, but also by how they interpret taxation, how the system supports them, and how user-friendly the compliance process becomes.

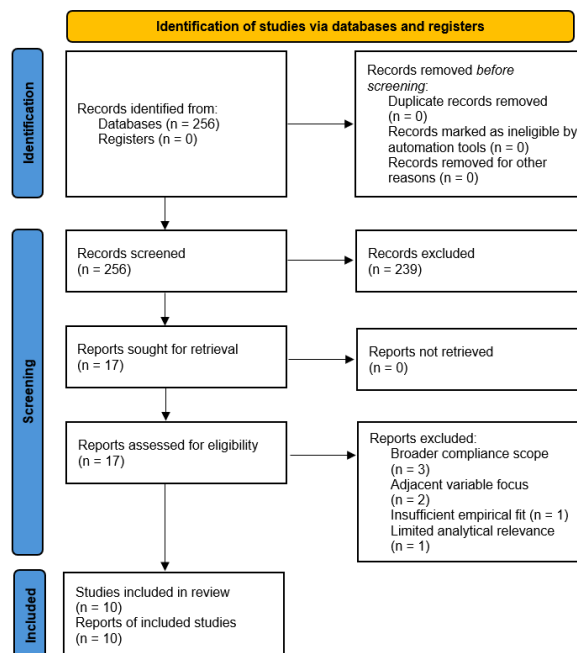
Even so, an empirical and theoretical gap remains. The reviewed literature indicates that most prior studies examine tax knowledge, tax awareness, sanctions, service quality, or education in separate empirical models and in specific national or local settings. As a result, the findings remain fragmented, and some inconsistencies persist, especially regarding the direct effect of knowledge when tax systems are perceived as complex or when taxpayers may use knowledge strategically. What is still limited is a systematic synthesis that integrates these scattered findings into a coherent explanation of how tax knowledge and awareness interact in improving tax compliance. Therefore, this article adopts a Systematic Literature Review perspective with a conceptual focus on tax knowledge as the cognitive foundation of compliance, tax awareness as the attitudinal and moral channel of compliance, and educational and institutional factors as contextual enhancers that shape the effectiveness of both. This framework serves as the analytical basis for mapping and synthesizing prior research on *The Role of Tax Knowledge and Awareness in Improving Tax Compliance*.

3. Methodology

This study employed a Systematic Literature Review (SLR) to examine the role of tax knowledge and tax awareness in improving tax compliance. The review was conducted using the PRISMA framework to ensure a systematic, transparent, and traceable process of

article identification, screening, eligibility assessment, and final inclusion. The initial search yielded 256 records from the selected literature dataset. All records were then screened at the title and abstract level based on predefined inclusion and exclusion criteria. At this stage, 239 records were excluded because they were published outside the 2022–2026 period, did not directly address tax knowledge or tax awareness in relation to tax compliance, were only marginally aligned with the focus of the review, or were methodologically unsuitable for the final synthesis. This process left 17 reports for full-text assessment. During the eligibility stage, 7 additional reports were excluded because they were conceptually broader than the review focus, did not position tax knowledge or tax awareness as the main analytical variables, or did not provide sufficiently comparable evidence on tax compliance. As a result, 10 studies were included in the final review. The article selection process is presented in the PRISMA flow diagram below.

Figure 1. The PRISMA flow diagram detailing the screening and selection process of literature



3.1. Research Design and Review Framework

This study employed a Systematic Literature Review to examine *The Role of Tax Knowledge and Awareness in Improving Tax Compliance*. This method was selected because it provides a structured, transparent, and traceable procedure for identifying, selecting, evaluating, and synthesizing previous studies relevant to a focused research issue. Compared with a conventional narrative review, a systematic review is more appropriate for mapping research trends, comparing findings across studies, identifying unresolved issues, and producing a comprehensive scientific synthesis. To ensure methodological clarity and reporting transparency, the review followed the PRISMA framework so that the stages of identification, screening, eligibility, and inclusion could be described systematically and logically.

3.2. Inclusion and Exclusion Criteria

The review applied predefined inclusion and exclusion criteria to reduce selection bias and maintain methodological consistency. Articles were included when they met four conditions.

