ABSTRACT: This research combines a religious perspective in the tax non-compliance model. This research tries to provide a model that includes a religiosity perspective as a model for tax non-compliance. This research will examine the phenomenon of SME tax non-compliance in Batu City by integrating new variables, from social and economic approaches, namely geopolitical differences, tax service quality, public governance quality and system structure, tax system rate, penalty and religiosity. This research provides a model that includes a religiosity perspective as a model for SME tax non-compliance. This research is quantitative (positivist) research. The object of this research is SMEs in Batu City. The population in this study consists of SMEs in Batu City which are spread across the food and beverage business sector under the guidance of the Batu City Cooperatives and SMEs Service, totaling 175 businesses. The research results show several findings. The relationship between religiosity and tax non-compliance shows that the higher the level of religiosity, the lower the level of tax non-compliance compared to people with low levels of religiosity. The relationship between geopolitics and tax non-compliance provides an interpretation that tax non-compliance exists when there is a geopolitical gap. The worse the geopolitical conditions, the higher the level of taxpayer non-compliance. The relationship between the quality of tax services and tax non-compliance shows that tax non-compliance behavior decreases when the quality of tax services is higher. The relationship between the quality of public governance and tax impropriety decreases when the quality of public governance increases. Tax non-compliance behavior increases when tax rates are increased. Meanwhile, the relationship between penalties and tax non-compliance behavior shows that tax non-compliance behavior decreases when penalties increase.

KEYWORDS: tax noncompliance, geopolitical differences, tax service quality, public governance quality and tax system structure rate, religiosity

I. INTRODUCTION

Taxes are an important tool to support development and governance. By paying taxes, on the one hand, citizens will contribute to the development of the country, but on the other hand, the government must use the income from these taxes with full responsibility in fulfilling and providing public services for its citizens (Fagariba, 2016). Taxes make a large contribution to income and are the main pillar of state revenue, therefore the contribution of taxes to a country is very potential (Tene et al., 2017); (Yefni et al., 2017). The large role of taxes as state revenue means that the government uses all efforts to optimize national income from tax payments by the public. The increase in state spending requires a conscious and obedient attitude of taxpayers to act as mandated by taxation rules, with the aim being that tax revenues remain able to fund state expenditure (Nur Fitriani et al., 2021).

Tax evasion is a deliberate rejection by taxpayers of their tax obligations. The phenomenon of tax avoidance occurs due to several factors, including taxpayer ignorance, taxpayer impropriety and poor accounting standards. Tax avoidance will affect public spending and capital accumulation can affect economic growth. Tax avoidance will affect the distribution of the tax burden as well as the cost of resources to increase taxes and the dysfunction of the public sector (James, 2013). (Mohammad & Shahroodi, 2010) revealed that a tax system with tax insolvency will place an unfair burden on honest taxpayers so that it will further expand tax evasion, so that this will cause other people to follow suit and of course will eliminate further income. The Organization for Economic Co-Operation and Development (OEDC, 2021) states that of all the segments that are taxpayers, the MSME sector is the taxpayer that has the highest level of impropriety of all segments that are taxpayers in several countries (Rajagukguk & Firmansyah, 2018).

The SME sector plays a very important role in driving accelerated economic growth (Pashev, 2008). However, the tax revenue contributed by this sector is still very low, not exceeding 5% of total tax revenue (Al-Saqqaf, 2005). Low tax collection from SMEs is likely due to high non-compliance among SMEs. (Fararah, 2014) suggests concentrating on the SME sector because
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this sector is often the dominant segment of a country’s economy. This high level of SME tax non-compliance will hinder the development of SMEs. Tax non-compliance is one of several phenomena that has a serious impact on the global economy, making it interesting to study in more depth (Ross & McGee, 2011a). This research is theoretically based on a behavioral economic model, which is a more realistic assumption of taxpayer behaviour (Hashimzade et al., 2013). Behavioral economic theory provides a theoretical basis for the topics of tax avoidance, tax morals and tax impropriety. Most studies conducted on tax non-compliance focus on the problem from a purely economic perspective (Gupta, R., & McGee, 2010). Behavioral economics theory as a theoretical basis for understanding the topics of tax avoidance, tax morale, and tax compliance behavior. This theory is a combination of economic and behavioral factors that are responsible for tax non-compliance behavior. This approach is rooted in expected utility theory (EU) and prevention theory. Expected utility theory views taxpayers as utilities who choose to avoid taxes when the expected benefits are greater than the costs of avoidance penghindaran (Allingham & Sandmo, 1972).

