

## The Influence of Justice, Taxation System, and Discrimination on Individual Taxpayers' Perceptions Regarding Tax Evasion Ethics: Research at the North Malang Pratama Tax Office

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### Abstract

**Introduction/Main Objectives:** This study examines how fairness, the tax system, and discrimination influence individual taxpayers' perceptions of the ethics of tax evasion at the North Malang Tax Office (KPP Pratama). Tax evasion remains a persistent issue in Indonesia, often linked to negative perceptions of fairness and systemic weaknesses, making this topic crucial for improving compliance.

**Background Problems:** The research addresses the question: To what extent do fairness, the tax system, and discrimination affect taxpayers' ethical views on tax evasion?

**Research Methods:** A quantitative approach was employed using purposive sampling to select 100 non-employee individual taxpayers earning above IDR 60 million annually. Data were collected through structured questionnaires and analyzed using multiple linear regression with SPSS version 26.0.

**Finding/Results:** The results indicate that fairness, the tax system, and discrimination significantly and positively influence taxpayers' perceptions regarding the ethics of tax evasion. The Adjusted R<sup>2</sup> value of 0.667 suggests that 66.7% of perception changes are explained by these three variables, while the remaining 33.3% is influenced by external factors beyond the study's scope.

**Conclusion:** The findings underscore the importance of implementing a fair, transparent, and discrimination-free tax system to enhance compliance and reduce tax evasion practices in Indonesia. Policymakers should prioritize equity and clarity in tax regulations to foster ethical taxpayer behavior.

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**Keywords:** Justice, Tax System, Discrimination, Tax Evasion Ethics



## Introduction

Indonesia, as a developing country, requires revenue to fund national development (Poylema, 2022). Sustainable national development is believed to improve public welfare and support state expenditure through tax revenue (Syamsiah et al., 2024). Taxes are obligations imposed on individuals or business entities in accordance with legal regulations, are coercive in nature, do not provide direct compensation, and are utilized for the benefit of the state (Selvy & Wardana, 2025). Although the public does not receive instant benefits from taxes, taxes still function as a primary instrument supporting economic stability and encouraging various development programs (Fadila & Wulandari, 2024). Taxes are often viewed as a burden that reduces a person's economic capacity, thus encouraging the emergence of tax evasion practices (Fitri et al., 2025). As a result, tax revenue targets are often not met due to taxpayer's efforts to reduce their tax burden, both within the regulations and in violation of tax provisions (Poylema, 2022). One form of this violation is tax evasion, which arises from negative perceptions of the fairness of the tax system (Dewi et al., 2021). The Theory of Planned Behavior (TPB) explains that "a person's behavior stems from a planned intention, influenced by individual attitudes, subjective norm assessments, and perceived behavioral control, which reflects the perceived ease or difficulty of performing an action." Within this theoretical framework, the primary focus is on a person's intention to act, which is assessed based on the amount of effort they expend. In general, increasing a person's intention to do something increases the likelihood of that action being successfully implemented (Mochtar et al., 2024).

Based on the 2020 performance published by the Directorate General of Taxes, "total tax revenues of IDR 1,198.80 trillion were recorded as contracting 19.7% compared to IDR 1,332.06 trillion in 2019," as explained by (Kurnia & Faisal, 2022). This situation explains the low public motivation to pay taxes, which triggers negative perceptions of the tax system (Justice et al., 2025). In Indonesia, forms of tax evasion often arise through deliberately underreporting tax amounts, recording invalid expenses, creating fake transactions, and manipulating company financial documents, according to findings (Ramli et al., 2020). Such is the case experienced by Yeni Indrawati (YI) and Sutrisno (S), owners of PR Semanggi Mas Agung Kediri Branch. This case resulted in significant losses to the state amounting to IDR 1.03 billion, and according to several other reports the total loss reached IDR 1.35 billion. The modus operandi used by the suspects was to fail to submit VAT returns for the distribution of tobacco products, resulting in the mandatory VAT payments not meeting the established regulations. The tax evasion incident occurred in 2020, and after a lengthy investigation, the Kediri District Attorney's Office detained them in May 2025. The case then proceeded to trial, and in early October 2025, the Kediri District Court sentenced the two defendants to prison and fined them (Hariani, 2025). This phenomenon indicates that tax evasion ethics are still frequently carried out by business actors in various sectors, including the tobacco product industry, and explains the need to increase taxpayer awareness and more intensive supervision from the tax authorities. The increasing number of tax evasion cases that have occurred has resulted in negative perceptions and a loss of taxpayer trust in certain tax officials and the government. Findings from Putra et al., (2023) revealed that "fairness, the tax system, and discrimination are elements that can be drivers of tax evasion."