First, they had to be peer reviewed journal articles. Second, they had to be published from 2022 to 2026. Third, they had to be available in full text. Fourth, they had to be directly relevant to the main themes of tax knowledge, tax literacy, tax education, tax awareness, taxpayer awareness, fiscal awareness, tax compliance, taxpayer compliance, or voluntary tax compliance. In addition, all included studies had to originate from credible scholarly sources indexed in the selected database. Articles were excluded if they were duplicate records, unavailable in full text, not journal articles such as editorials, conference abstracts, reports, theses, or book chapters, published outside the specified time range, or only marginally related to the focus of the review. The use of explicit eligibility criteria before screening is recommended in recent methodological guidance because it supports consistency, reduces arbitrary judgment, and strengthens the internal validity of the synthesis.

3.3. Data Sources and Article Search Strategy

The literature search was conducted through the Directory of Open Access Journals, with the publication period limited to 2022 to 2026. This database was selected because it provides access to peer reviewed open access journals across relevant fields such as taxation, accounting, public finance, economics, and business behavior. The search process used combinations of keywords derived from the core concepts of the study topic. The principal search string was formulated as ("tax knowledge" OR "tax literacy" OR "tax education" OR "knowledge of taxation") AND ("tax awareness" OR "taxpayer awareness" OR "fiscal awareness") AND ("tax compliance" OR "taxpayer compliance" OR "voluntary tax compliance" OR "tax compliance behavior"). Related terms were also considered when necessary in order to improve the breadth and precision of retrieval. Boolean operators such as AND and OR were used to ensure that the search captured articles most closely aligned with the conceptual focus of the review. Recent review guidance emphasizes that a search strategy should be explicit, reproducible, and concept driven so that the logic of evidence identification can be clearly justified.

3.4. Article Selection Process and Data Analysis

All records identified in the initial search were first documented and checked for duplication. The remaining records were then screened on the basis of title and abstract in order to assess their preliminary relevance to the topic. Articles considered potentially relevant proceeded to full text assessment, where each study was evaluated against the predefined inclusion and exclusion criteria. At this stage, studies were excluded when they did not directly discuss tax knowledge or tax awareness in relation to tax compliance, failed to satisfy the publication and access requirements, or lacked sufficient substantive relevance to the focus of the review. This process reflects the PRISMA sequence of identification, screening, eligibility, and inclusion. After the final set of studies was determined, the included articles were reviewed in depth and their data were extracted according to major aspects such as title, author, year of publication, research objective, method, thematic focus, and principal findings. The extracted material was then analyzed using a descriptive qualitative synthesis through thematic grouping, comparison of findings, identification of recurring patterns, interpretation of dominant tendencies, and preparation of a narrative synthesis. This analytical process aimed to provide a comprehensive understanding of research development, dominant findings, and the contribution of earlier studies to explaining the role of tax knowledge and awareness in improving tax compliance.

3.5. Quality Assessment and Presentation of the Synthesis

To ensure that the final synthesis rested on methodologically and substantively sound evidence, each included article underwent a quality assessment. Since the selected studies could differ in design and disciplinary orientation, the appraisal was conducted through a structured evaluative matrix rather than through one design specific instrument. Each article was assessed based on topic relevance, clarity of research objectives, transparency of method, adequacy of analysis, and contribution to understanding the role of tax knowledge and awareness in improving tax compliance. This procedure was intended to ensure that only studies with adequate methodological quality and substantive value informed the final synthesis. The results of the review were then presented in narrative form and, where necessary, could be supported by a summary table of included studies to make comparison across articles easier and more systematic. Overall, the method was designed to ensure transparency at every stage so that the processes of identification, selection, appraisal, extraction, analysis, and synthesis can be followed clearly by readers.

4. Result and Discussion

Following the PRISMA-guided review process, the corrected identification stage yielded 256 records from the reviewed literature. All of these records were screened at the title and abstract level using the predefined inclusion and exclusion criteria. At this stage, 239 records were excluded because they fell outside the 2022–2026 publication period, did not directly examine tax knowledge or tax awareness in relation to tax compliance, were only marginally aligned with the specific focus of the review, or were methodologically unsuitable for the final synthesis. This initial screening left 17 reports for full-text assessment. During the eligibility stage, 7 further reports were excluded because they were conceptually broader than the review focus, did not position tax knowledge or tax awareness as the main analytical variables, or did not provide sufficiently comparable evidence on tax compliance. As a result, 10 studies were included in the final review. This selection pathway reflects the PRISMA sequence of identification, screening, eligibility, and inclusion, while ensuring that the final corpus remained directly relevant to *The Role of Tax Knowledge and Awareness in Improving Tax Compliance*.