Prevention theory focuses on sanctions and penalties determined by taxpayer compliance behavior. The more severe the sanctions and the likelihood of detection, the lower the likelihood of tax non-compliance. Behavioral economics theory assumes that individuals have different opinions about tax compliance according to attitudes, culture, peer influence, beliefs, values, ethics, demographic characteristics, norms and roles (2020 Sebele-Mpofu, 2020). The behavioral component in behavioral economics theory assumes that individuals differ in their opinions about tax compliance according to attitudes, culture, peer influence, beliefs, values, ethics, demographic characteristics, norms and roles (Oana, 2018; F. Y. Sebele-Mpofu, 2020).

In addition to economic behavioral models, behavioral theory is used as a basis for observing taxpayer behavior in determining whether or not taxpayers comply with their tax responsibilities. (I Ajzen & Fishbein, 1980) argued that there is a correlation between belief, attitude, intention and behavior. (Untaru et al., 2016); (Procter et al., 2019) reveals that the main concept of the theory of reasoned action lies in the focus of a person’s attention. (Icek Ajzen, 1991) The Theory of planned behavior includes determinants of perceived control of behavior in looking at will. It can be said that the relationship between these two behavioral theories in this research is the view that the will that drives SME taxpayers to pay taxes is based on the intention of the taxpayer. Apart from that, they have confidence in the benefits obtained from depositing taxes into the state treasury. The influence and encouragement from the social environment to comply with tax regulations also influences their compliance in paying taxes.

Globally, much research on tax compliance uses classical models that focus on an economic perspective (Allingham & Sandmo, 1972; Becker, 1975) and then the social and psychological aspects (Fischer et al., 1992) and legal perspective (Riahi-Belkaoui, 2004). Ross & McGee (2011) proposes a broad study of the ethics of tax non-compliance from philosophical and religious aspects. Benk et al., (2015) stated that other variables that influence tax impropriety include religion, tax rate, fairness of the tax system, fairness of the government, tax service quality, public governance quality, personal financial condition and risk preference (Alabede, 2012). This research will examine the phenomenon of tax non-compliance by integrating new variables, from social and economic approaches, namely geopolitical differences, tax service quality, public governance quality and tax system structure rate and religiosity. Geographic affiliation plays a key role in economic issues such as tax non-compliance (Al-Yasani, 2005). Geopolitical influence is the result of geographic differences based on the political divisions of countries. In other words, geopolitical differences are a combination of geographic aspects with political aspects. Taxpayers are used as a proxy to measure geopolitics. The geographical location of taxpayers can be used to measure attitudes towards the government and in turn influence national issues including compliance with tax regulations (L. H. A. Al-Taffi & Abdul Jabbar, 2016b).

Tax service quality can be described as the interaction between tax authorities and taxpayers (L. Al-Taffi et al., 2011) which is the way they offer assistance to taxpayers, manage or fulfill all their requests. Service quality can be defined as the level of excellence that is evaluated objectively or subjectively. It is an assessment of how well distributed services match customer expectations. Service providers often assess the quality of services provided to their customers to improve the quality of their services, identify problems and to achieve customer satisfaction. Previous studies state that tax compliance is positively influenced by service quality ((Elvania Nur Fadzilah & Rasyid Mei Mustafa & Negina Kencono Putri, 2017)). Likewise, (L. H. A. Al-Taffi & Abdul Jabbar, 2016b) also shows that the quality of tax services is negatively related to tax non-compliance.

The quality of public governance is considered a sensitive issue. ((Torgler et al., 2007) explains that the quality of public governance is a multidimensional variable. (Ser, 2013) argues that if individuals view the government as fair, then they will have more confidence in the government, so they will comply with taxes. Perception of the government is the main cause of intention to comply with tax regulations. Many researchers conclude that the quality of public governance is negatively correlated with non-compliance ((Kirchgässner, 2010); (Ross & McGee, 2011a). (Everest-Phillips, Max; Sandall, 2009) explains the relationship between the quality of public governance and tax non-compliance.

