The Role of Trust in Mediating the Effect of Digital Service Quality on Taxpayers' Decisions at the Lubuk Pakam Tax Office Lubuk Pakam

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Abstract

This study aims to analyze the effect of digital service quality on taxpayers' decisions, with trust as an intervening variable, among taxpayers at the Lubuk Pakam Primary Tax Office. This study employs a quantitative approach using a survey method. The sample consisted of 362 respondents, selected using probability sampling based on the Slovin formula. Data were collected via a questionnaire using a Likert scale and analyzed using Partial Least Squares-based Structural Equation Modeling (PLS-SEM) with the assistance of SmartPLS 3.0. The results indicate that digital service quality has a positive and significant effect on taxpayers' decisions. Digital service quality also has a positive and significant effect on taxpayers' trust. Furthermore, trust has a positive and significant effect on taxpayer decisions. The results of the indirect effect test indicate that trust significantly mediates the effect of digital service quality on taxpayer decisions. The coefficient of determination indicates that digital service quality explains 16 percent of the variance in the trust variable, while taxpayer decisions are explained by digital service quality and trust to the extent of 49.2 percent. These findings indicate that improvements in the quality of digital services not only have a direct impact on taxpayers' decisions but also work through increased taxpayer trust. Thus, trust plays a crucial role in strengthening the relationship between the quality of digital services and taxpayers' decisions at the Lubuk Pakam Primary Tax Office.

Keywords: Digital Service Quality, Trust, Taxpayer Decisions

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Introduction

Digital transformation in Indonesia's tax administration is advancing rapidly in line with the Directorate General of Taxes' efforts to improve the efficiency of public services. The Directorate General of Taxes (2024) emphasizes that tax digitization aims to enhance ease of access to services, transparency, and the effectiveness of tax administration for taxpayers. In this context, the quality of digital services is a critical factor determining the success of implementing technology-based tax systems.

The quality of digital services encompasses not only technological aspects but also the quality of information, ease of use, system speed, and the reliability of services in helping taxpayers fulfill their tax obligations. Hauptman et al. (2024) explain that the quality of digital tax services encompasses system effectiveness, service efficiency, ease of understanding tax obligations, and support for taxpayers' voluntary compliance decisions. If the quality of digital services falls short of expectations, it can diminish the user experience and influence taxpayers' decisions regarding the continued use of digital services.

Furthermore, advancements in tax technology not only require the provision of sophisticated systems but also demand that users be prepared to adapt to them. Many taxpayers still face difficulties in understanding the workflow of digital services, making it necessary to have supporting factors that can bridge the gap between the system and user behavior. Under these circumstances, psychological aspects such as trust become increasingly important because they determine the extent to which taxpayers are willing to accept and use digital systems in the long term. Trust also plays a role in reducing the uncertainty that arises when using technology-based systems.

In addition to the quality of digital services, trust is a key factor in shaping taxpayer behavior. The OECD (2024) states that taxpayer trust is the belief that tax authorities act consistently, transparently, fairly, and reliably in carrying out their tax duties. In the context of digital services, trust is the psychological factor that determines whether taxpayers are confident enough to use digital systems repeatedly and independently.

Taxpayers' decisions to use digital services result from an evaluation of the benefits, convenience, and level of trust in the system being used. Saptono and Khozen (2023) explain that taxpayers' decisions reflect an individual's willingness to fulfill tax obligations consciously based on an evaluation of the tax system, including perceptions of benefits, fairness, and the complexity of the tax system.

In the context of the Lubuk Pakam Primary Tax Office (KPP Pratama), the implementation of digital tax services still faces challenges related to user experience. Based on a pre-survey of 20 respondents, the majority of taxpayers still face difficulties in understanding the digital service system, experience unstable system access, and encounter limited digital support when issues arise. These conditions indicate that the quality of digital services is not yet fully optimized to support taxpayers' needs.

Previous research has shown that the quality of digital services influences users' trust and decisions regarding digital systems. However, the results of these studies still show variation, necessitating further testing, particularly in the context of taxation in Indonesia. Therefore, trust is viewed as a key variable that can mediate the relationship between the quality of digital services and taxpayers' decisions.

Based on this description, this study aims to analyze the role of trust in mediating the influence of digital service quality on taxpayer decisions at the Lubuk Pakam Primary Tax Office (KPP Pratama).

Literature Review

Taxpayer Decisions

Definition of Taxpayer Decisions

Saptono & Khozen (2023) state that taxpayer decisions are defined as the willingness and tendency of taxpayers to fulfill their tax obligations consciously, voluntarily, and in accordance with applicable regulations.