Table 1. Summary of Included Studies

No.	Authors and year	Title	Research objective	Method	Main focus / variables	Instrument / indicators	Main findings
1	Septianingsih & Karnawati (2026)	The Effect of Tax Knowledge, Tax Awareness, Tax Sanctions, and Digital Tax Technology on Individual Taxpayer	To examine the effects of tax knowledge, tax awareness, and digital tax sanctions technology	Quantitative causal design; multiple linear regression	Tax knowledge, tax awareness, sanctions, digital tax technology, compliance	Questionnaire administered to 100 individual taxpayers	All variables simultaneously and partially had positive and significant effects on compliance

No.	Authors and year	Title	Research objective	Method	Main focus / variables	Instrument / indicators	Main findings
2	Kusumawar dhani et al. (2026)	Compliance in West Jakarta Factors Influencing Individual Tax Compliance in Surabaya	Compliance on individual taxpayer compliance To investigate how tax knowledge and tax awareness shape individual taxpayer compliance	Quantitative survey; multiple linear regression	Tax knowledge, tax awareness, individual taxpayer compliance	Survey of 202 registered taxpayers	Both tax knowledge and tax awareness positively affected compliance
3	Appiah et al. (2024)	Tax Knowledge, Trust in Government, and Voluntary Tax Compliance: Insights From an Emerging Economy	To test whether tax knowledge, tax fairness, and trust affect voluntary tax compliance among SMEs	Quantitative survey; SEM	Tax knowledge, fairness, trust, voluntary compliance	Survey of 341 SMEs	Tax knowledge, fairness, and trust significantly predicted compliance; fairness mediated the knowledge-compliance relationship
4	Rusiyati et al. (2026)	Determinants of SME Tax Compliance: The Intervening Role of Tax Awareness in Jakarta	To examine tax awareness as an intervening variable in SME tax compliance	Quantitative approach; PLS-SEM	Tax knowledge, e-filing, service quality, law enforcement, awareness, compliance	Structured questionnaire to SME taxpayers	Knowledge, e-filing, service quality, and enforcement positively affected awareness and compliance; awareness mediated these effects
5	Bawa (2024a)	Assessing the Impact of Non-Formal	To assess non-formal tax	Quantitative cross-sectional design;	Non-formal tax education, procedural	14-item questionnaire; 1,152 SMEs	Non-formal tax education significantly improved

No.	Authors and year	Title	Research objective	Method	Main focus / variables	Instrument / indicators	Main findings
		Tax Education on Payment Compliance: The Mediating Role of Procedural Tax Knowledge within the Informal Sector of Ghana	education and its effect on payment compliance through procedural tax knowledge	PLS	l tax knowledge, payment compliance		procedural knowledge and payment compliance; mediation was confirmed
6	Bawa (2024b)	Examining the Effect of Formal Tax Education on Filing Compliance: The Mediation Role of Procedural Tax Knowledge within the Informal Sector of Ghana	To examine the effect of formal education on filing compliance through procedural tax knowledge	Quantitative design; PLS	Formal tax education, procedural tax knowledge, filing compliance	11-item questionnaire; 1,152 SME business actors	Formal tax education improved procedural knowledge and filing compliance; procedural knowledge mediated the effect
7	Nguyen et al. (2024)	The Impact of Tax Awareness on Tax Compliance: Evidence from Vietnam	To investigate the connection between tax awareness and tax compliance	Quantitative analysis	Tax awareness, tax compliance	Questionnaire; 380 individual taxpayers	Tax awareness had a significant positive effect and explained 37.3% of compliance variation
8	Hien et al.	Tax	To	Quantitative	Tax	Survey of	Tax