The structure of the tax system (tax system rate) is proven to have a large influence on tax compliance. The tax rate is the percentage owed as tax by taxpayers on profits and/or economic transactions (Aribaba, F.O., Oladele, R., Ahmodu, A.L.O. and Yusuff, 2019). The structure of the tax system can be grouped into tax prevention sanctions, complexity of the tax system and tax rate structure. Several similar empirical studies in various countries then tested hypotheses based on these factors (Musimenta, 2020); (Sapiei et al., 2014); (Yá’u et al., 2020)) and the results confirm the influence of these factors as significant determinants of
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tax compliance behavior. Penalty is an important factor that can reduce the level of tax non-compliance. (Allingham & Sandmo, 1972) states that tax non-compliance can be reduced by increasing fines. Punishment has a significant negative relationship with tax non-compliance and this result is supported by (Iyer et al., 2010) and (Bruce-Twu, 2014). Tax sanctions always motivate taxpayers to comply with tax laws. Based on the deterrence theory put forward by (Becker, 1968) people do not commit crimes because they are afraid of being caught. Religion is considered the main factor that shapes attitudes and can influence individual behavior in addition to the factors above (Mohdali & Pope, 2014). Tomes (1985) in (Carsamer & Abbam, 2020) believes that economics is not essentially religious, however, religious beliefs and practices enter into economic analysis as religiosity is found to have an impact on development ((Riahi-Belkaoui, 2004). It has been justified that people pay taxes out of a sense of moral and religious obligation ((Benk et al., 2015). Studying the influence of religiosity on taxpayer compliance attitudes in Malaysia, (Mohdali et al., 2014) revealed that religiosity has a statistically significant positive impact on voluntary tax compliance due to strong religious values. (Benk et al., 2015) found that religiosity has a significant positive impact on tax compliance.

Based on social influence theory, attitude is considered a very important factor that can influence individual behavior. Taxpayer attitudes can influence taxpayer behavior in terms of compliance and non-compliance. This research combines a religious perspective in the tax non-compliance model (Mohdali & Pope, 2014). Globally, much research on tax compliance uses classical models that focus only on the economic perspective and then to some extent, integrate social and psychological aspects.

In this regard, this research tries to provide a model that includes a religiosity perspective as a model for tax non-compliance. This research will examine the phenomenon of SME tax non-compliance in Batu City by integrating new variables, from social and economic approaches, namely geopolitical differences, tax service quality, public governance quality and system structure. taxation (tax system rate), penalty and religiosity. This research will investigate the factors that influence income tax non-compliance behavior by including religiosity as a moderator in the tax non-compliance model by concentrating on the SME sector because the sector is the dominant segment of a country's economy. By investigating six constructs (five independent variables and one moderator) from different approaches and theories, this research is expected to provide new evidence to the relevant literature about factors influencing tax non-compliance.

II. HYPOTHESIS
Religiosity and Tax Non-Compliance Behavior
Religion is considered to be the main factor that shapes attitudes and can influence individual behavior (Mohdali & Pope, 2014). Religious beliefs are expected to provide internal control for individuals to clearly differentiate between good and bad behavior. Based on social influence theory, attitude is considered a very important factor that can influence individual behavior. This research combines a religious perspective in the tax non-compliance model. Research results ((Mohdali & Pope, 2014). (Dharma, 2011) found the fact that religiosity has no effect on tax evasion. Research (Walker et al., 2012) (Longenecker et al., 2004) (Mirna Wati, 2018); and (Budiarto et al., 2018) said that religiosity has a negative effect on tax evasion. (Pratama et al., 2020) found the same fact that intrinsic religion and extrinsic religion have a negative effect on tax evasion. H1: There is a negative relationship between religiosity and non-tax compliance behavior of SMEs