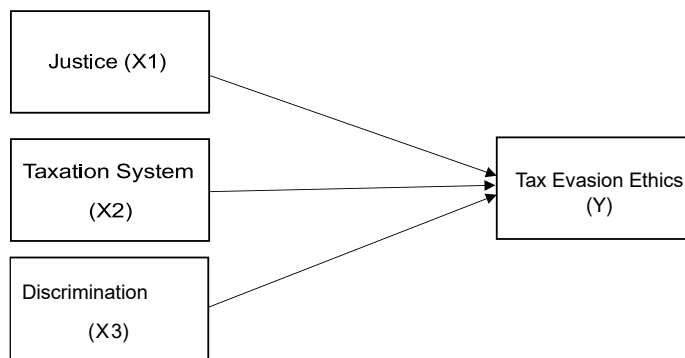
A study by Ali et al., (2024) explains that fairness is a central factor in shaping ethics towards tax evasion, especially because taxpayers expect consistent and unbiased treatment in tax collection that reduces their income. "People often view taxes as a reduction in income, so they need assurance that the state collection process is carried out fairly and without disparate treatment," according to the report (Keadilan et al., 2024). "The level of taxpayer compliance is greatly influenced by the existence of justice, and unequal treatment can create social pressure and trigger negative taxpayer perceptions regarding tax evasion," according to (Jumriah et al., 2023). When tax collection is carried out with a higher level of justice, the tendency of taxpayers to develop negative perceptions that could potentially encourage tax

evasion can be suppressed. Justice in taxation plays a role in determining whether taxpayer compliance increases or decreases when they carry out their tax obligations. Previous research has shown that "fairness has a significant positive contribution to the ethics of tax evasion, which further confirms the view that justice plays a major role in reducing the practice of tax evasion" (Paramitha et al., 2020). Based on these findings, the first hypothesis of this study is formulated: justice influences the ethics of tax evasion.

Another factor considered to influence the ethics of tax evasion is the tax system, namely the legal, administrative, and procedural framework that governs the process of tax collection and management, including policies, regulations, collection mechanisms, and tax administration institutions. When the public perceives the tax system as fair and providing equitable benefits, tax compliance tends to increase (Keadilan et al., 2024). Furthermore, the existence of a clear and optimally functioning tax system can reduce the tendency of taxpayers to engage in tax evasion. Negative perceptions of tax obligations are more likely to emerge and can trigger involvement in tax evasion. Furthermore, discrimination also influences tax evasion. The effectiveness of the tax system depends on the quality of collaboration between the tax authorities and taxpayers. If taxpayers perceive the tax system as ineffective or insufficiently transparent, these findings emphasize that a fair, clear, and effective tax system has the potential to foster positive views among taxpayers regarding tax obligations, which in turn reduces the risk of tax evasion (Putra et al., 2023). From the overall results of the analysis, it can be stated that the second hypothesis of this study is proven, where taxpayer compliance has an influence on tax evasion ethics.

The third component contributing to the ethical impact of tax evasion is discrimination, which in practice directs taxpayers' perceptions of the ethics inherent in tax evasion (Sudiro et al., 2020). This condition can be seen in unbalanced tax policies and the implementation of tax laws that are applied without uniformity. Discrimination is understood as an act that provides different treatment to an individual or group based on certain categories such as race, origin, religion, or social status in society (Paramitha et al., 2020). This form of discrimination in taxation arises when government policies are not implemented fairly, thus providing special advantages to certain groups. If tax officials treat taxpayers discriminatorily, public trust in the tax authorities can decrease due to the formation of negative assessments. As a result, taxpayers may be encouraged to commit tax evasion (Kurnia & Faisal, 2022). Research findings by Putra et al., (2023) also revealed that "discrimination has a relationship that influences tax evasion".