No.	Authors and year	Title	Research objective	Method	Main focus / variables	Instrument / indicators	Main findings
	(2025)	Knowledge and Tax Compliance of the Small and Medium Enterprises in Vietnam	evaluate the effect of tax knowledge on SME compliance through mediating factors	ve; SEM with parallel mediation	knowledge, perceived non-tax opportunity, felt tax loss, compliance	326 SMEs	knowledge had no direct effect after mediators were introduced; the relationship worked indirectly through the two mediators
9	Sonny et al. (2025)	The Effect of Tax Knowledge and Tax Awareness on Taxpayer Compliance with E-Filing as a Moderating Variable	To examine tax knowledge and tax awareness with e-filing as moderator	Quantitative associative design; SEM	Tax knowledge, tax awareness, e-filing, compliance	Questionnaire of 96 individual taxpayers	Tax knowledge had a negative direct effect, tax awareness had a positive effect, and e-filing altered both relationships
10	Styaningrum et al. (2025)	Taxpayer Compliance Based on Tax Socialization Mediated by Taxpayer Awareness: Behavioral Approach	To test taxpayer awareness as mediator between tax socialization and compliance	Quantitative survey; SmartPLS	Tax socialization, taxpayer awareness, compliance	Questionnaire survey of MSME taxpayers	Tax socialization improved compliance directly and indirectly through taxpayer awareness

The final corpus shows several common characteristics. Most of the studies were published in 2024–2026, indicating that the topic remains highly current and still expanding. Geographically, the evidence is concentrated in Indonesia, Ghana, Vietnam, and nearby developing-economy contexts, with the dominant units of analysis being individual taxpayers, SMEs, and MSMEs. In methodological terms, the retained studies are overwhelmingly quantitative, using multiple regression, SEM, PLS-SEM, and correlational models. This pattern suggests that recent scholarship on tax knowledge, awareness, and

compliance is strongly empirical and behavior-oriented, with limited reliance on qualitative or mixed approaches in the final review set.

A first major pattern is that tax knowledge generally contributes positively to tax compliance, particularly when it improves taxpayers' understanding of legal obligations, filing procedures, sanctions, and reporting requirements. This direct positive relationship appears in the studies from West Jakarta, Surabaya, and Ghana, where better tax understanding consistently supports stronger compliance behavior. In these studies, knowledge operates as a cognitive resource that reduces uncertainty and enables taxpayers to fulfil obligations more accurately and confidently. The synthesis therefore supports the view that tax knowledge is a foundational factor in self-assessment systems, where taxpayers must understand rules independently rather than rely solely on authority intervention.

A second and even more consistent pattern is the pivotal role of tax awareness. The included studies show that awareness is not simply an accompanying attitude variable, but a central psychological mechanism that translates knowledge into behavior. Nguyen et al. demonstrate a strong direct effect of awareness on compliance, while Rusiyati et al. and Styaningrum et al. show that awareness mediates the effects of knowledge, service quality, e-filing, law enforcement, and socialization on tax compliance. Kusumawardhani et al. similarly indicate that compliance is strengthened not only by technical understanding, but by an internalized sense of responsibility toward tax obligations. These findings suggest that awareness provides the motivational and behavioral pathway through which knowledge becomes actual compliance.

A third theme concerns the role of tax education and tax socialization as upstream drivers of compliance. The two Ghana studies clearly show that both formal and non-formal tax education significantly improve compliance through procedural tax knowledge. Likewise, the Madiun study indicates that tax socialization improves compliance both directly and through awareness. These studies collectively show that knowledge and awareness are not fixed traits but can be actively developed through structured educational interventions, outreach, and repeated socialization. In this regard, the literature supports a shift from a purely punitive model of taxation toward one that emphasizes taxpayer capability development and long-term voluntary compliance.

Despite the dominant positive pattern, the synthesis also reveals important inconsistencies. Hien et al. show that tax knowledge does not retain a direct effect on compliance once perceived non-tax opportunity and felt tax loss are introduced as mediators. Sonny et al. likewise report that tax knowledge has a negative direct effect on compliance, while tax awareness remains positive and e-filing changes the relationship by simplifying compliance procedures. These findings indicate that knowledge does not always work in a straightforward linear way. In some contexts, greater knowledge may also sharpen awareness of complexity, opportunities for avoidance, or strategic calculation. The literature therefore suggests that tax knowledge is influential, but its effect depends on intervening psychological, procedural, and technological conditions.

The review also shows that knowledge and awareness are shaped by supporting institutional variables such as fairness, trust, service quality, and digital systems. Appiah et al. demonstrate that trust in government and tax fairness strengthen voluntary compliance and help explain how knowledge translates into behavior. Rusiyati et al. show that digital tax processes and service quality reinforce both awareness and compliance. Sonny et al. indicate that e-filing can reshape the knowledge–compliance relationship by reducing

procedural friction, while the Jakarta and Madiun findings suggest that supportive institutional arrangements help taxpayers convert awareness into sustained compliance. Accordingly, tax knowledge and awareness are not self-sufficient variables; they become more effective within administrative environments that are transparent, fair, and easy to navigate.