Geopolitics and the Moderating Role of Religiosity
A review of relevant literature shows that geopolitics has a significant impact on different issues ((Stepić, 2011; Al-Taffi & Abdul Jabbar, 2016; (Ndako et al., 2021). This research contributes to tax knowledge by examining the impact of factors This is on the behavior of taxpayers in Indonesia. Attitudes towards the government can create avoidance of duties to the government ((Feith, 2006; Nunkoo & Smith, 2013; Al-Taffi & Abdul-Jabbar, 2018). Thus the following hypothesis is developed: H2: Geopolitics (geopolitics ) taxpayers have a significant influence on SME tax non-compliance behavior

Tax Service Quality and the Moderating Role of Religiosity
Service quality is basically controlled by customers by comparing expectations with performance ((Seth et al., 2005). Service business providers often assess the quality of services provided to their customers to improve the quality of their services and identify problems to achieve customer satisfaction (Au et al., 2022). In the field of taxation, most empirical studies conclude that the relationship between tax service quality and tax non-compliance is negative (e.g., Lin et al., 2011); Alabede, 2012; Al-Taffi & Abdul Jabbar, 2016b). Chen & Kao (2010) explain that there is interaction between tax officials and taxpayers, with the interaction influencing taxpayers' perceptions of the quality of tax services received from the tax authority. In addition, Jackson & Milliron (1986) stated that the approach in which taxpayers are treated in the provision of tax services has an impact on their behavior. Thus, the following hypothesis is developed: H3: There is a negative relationship between tax service quality and non-tax compliance behavior of SMEs

Public Governance Quality and the Moderating Role of Religiosity
The government's ability to manage state resources effectively and utilize all political tools for the benefit of citizens will result in interactions between the government and citizens in economic, social and political aspects (Kaufmann et al., 2013). Based on social exchange theory, the relationship between government and citizens is created using subjective costs and benefits, and
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develops on the principle of give and take. So, it is hoped that the government will equally maintain its part of the contract by providing quality public governance. In this research, Vincent (2021) stated that positive behavior by the government will lead to positive attitudes and actions by citizens to comply with tax payments. Damayanti et al., (2015) argue that perceptions about the government are the main reason behind the intention to comply with tax regulations. When the government provides high quality services to individuals. Torgler et al., (2007) suggest that for citizens to comply with tax laws, they must be allowed to participate in financial decision making, and governments must avoid adopting centralization of financial decisions. Therefore, the following hypothesis is proposed to be tested: H4: There is a negative relationship between the quality of public governance and non-tax compliance behavior of MSMEs

Tax system structure (tax system rate) and Tax Non-Compliance Behavior (non-tax compliance)
The effect of tax rates on tax non-compliance has attracted the attention of tax researchers. So much research has been conducted to examine the effect of tax rates on taxpayer behavior. Most empirical studies prove that high tax rates are positively related to tax non-compliance (Hai & See, 2011; (Ser, 2013; Levin & Widell, 2014; Drogalas et al., 2018; Guyton et al., 2021). According to theory deterrence, high tax rates cause a decrease in tax non-compliance. In this case, Drogalas et al., (2018) refer to the income effect scenario. They argue that the effect of tax rates on non-compliance includes: substitution effects; therefore, higher tax rates high will reduce after-tax income and reduce non-compliance. Meanwhile, Mwangi (2014) stated that high tax rates are the main cause of behavioral tax non-compliance. Thus, the current research hypothesis is developed below: H5: There is a positive relationship between system structure taxation (tax system rate) and tax non-compliance behavior (non-tax compliance) of MSMEs

Penalty and tax non-compliance behavior (non-tax compliance)
Penalties are described in the literature as an important factor that can reduce the level of tax non-compliance. Drogalas et al., (2018) stated that tax non-compliance can be reduced by increasing penalties. In addition, Alkhatib et al., (2018) show that punishment has a significant negative relationship with tax non-compliance, and this result is supported by and (Obaid et al., 2020). Youde & Lim (2019) conclude that tax sanctions always motivate taxpayers to comply with tax laws, especially when the penalties are more expensive than compliance. Based on the deterrence theory proposed by Becker (1968), people do not commit crimes because they are afraid of being caught. Therefore, to solve tax problems, there must be effective penalties. Anto et al. (2021) argue that deterrence theory provides a logical explanation of the relationship between punishment and tax non-compliance. Thus, the relationship between fines and tax non-compliance is hypothesized as follows: H6: There is a negative relationship between sanctions (penalties) and tax non-compliance behavior (non-tax compliance) of MSMEs