This discrimination can foster the perception that tax evasion is justified. When tax policies are designed to benefit some parties and leave others without benefits, this situation reflects discrimination, which then contributes to tax evasion (Putra et al., 2023). Previous research findings show that "discrimination has a positive and significant impact."on the ethics of tax evasion. This confirms that discriminatory behavior in the tax environment can influence taxpayers' perspectives on the ethics of tax evasion" (Putra et al., 2023). Therefore, the research findings confirm the third hypothesis, namely that discrimination contributes a significant positive impact on the ethics of tax evasion. This explanation allows for the development of a conceptual framework:



**Figure 1. Conceptual Framework**

Source: Author's Work, 2025.

Information:

- Right arrow (→) explain the causal relationship or influence of each independent variable on the dependent variable.
- Each independent variable (X1, X2, and X3) is assumed to have a partial influence on tax evasion ethics (Y).

This study presents a methodological innovation by integrating fairness, the tax system, and discrimination into a single integrated analytical model to assess their impact on individual taxpayers' perceptions of the ethics of tax evasion. Many previous studies have examined these variables fragmentarily, allowing this study to provide a more comprehensive understanding of the elements influencing taxpayer behavior. This study focuses on individual taxpayers at the North Malang Tax Office (KPP Pratama), allowing for the identification of rarely examined local characteristics while also accommodating the diverse profiles of taxpayers with entrepreneurial status. The study was conducted with taxpayers at the North Malang Tax Office located in the city center, an area with high levels of economic activity, such as services, trade, and education. This makes taxpayer perceptions in this area more dynamic regarding the tax system and opportunities for tax evasion, compared to other, more homogeneous areas, making them easier to study. Through this background explanation, the researcher gained a basis for defining the research focus: whether the variables of fairness, the tax system, and discrimination impact the ethics of tax evasion. Therefore, the purpose of this study was to analyze the influence of these variables.

## Research Methods

### Population and Sample

This study employed a quantitative method using primary data sources involving a population of non-employee individual taxpayers at the North Malang Pratama Tax Office (KPP Pratama) with an annual income above 60 million rupiah. The sample selection method used was purposive sampling, an approach that selects data sources based on considerations deemed relevant to the research focus (Sugiyono, 2023). The specific criteria are as follows:

- Non-employee taxpayers included in the North Malang Pratama Tax Office database in 2025.
- Non-employee taxpayers who have annual income above 60 million in 2025.

- c. Non-employee taxpayers who carry out their annual SPT reporting obligations regularly in 2025.

The data source was obtained by distributing questionnaires to taxpayers directly using a Google Form link as a filling medium. A Likert scale instrument ranging from 1 to 5 was applied to measure the level of respondent agreement with statements regarding fairness, the tax system, discrimination, and the ethics of tax evasion. The questionnaire technique was used because it can collect primary data from a large group of respondents quickly, practically, and provides consistent results. The data collection process was carried out by distributing questionnaires to taxpayers registered at the North Malang Pratama Tax Office, involving 100 respondents obtained based on the Slovin formula calculation with a 10% error tolerance:

$$n = \frac{N}{1 + Ne^2}$$

Information:

n : Number of sample

N : Population size

e : Error level (in this study using an error level of 10% or 0,1)

The calculation results are shown in the following section:

$$n = \frac{25.278}{1 + 25.278 (0,1)^2}$$

$$n = \frac{25.278}{253,78}$$

$$n = 99,6 \text{ (rounded to 100)}$$

Before use, research instruments must undergo validity and reliability testing to ensure accurate and consistent measurement results. The next step involves descriptive statistical analysis and testing of classical assumptions such as normality, multicollinearity, and heteroscedasticity. To explore the relationship between the independent and dependent variables, multiple linear regression is performed using the following formula:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 \dots\dots\dots(1)$$

Information:

Y : Tax Evasion Ethics

$\alpha$  : Constant (Y value when X = 0)

X1 : Justice

X2 : Taxation System

X3 : Discrimination

$\beta_1$ ,

$\beta_2$ ,

$\beta_3$  : Regression coefficient, which explains the direction of the regression

The next stage is to conduct a hypothesis test using a t-test to determine the level (Sig.) of the partial influence of the independent variable on the dependent variable.