From a theoretical perspective, the included studies strongly reinforce behavioral explanations of tax compliance, especially those related to the Theory of Planned Behavior and related cognitive-behavioral models. In the reviewed evidence, tax knowledge functions as the cognitive element, tax awareness operates as the motivational or attitudinal element, and compliance emerges as the behavioral outcome. However, the synthesis also shows that this relationship is not isolated from contextual factors such as trust, fairness, digital usability, and procedural simplicity. Thus, the review extends existing understanding by showing that tax knowledge and tax awareness should be interpreted as interdependent mechanisms within a wider behavioral and institutional framework, rather than as stand-alone predictors.

The practical implications are equally clear. Tax authorities should not rely exclusively on sanctions and enforcement if the objective is sustainable voluntary compliance. The retained studies consistently support interventions such as structured tax education, practical procedural training, awareness campaigns, better service quality, transparent tax administration, and accessible digital reporting systems. Educational initiatives should focus not only on abstract rules but also on procedural competence, filing accuracy, and the social meaning of paying taxes. For SMEs and individual taxpayers, the evidence suggests that compliance improves when taxpayers are informed, aware, supported, and able to use tax systems with minimal procedural friction.

The review also identifies several research gaps. First, most of the included studies rely on cross-sectional self-reported survey data, which limits causal inference and long-term behavioral explanation. Second, the literature remains concentrated in a limited number of countries, especially Indonesia, Ghana, and Vietnam, leaving broader cross-country comparison underdeveloped. Third, the distinction between the direct, mediating, and moderating roles of tax knowledge and tax awareness is still modeled inconsistently across studies. Fourth, the role of digital tax systems is not yet settled, because some studies treat technology as enabling while others show that it only works effectively when combined with literacy, trust, and usability. These gaps strengthen the contribution of the present review by organizing a fragmented body of evidence into a clearer and more coherent analytical pattern.

Overall, the synthesis indicates that tax compliance is most consistently improved when tax knowledge and tax awareness are strengthened together. Tax knowledge equips taxpayers with the ability to understand obligations, while tax awareness transforms that understanding into responsible and voluntary action. Education, socialization, trust-building, service quality, and usable digital systems reinforce these mechanisms, whereas procedural complexity and weak institutional support reduce their effectiveness. The main academic contribution of this review, therefore, lies in showing that the relationship between knowledge, awareness, and compliance is both robust and conditional: robust because it is widely supported across the final corpus, and conditional because the effect depends on the administrative, educational, and psychological environment in which taxpayers operate.

5. Conclusion and Suggestion

This PRISMA-guided Systematic Literature Review shows that tax compliance is most consistently strengthened when tax knowledge and tax awareness develop together. Across the final corpus, tax knowledge generally functions as the cognitive foundation of compliance by improving taxpayers' understanding of obligations, procedures, and reporting requirements, while tax awareness serves as the motivational mechanism that translates such understanding into responsible and voluntary behavior. The synthesis also indicates that awareness often mediates the influence of knowledge, and that tax education, tax socialization, service quality, trust, fairness, and user-friendly digital systems reinforce these effects. At the same time, the review confirms that the effect of tax knowledge is not always linear, since some studies found indirect or even negative direct effects when psychological, procedural, or technological factors intervened. Overall, the main contribution of this review lies in clarifying that the relationship between tax knowledge, tax awareness, and tax compliance is both robust and conditional within a broader behavioral and institutional framework.

The review therefore strengthens theoretical understanding by integrating previously fragmented findings into a more coherent explanation of how cognitive, attitudinal, and institutional factors interact in shaping compliance. Practically, it suggests that sustainable voluntary compliance is more likely to be achieved through a balanced strategy that combines taxpayer education, awareness-building, administrative transparency, service improvement, and accessible digital reporting systems rather than relying primarily on sanctions. Future research should expand the database coverage, include a wider range of country contexts, and employ broader time spans and stronger research designs beyond cross-sectional self-reported surveys. Further studies are also needed to examine more consistently the direct, mediating, and moderating roles of tax knowledge and tax awareness, especially in relation to digital tax systems, trust, literacy, and usability.

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