III. RESEARCH METHOD
This research is quantitative (positivist) research. The object of this research is SMEs in Batu City. The selection of SMEs in Batu City as the research setting is considered appropriate because currently Batu City is a mainstay tourist destination in East Java. The population in this study consists of SMEs in Batu City which are spread across the food and beverage business sector under the guidance of the Batu City Cooperatives and SMEs Service, totaling 175 businesses.

Table 1. Operationalization of Variables

<table>
<thead>
<tr>
<th>Variable</th>
<th>Dimensions</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>non tax compliance</td>
<td>Reporting noncompliance</td>
<td>(Al-Ttaffi &amp; Abdul-Jabbar, 2018; Vincent, 2021; Al-Ttaffi, 2017)</td>
</tr>
<tr>
<td></td>
<td>Deduction noncompliance</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Filing noncompliance</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Payment noncompliance</td>
<td></td>
</tr>
<tr>
<td>geopolitics</td>
<td>Views on The Country</td>
<td>(Al-Ttaffi &amp; Abdul Jabbar, 2016a; Al-Yasani, 2005; Teschke, 2014)</td>
</tr>
<tr>
<td></td>
<td>Views on Social</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Views on Politics</td>
<td></td>
</tr>
<tr>
<td>tax service quality</td>
<td>Reliability</td>
<td>(Al-Ttaffi et al., 2011; L. H. A. Al-Ttaffi &amp; Abdul Jabbar, 2016a; Mustafa &amp; Putri, 2017; Fararah, F. S., &amp; Al-Swidi, 2013; Fararah, 2014b)</td>
</tr>
<tr>
<td></td>
<td>Responsiveness</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Assurance</td>
<td></td>
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<tr>
<td></td>
<td>Empathy</td>
<td></td>
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<tr>
<td></td>
<td>Tangibility</td>
<td></td>
</tr>
<tr>
<td>public governance quality</td>
<td>Voice, democracy and accountability</td>
<td>(Al-Ttaffi &amp; Abdul-Jabbar, 2018; Ser, 2013; Al-Ttaffi, 2017; Darby, J., Desbordes, R., &amp; Wooton, 2010)</td>
</tr>
<tr>
<td></td>
<td>Political stability</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Government</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Effectiveness</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Rule of law</td>
<td></td>
</tr>
</tbody>
</table>
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<table>
<thead>
<tr>
<th>Control of Corruption</th>
<th>(Aribaba, F.O., Oladele, R., Ahmodu, A.L.O. and Yusuff, 2019; Al-Ttaffi &amp; Abdul-Jabbar, 2018)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>tax system rate</strong></td>
<td><strong>Tax Proportion</strong> (Al-Ttaffi &amp; Abdul-Jabbar, 2018; Allingham &amp; Sandmo, 1972)</td>
</tr>
<tr>
<td></td>
<td><strong>High Taxes</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Tax Fairness</strong></td>
</tr>
<tr>
<td><strong>penalty</strong></td>
<td><strong>Interest on Taxes Payable</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Court Penalty</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Court Penalties and High Interest Rates</strong></td>
</tr>
<tr>
<td><strong>religiosity</strong></td>
<td><strong>Ideological Dimension</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Ritualistic Dimension</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Experiential Dimension</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Intellectual Dimension</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Consequential Dimension</strong></td>
</tr>
</tbody>
</table>

IV. RESULTS AND DISCUSSION

The results of the regression test are as follows:

Table 2. Regression

<table>
<thead>
<tr>
<th>Variable</th>
<th>Coefficient</th>
</tr>
</thead>
<tbody>
<tr>
<td>Religiosity</td>
<td>-1,519***</td>
</tr>
<tr>
<td>Geopolitics</td>
<td>-0,313***</td>
</tr>
<tr>
<td>Tax Service Quality</td>
<td>-1,770***</td>
</tr>
<tr>
<td>Quality of Public Governance</td>
<td>-0,585**</td>
</tr>
<tr>
<td>Tax Rates</td>
<td>0,123**</td>
</tr>
<tr>
<td>Penalty</td>
<td>-0,356**</td>
</tr>
</tbody>
</table>