## Result

### Descriptive Statistics

Descriptive statistics function to collect, organize, and display data to provide an informative understanding of the research object from a sample or population without generalizing or drawing general conclusions (Sugiyono, 2023). The following section presents descriptive statistics covering independent and dependent variables. The descriptive statistical data that form the basis of this research can be seen in the following table:

**Table 1. Descriptive Statistics Results**

	N	Minimum	Maximum	Mean	Std. Deviation
Justice	100	13	45	29.03	6.314
Taxation System	100	16	45	25.95	6.127
Discrimination	100	13	40	25.86	6.064
Tax Evasion Ethics	100	18	40	27.25	4.992
Valid N (listwise)	100				

Source: Author's Work, 2025.

In table 1, it is known that the descriptive statistical test explains that the justice variable has an average value of 29.03 with a standard deviation of 6.314, which explains that respondent's perceptions of justice are relatively high and relatively varied. The tax system variable has a mean value of 25.95 and a standard deviation of 6.127, indicating that respondents consider the tax system to be quite good even though there are differences in perception between individuals. The discrimination variable has a mean value of 25.86 with a standard deviation of 6.064, revealing that most respondents consider there is a moderate level of discrimination in the tax system. Meanwhile, the tax evasion ethics variable has an average value of 27.25 with a standard deviation of 4.992, which means that respondents tend to have good ethical assumptions about tax evasion and their assumptions are relatively uniform.

### Validity Test

Validity describes the level of accuracy of data in research (Sugiyono, 2023). Validity testing is performed using Pearson moment correlation. When  $r$  exceeds the table  $r$ , the data is categorized as valid. The threshold (Sig.) used is 0.1. The results of the validity test are as follows:

**Table 2. Validity Test Results**

<b>Items &amp; Variables</b>	<b>Pearson Correlation</b>	<b>Sig.</b>
I feel the government has applied the tax burden fairly to every taxpayer who has the same income?	0.844	0
Does the determination of tax rates take into account the economic capabilities of taxpayers?	0.868	0
I think there is no difference in treatment in determining taxes between taxpayers from various sources of income?	0.837	0
I am more likely to be tax compliant if tax laws are not strictly enforced?	0.868	0
Weaknesses in tax law enforcement can encourage the emergence of tax evasion practices?	0.809	0
Taxpayers tend to be reckless in committing tax evasion if the sanctions for tax violations are not strict?	0.881	0
I feel that the benefits of the taxes I pay are in line with the contributions I make?	0.846	0
I think the government has used tax funds fairly for the benefit of the people?	0.840	0
I am willing to pay taxes because the benefits can be felt in real life?	0.853	0
I understand that tax rates are set based on clear and transparent provisions?	0.844	0
Are the current standards for tax contributions commensurate with the taxpayer's income level?	0.868	0
Are the regulations regarding tax rates applied consistently by the tax authorities?	0.837	0
I think tax funds have been allocated fairly for national development?	0.868	0
Has the government distributed tax revenues for the public interest evenly?	0.809	0
I believe that the management of tax funds has been carried out transparently in accordance with applicable regulations?	0.881	0
Does the current online tax reporting system make it easier for me to fulfill my tax obligations?	0.846	0
Is information about taxation easily accessible to the public through various media?	0.840	0
Are tax administration procedures increasingly simple and less difficult for taxpayers?	0.853	0
I feel that not all taxpayers are treated equally regardless of cultural and religious background?	0.844	0
In the implementation of tax policies, is there still different treatment for certain groups in society?	0.868	0
I think taxpayers from the upper middle class often get special treatment in taxation?	0.837	0
I feel that tax officials sometimes discriminate against taxpayers based on their social status or work?	0.868	0
I think the tax system is not completely free from elements of discrimination against certain groups?	0.809	0