In the table above, the results of multiple regression show that all variables are significantly related to tax non-compliance behavior. Specifically, respectively, religiosity, geopolitics, tax service quality, public governance quality, and penalties are negatively related to tax non-compliance behavior with ($\beta = -1.519; P=0.000$), ($\beta = -0.313; P=0.000$), ($\beta = -1.770; P=0.000$), ($\beta = -0.585; P=0.000$), and ($\beta = -0.356; P=0.005$). Meanwhile, tax rates ($\beta = 0.123; P < 0.007$) are positively related to tax non-compliance behavior.

Table 3. Determination Test Value

<table>
<thead>
<tr>
<th>Nilai R²</th>
<th>R</th>
<th>R²</th>
<th>Adjusted R²</th>
<th>F value</th>
<th>P value</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0.921</td>
<td>0.848</td>
<td>0.843</td>
<td>106.536</td>
<td>0.000</td>
</tr>
</tbody>
</table>

The table shows that statistical significance is explained by the F value of 106.536 (P=0.000) in the model. These results mean that the three models are able to explain the phenomenon of tax non-compliance among MSMEs in the city of Batu Malang. Moreover, the test results show that R2 is 0.848, which means that each model explains the phenomenon around 85%. Chin provides criteria for R Square values of 0.67, 0.33, and 0.19 as strong, moderate, and weak (Ghozali & Latan, 2015). So based on these criteria the model in the research is strong.

DISCUSSION

Religiosity towards non-tax compliance behavior of SMEs

Statistical results report a significant influence of religiosity on tax non-compliance behavior among MSMEs. These results prove that religiosity influences ethical perceptions. The lower a person's level of religiosity, the greater the possibility of tax evasion. Behavioral economics theory as a theoretical basis for understanding the topics of tax avoidance, tax morale, and tax compliance behavior. This theory is a combination of economic and behavioral factors that are responsible for tax non-compliance behavior. This approach is rooted in expected utility theory (EU) and prevention theory. Expected utility theory views taxpayers as utilities who choose to avoid taxes when the expected benefits are greater than the costs of avoidance (Allingham & Sandmo, 1972). Prevention theory focuses on sanctions and penalties determined by taxpayer compliance behavior. The more severe the sanctions and the likelihood of detection, the lower the likelihood of tax non-compliance. Behavioral economics theory assumes that
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individuals have different opinions about tax compliance according to attitudes, culture, peer influence, beliefs, values, ethics, demographic characteristics, norms and roles (2020 Sebele-Mpofu, 2020). Religiosity is one of the determinants of tax avoidance by corporate and individual taxpayers (Boone et al., 2013). Tomes (1985) in (Carsamer & Abbam, 2020) believes that economics is not essentially religious, however, religious beliefs and practices enter into economic analysis as religiosity is found to have an impact on development (Riahi-Belkaoui, 2004). Likewise with research (Walker et al., 2012) (Longenecker et al., 2004) (Mirna Wati, 2018); and (Budiarto et al., 2018) said that religiosity has a negative effect on tax evasion. (Pratama et al., 2020) found the same fact that intrinsic religion and extrinsic religion have a negative effect on tax evasion. Research conducted by (Torgler, 2006) states that religiosity influences taxpayers' internal motivation to pay taxes. Taxpayers who have a high level of religiosity will have better tax morals which will manifest in their tax payments. This means that taxpayers who have a good level of religiosity will not avoid taxes but pay taxes as they should. The positive influence of religiosity on taxpayers in paying taxes arises because religiosity influences a person's behavior in acting and acting. The consequences of religiosity will influence a person's habits. One can determine the taxpayer's attitude towards tax evasion behavior. This attitude is not about avoiding taxes but paying taxes according to the actual calculations.

Geopolitics regarding SME tax non-compliance behavior
Statistical results prove that taxpayer geopolitics have a significant influence on tax non-compliance behavior among MSMEs in Batu Malang. Tax revenue is an important source of the economy of many countries. However, this source is always hampered by taxpayer compliance issues. (Hallsworth et al., 2017) describe tax non-compliance as a problem that dates back to the earliest recorded history of humanity. Thus, the phenomenon of tax non-compliance has been considered a threat to many countries in the world (Ross & McGee, 2011b). Geographic affiliation (geopolitics) plays a key role in economic problems such as tax non-compliance (Al-Yasani, 2005). Geopolitical influence is the result of geographic differences based on the political divisions of countries. In other words, geopolitical differences are a combination of geographic aspects with political aspects. Taxpayers are used as a proxy to measure geopolitics, that is, the geographic location of taxpayers can be used to measure attitudes towards the government and in turn influence national issues including compliance with tax regulations (L. H. A. Al-Ttaffi & Abdul Jabbar, 2016b). (Loo et al., 2010) found that citizens’ geographic location interacts with political issues to influence people's knowledge and culture, and these influences are reflected in their tax behavior. (Caro et al., n.d.) linked people's behavior to the centralization of political government, that people are more obedient if they live closer to the political center.

Tax service quality on non-tax compliance behavior of SMEs
The results of statistical analysis show that tax non-compliance behavior decreases when the quality of tax services is higher. Tax service quality can be described as the interaction between tax authorities and taxpayers (L. Al-Ttaffi et al., 2011) which is the way they offer assistance to taxpayers, manage or fulfill all their requests. Previous studies state that tax compliance is positively influenced by service quality (Elvania Nur Fadzilah & Rasyid Mei Mustafa & Negina Kencono Putri, 2017)). Likewise, L. H. A. Al-Ttaffi & Abdul Jabbar, 2016b) also shows that the quality of tax services is negatively related to tax non-compliance. The findings of this research support the theory of social influence (social influence theory). Social influence is social influence that can influence other people who can change behavior (Vadhat, 2020). This theory states that people have a tendency to change their behavior according to those around them, and those who are close have a stronger effect than those who are far away. First impressions are very important and can change a person's perception of a person when making decisions. To obtain better taxpayer compliance behavior by improving the quality of tax services. (Torgler et al., 2007) stated that the tax authority must consider itself as a service institution and provide quality services and treat taxpayers as partners. They recognize the need to align customer status with taxpayers, and apply this concept to taxpayers by considering their tax service requirements more closely and treating them as clients (Kirchler, 2007). (Chen & Kao, 2010) explains that there is an interaction between tax officers and taxpayers, where the quality of tax services has a negative effect on non-compliance behavior. (Lin et al., 2011) found that service quality has a significant negative impact on non-compliance behavior. In general, it can logically be stated that this research provides evidence that the quality of tax services does have a negative effect on the phenomenon of tax non-compliance.

Quality of public governance and tax non-compliance behavior of SMEs
The research results confirm that tax non-compliance behavior decreases when the quality of public governance increases. The research results support social exchange theory. Social Exchange Theory (Emerson, 1976) highlights that trust is a potential mediator of social exchange relationships. Specifically, this theory highlights that the influence of the quality of public governance on tax compliance can be explained through the social exchange relationship between the government and citizens. The quality of public governance is considered a sensitive issue. (Torgler et al., 2007) explains that the quality of public governance is a multidimensional variable. (Ser, 2013) argues that if individuals view the government as fair, then they will have more confidence in the government, so they will comply with taxes. Perception of the government is the main cause of intention to comply with tax regulations. Many researchers conclude that the quality of public governance is negatively correlated with non-compliance ((Kirchgaessner, 2010); (Ross & McGee, 2011a). (Everest-Phillips, Max; Sandall, 2009) explains the relationship between the quality of public governance and tax non-compliance. (Torgler, 2003) states that positive government behavior will
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produce positive attitudes and actions of citizens to comply with tax payments. The government's ability to manage state resources effectively for the benefit of citizens will result in interactions between the government and citizens in economic, social and political aspects. Meanwhile, (Torgler et al., 2007) stated that positive government behavior will give rise to positive attitudes and actions of citizens to comply with tax payments. Likewise, (Akpo, 2009) argues that when the government fails to provide good public services to citizens then they will stop paying taxes. (Everest-Phillips, Max; Sandall, 2009) explains the relationship between the quality of public governance and tax non-compliance. They argue that citizens support the government in carrying out its duties through paying taxes and thus, taxpayers remain interested in how the government uses the statutory funds.