I feel that there are tax policies that benefit certain parties more than the general public.	0.881	0
I think that tax implementation in the field often favors large business groups?	0.846	0
I think certain taxpayers get relief or special treatment that is not given to other taxpayers?	0.849	0
I feel that the imbalance in tax policy can create distrust in the tax system?	0.822	0
I feel the amount of tax set by the government is too high for taxpayers?	0.851	0
High tax contributions make some people look for ways to minimize their tax burden?	0.818	0
The determination of excessively high taxes gives rise to the desire of taxpayers to reduce their tax burden illegally?	0.853	0
I think the heavy tax burden is		
What are some of the main reasons why taxpayers commit tax evasion?	0.848	0
If tax rates are lower and proportional, will tax evasion practices decrease?	0.874	0
I think the dishonest behavior of tax officials can reduce public trust in the tax system?	0.834	0
When government officials do not set a good example, people tend to think tax evasion is not wrong?	0.801	0
Low integrity of tax officials can encourage taxpayers to imitate unethical behavior?	0.851	0
I think that corrupt practices or abuse of authority by tax officials can weaken public awareness in paying taxes?	0.810	0

Source: Author's Work, 2025.

Referring to table 2, the validity test process confirmed that each variable achieved a Pearson correlation value, or calculated  $r$ , higher than the table  $r$  of 0.1654. Therefore, the four variables containing 36 question indicators can be declared to have met the validity requirements.

### Reliability Test

The concept of reliability emphasizes the consistency and accuracy of the measuring instrument in producing consistent results. Evaluation uses Cronbach's Alpha with a minimum standard of 0.60. If the value exceeds this limit, the questionnaire is deemed to have adequate reliability (Sugiyono, 2023). The test results are shown below:

**Table 3. Reliability Test Results**

Variable	Cronbach's Alpha	N of Items
Justice (X1)	.952	9
Taxation System (X2)	.955	9
Discrimination (X3)	.948	9
Tax Evasion Ethics (Y)	.947	9

Source: Author's Work, 2025.

Based on the findings in table 3, the Cronbach's Alpha values for the variables of justice (X1), tax system (X2), discrimination (X3), and tax evasion ethics (Y) were recorded at 0.952, 0.955, 0.948, and 0.947, all exceeding the standard of 0.60. With these results, the four variables are declared to have a good level of reliability.

## Classical Assumption Test

### Normality Test

Evaluation of the residual distribution in a regression model is performed using a normality test to determine whether the data pattern is normal. A regression model is considered adequate when the resulting residuals are distributed according to a normal distribution. In this study, normality assessment utilizes the One-Sample Kolmogorov-Smirnov (KS) test. Interpretation is performed by checking whether the Asymp-Sig. (2-tailed) value is above 0.05; when this condition is met, the data is declared normally distributed (Sugiyono, 2023).

**Table 4. Normality Test Results**

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		100
Normal Parameters <sup>a,b</sup>	Mean	.0000000
	Std. Deviation	2.83862112
Most Extreme Differences	Absolute	.081
	Positive	.081
	Negative	-.034
Test Statistic		.081
Asymp. Sig. (2-tailed)		.101 <sup>c,d</sup>
a. Test distribution is Normal.		
b. Calculated from data.		
c. Lilliefors Significance Correction.		
d. This is a lower bound of the true significance.		

Source: Author's Work, 2025.

In table 4, through the output results of the One-Sample Kolmogorov-Smirnov Test, it can be seen that the data from the questionnaire application are normally distributed because the results of Asymp. Sig. (2tailed) tax evasion ethics (Y) = 0.101 > 0,05. This explains that the tested data follows a normal distribution.

### Multicollinearity Test

When it is necessary to examine whether an independent variable behaves similarly to other independent variables in the model, a multicollinearity test can be used as an evaluation tool. Furthermore, a multicollinearity test helps ensure there is no distortion in drawing conclusions regarding the partial influence of each independent variable on the dependent variable, thus ensuring accurate analysis results. Multicollinearity evaluation relies on the Variance Inflation Factor (VIF) and tolerance values as indicators of the relationship. Between independent variables. When the VIF for variable X is less than 10 and the tolerance is above 0.1, the model is declared free from multicollinearity (Sugiyono, 2023).

**Table 5. Multicollinearity, Heteroscedasticity, and Multiple Linier Regression Test Results**

Model	Unstandardized Coefficients		Standardized Coefficients		Collinearity Statistics	
	B	Std. Error	Beta	t	Sig.	Tolerance VIF
1 (Constant)	5.571	2.497		2.231	.028	
Justice	.586	.047	.741	12.549	.000	.967 1.035
Taxation System	.368	.048	.451	7.652	.000	.968 1.033
Discrimination	.243	.048	.295	5.032	.000	.982 1.019

a. Dependent Variable: Tax Evasion Ethics

Source: Author's Work, 2025.

Based on table 5, the VIF value for each variable is < 10 and the tolerance value is > 0.1. This indicates that there is no multicollinearity present in the tested data.

### Heteroscedasticity Test

In the regression model, to determine whether there is inequality in residual variance from one study to another, a heteroscedasticity test can be used. This study assessed the presence of heteroscedasticity by applying the Glejser test. A good regression equation does not explain heteroscedasticity (Sugiyono, 2023). The Glejser test explains the absence of indications of disparity if the level (Sig.) > 0.05. Based on table 5, the heteroscedasticity test for the three variables using the Glejser method produced significant values of 0.966; 0.959; and 0.684, respectively, all of which are > 0.05. This indicates no heteroscedasticity in the model for these three variables.

### Multiple Linear Regression Test

Regression analysis is used to measure the extent of influence between independent variables and dependent variables (Sugiyono, 2023). From the test results in table 6, the multiple linear regression equation model was obtained as follows:

$$Y = \alpha + \beta_1.X_1 + \beta_2.X_2 + \beta_3.X_3 \dots\dots\dots(2)$$

$$Y = 5,571 + 0,586.X_1 + 0,368.X_2 + 0,243.X_3 \dots\dots\dots(3)$$

Information:

Y = Tax Evasion Ethics  
 $\alpha$  = Constant  
 $\beta_1, \beta_2, \beta_3$  = Regression Coefficient of Independent  
 $X_1$  = Justice  
 $X_2$  = Taxation System  
 $X_2$  = Discrimination

The multiple linear regression equation is understood as a constant value ( $\alpha$ ) of 5.571 explaining that if all independent variables are viewed consistently, then the value of tax evasion ethics (Y) is 5.571. The regression coefficient of the tax system ( $X_1$ ) of 0.586 means that every 1 unit increase in the tax system will increase tax evasion ethics by 0.586, assuming other variables remain constant. The regression coefficient of tax fairness ( $X_2$ ) of 0.368 illustrates that every 1 unit increase in tax fairness has an impact on increasing tax

evasion ethics by 0.368 as long as other variables remain unchanged. The regression coefficient of discrimination (X3) of 0.243 reveals that an additional 1 unit of discrimination contributes to increasing tax evasion ethics by 0.243, while a decrease in discrimination will decrease tax evasion ethics by the same amount.

### Hypothesis Test Correlation Coefficient Test

Adjusted R Square is used for regression models involving three or more variables. The coefficient of determination is calculated to evaluate how well all independent variables in a multiple linear regression model collectively explain the dependent variable (Sugiyono, 2023). The following is the output related to the correlation coefficient test:

**Table 6. R -Square Correlation Coefficient Test Results**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.823 <sup>a</sup>	.677	.667	2.883

a. Predictors: (Constant), Justice, Taxation System, Discrimination

Source: Author's Work, 2025.

Referring to table 6, the equation explains that the Adjusted R Square is 0.667, indicating that Justice (X1), Tax System (X2), and Discrimination (X3) are able to explain 66.7% of the change in Tax Evasion Ethics (Y). The remaining 33.3% is triggered by a number of other factors beyond the scope of the study.

### t-Test

The t-test procedure is used to determine the extent to which each independent variable influences the dependent variable. In this study, the reference t-table value is 1.664 (df = 100-4) with a significance level of 5% or 0.05 (Sugiyono, 2023). The results of the hypothesis testing using the t-test are as follows:

**Table 7. t-Test Results**

Model		Unstandardized Coefficients		Standardized Coefficients		Sig.
		B	Std. Error	Beta	T	
1	(Constant)	5.571	2.497		2.231	.028
	Justice	.586	.047	.741	12.549	.000
	Taxation System	.368	.048	.451	7.652	.000
	Discrimination	.243	.048	.295	5.032	.000

a. Dependent Variable: Tax Evasion Ethics

Source: Author's Work, 2025.