The structure of the tax system (tax system rate) and tax non-compliance behavior (non-tax compliance) of SMEs

The research results show that tax non-compliance behavior increases when the tax rate is increased. The tax rate is the calculated amount that taxpayers must pay. Tax rates are classified as material provisions that are taxed to taxpayers and tax objects. Tax rates must be based on the understanding that everyone has the same rights so that proportional or comparable tax rates can be achieved (Rahayu, 2017). The structure of the tax system (tax system rate) is proven to have a large influence on tax compliance. The tax rate is the percentage owed as tax by taxpayers on profits and or economic (Aribaba, F.O., Oladele, R., Ahmodu, A.L.O. and Yusuff, 2019). (Musimenta, 2020); (Sapiei et al., 2014); (Ya’u et al., 2020) and the results confirm the influence of these factors as significant determinants of tax compliance behavior. In the literature, most previous empirical studies support the results of this research, such as (Ross & McGee, 2011a); (McGee & Lingle, 2011). (Hai & See, 2011) found that high tax rates lead to high tax non-compliance, and (Grable et al., 2009) found that increasing tax rates encourage non-compliance behavior. Taxpayers who realize that their tax rate is higher than average record high levels of tax non-compliance.

Penalties and non-tax compliance behavior of SMEs

The research results confirm that tax non-compliance behavior decreases when penalties increase. Penalty is an important factor that can reduce the level of tax non-compliance. (Allingham & Sandmo, 1972) states that tax non-compliance can be reduced by increasing fines. Punishment has a significant negative relationship with tax non-compliance and this result is supported by (Iyer et al., 2010) and (Bruce-Twum, 2014). Why does the government impose sanctions on those who do not pay taxes? Taxation is the forced taking of wealth. If a taxpayer does not fulfill his obligation to pay taxes, it will cause him to pay both taxes and fines. Taxpayers comply with their tax obligations to avoid legal sanctions. Basically, no one likes paying taxes (Torgler, 2003). Therefore, it is necessary to study what factors can make someone become tax compliant. (Park & Hyun, 2003) shows the positive influence of higher penalties on tax compliance but other research (ALM et al., 1992) finds different research results. The severity of sanctions can only make taxpayers reluctant to report their actual income because the possibility of gaining is greater than the possibility of losing (Slemrod, 2004). Higher tax rates will pressure taxpayers to become less compliant. Even though the tax rate has stabilized, the level of taxpayer compliance is still low. (Sandmo, 2005) in his review of tax evasion theory argues that tax rates are not one of the main factors influencing taxpayer decision making compared to penalties. The results of this research support the theoretical economic model which shows that punishment has an impact on tax compliance. There are mixed results regarding the effect of tax penalties on tax compliance. Penalty rates have a positive relationship with tax evasion, meaning that higher rates will encourage people to cheat. The higher the penalty the greater the discouragement of potential tax evasion. On the one hand, fines must be high enough to reduce the expected value of tax evasion and to ensure a deterrent effect on taxpayers.

CONCLUSION

This research provides a model that includes a religiosity perspective as a model for SME tax non-compliance in Batu City. The research results show several findings. The relationship between religiosity and tax non-compliance shows that the higher the level of religiosity, the lower the level of tax non-compliance compared to people with low levels of religiosity. The relationship between geopolitics and tax non-compliance provides an interpretation that tax non-compliance exists when there is a geopolitical gap. The worse the geopolitical conditions, the higher the level of taxpayer non-compliance. The relationship between the quality of tax services and tax non-compliance shows that tax non-compliance behavior decreases when the quality of tax services is higher. The relationship between the quality of public governance and tax impropriety decreases when the quality of public governance increases. Tax non-compliance behavior increases when tax rates are increased. Meanwhile, the relationship between penalties and tax non-compliance behavior shows that tax non-compliance behavior decreases when penalties increase.

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