Table 7, we can see that:

1. The Justice variable (X1), the calculated t-value is 12.549, exceeding the t-table of 1.664, while the (Sig.) value is 0.000, which is below 0.05. Thus,  $H_0$  is rejected and  $H_a$  is accepted, indicating that justice contributes significantly and positively to taxpayers' perceptions of tax evasion ethics.
2. The Taxation System Variable (X2) obtained a t-count of 7.652 which exceeded the ttable of 1.664, with a level (Sig.) of 0.000 which is below 0.05. This condition confirms that  $H_0$  is rejected and  $H_a$  is accepted, so that the taxation system is proven to contribute a significant positive impact on taxpayer perceptions regarding tax evasion ethics.

Discrimination variable (X3), the calculated t-value is 5.032 exceeding the t-table of 1.664, while the (Sig.) is at 0.000 which is smaller than 0.05. Therefore,  $H_0$  is rejected and  $H_a$  is accepted, revealing that discrimination has a significant positive impact on taxpayers' perceptions regarding tax evasion ethics.

## Discussion

Multiple linear regression analysis demonstrates that fairness, the tax system, and discrimination have a positive and significant impact on the ethics of tax evasion among individual taxpayers at the North Malang Tax Office (KPP Pratama). Therefore, these three variables are crucial elements in guiding taxpayer perceptions and ethics when assessing their behavior regarding tax payments. Partial testing shows that fairness has a significant positive impact on the ethics of tax evasion. If taxpayers perceive fairness as exceeding fairness, the urge to view tax evasion as an acceptable act decreases. This means that fairness in tax imposition can foster taxpayer trust and moral responsibility towards the state. This finding aligns with research by Dewi et al., (2021), which states that "perceptions of fairness have an important function in fostering compliance and reducing tax evasion behavior." The research findings reveal that the tax system has a significant positive impact on the ethics of tax evasion. A clear, easy-to-understand, and smoothly accessible tax system makes taxpayers feel more confident and comfortable in fulfilling their tax obligations. The more the system is implemented optimally, the less likely taxpayers are to engage in tax evasion. This research evidence confirms the statement of Anggayasti & Padnyawati, (2020) that "a modern and effective tax system can strengthen taxpayer compliance and limit the opportunity for tax violations." The analysis results revealed that discrimination has a significant positive effect on tax evasion ethics. If tax policies are implemented inconsistently or there is unfair treatment, the public has the potential to lose trust in the tax system, resulting in moral justification for tax evasion. This study reaffirms the findings of Putra et al., (2023), who stated that "injustice and differential treatment in the tax enforcement process can reduce taxpayer ethics and compliance. This study reiterates the significant role of good justice, a good tax system, and the absence of discrimination, which contribute significantly to shaping taxpayer ethical perceptions. The government needs to continue to increase transparency, improve services, and uphold the principle of justice in every tax policy to prevent the emergence of tax evasion behavior in society."

## Conclusion

The study concluded that fairness, the tax system, and discrimination contribute significantly to the ethical behavior of individual taxpayers at the North Malang Tax Office (KPP Pratama). If taxpayers perceive a lack of fairness, do not receive a better tax system, and face higher levels of discrimination, their ethical perceptions in fulfilling their tax obligations will decrease, thus increasing the ethical behavior of tax evasion. Fairness builds trust and moral responsibility, a good tax system fosters convenience and transparency, while the elimination of discrimination increases public trust in the tax authorities. Thus, these three factors play a significant role in suppressing tax evasion behavior and increasing taxpayer ethics and awareness. Based on these findings, it is recommended that the Directorate General of Taxes (DGT) strengthen the application of the principle of fairness in tax policy, such as by setting proportional tax rates based on taxpayer's economic capabilities and providing equal services without discrimination based on social status or background. Furthermore, it is necessary to improve the quality of the tax system to make it more transparent, accessible, and efficient through the use of digital technology. The government is also expected to suppress discriminatory practices in tax services and strengthen oversight of tax officials to ensure they

maintain high integrity. Continuous tax education and outreach are also needed to increase ethical awareness and taxpayer compliance to support the sustainable optimization of state revenues.

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