Indicators of the Decision to Pay

Indicators of tax payment decisions according to Prianto Budi Saptono & Ismail Khozen (2023):

1) Perceived Fiscal Exchange (PFE)
   Taxpayers feel that the taxes they pay are "exchanged" for commensurate public services (e.g., infrastructure, healthcare, education). The stronger this perception of exchange, the greater the intention to pay taxes.
2) Tax Morality
   This reflects taxpayers' moral or ethical stance toward their tax obligations. Taxpayers with a strong sense of tax morality tend to have a stronger intention to fulfill their tax obligations.
3) Tax Fairness
   The perception that the tax system is fair can increase the willingness to pay taxes. Taxpayers who feel they are treated fairly in tax matters are more likely to decide to comply.
4) Tax Complexity
   The level of complexity in tax rules and administration has a negative impact. The more complex the tax system, the lower taxpayers' intention to pay.
5) Power of Authority
   Perceptions regarding the power of tax authorities (e.g., law enforcement, penalties) also influence the willingness to pay taxes. The stronger the perceived authority, the higher the tendency for taxpayers to comply.

Trust

Definition of Trust

According to the OECD (2024), taxpayer trust can be defined as taxpayers' belief that the DGT, as a public institution, will act consistently, positively, and reliably in carrying out its tax duties.

Indicators of Taxpayer Trust

The indicators of taxpayer trust according to the OECD (2024) are:

1) Reliability
   This means that taxpayers believe that the DGT is consistent, reliable, and capable of carrying out its tax duties effectively.
2) Responsiveness
   This means that taxpayers believe the DGT is responsive to their needs, issues, and feedback.
3) Transparency
   This means that taxpayers trust that the DGT is transparent in providing information, explanations, and access to tax services.
4) Fairness
   This means that taxpayers believe that the DGT treats them fairly in both service delivery and the enforcement of regulations.
5) Integrity
   This means that taxpayers trust that the DGT carries out its duties honestly and ethically and does not abuse its authority.

Quality of Digital Services

Definition of Digital Service Quality

According to Hauptman et al. (2024), the quality of digital tax services can be assessed based on the quality of information, the quality of the system, the quality of support services, and trust in system security. In the context of Coretax, the quality of digital services reflects the extent to which the system is able to provide clear information, easy access, responsive support, and data protection that taxpayers can trust.

Indicators of Digital Service Quality

According to Hauptman, Vetrih, and Kavkler (2024), digital service quality is measured by the following indicators:

1) Effectiveness of Digital Services
   Digital services help taxpayers understand and fulfill their tax obligations.
2) Efficiency of Digital Services
   Digital services save taxpayers time, money, and effort.
3) Ease of understanding tax obligations
   The system provides information that helps taxpayers understand what they need to do.
4) Ease of reporting and payment
   The system makes it easier for taxpayers to file and pay taxes.
5) Support for Voluntary Compliance
   Digital services encourage taxpayers to comply without always having to be compelled through law enforcement.

Conceptual Framework

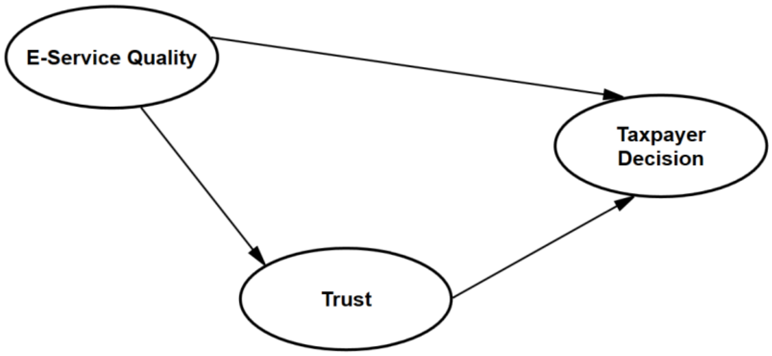

Figure 1. Conceptual Framework

Research Hypotheses

H_1: The quality of digital services has a positive and significant effect on taxpayers' decisions at the Lubuk Pakam Primary Tax Office.

H_2: Digital service quality has a positive and significant effect on trust in the Lubuk Pakam Primary Tax Office.

H_3: Trust has a positive and significant effect on taxpayers' decisions at the Lubuk Pakam Primary Tax Office.

H_4: The quality of digital services has a positive and significant effect on taxpayers' decisions through trust as an intervening variable at the Lubuk Pakam Primary Tax Office.

Research Methodology

Type of Research

The type of research used is quantitative research. According to Sugiyono (2025), quantitative research is defined as a method grounded in the philosophy of positivism, used to study a specific population or sample; sampling techniques are generally conducted randomly; data collection uses research instruments; and data analysis is quantitative/statistical in nature, with the aim of testing predetermined hypotheses. This quantitative research was conducted to analyze the influence of digital service quality and the ease of use of the Coretax application on taxpayers' decisions, with trust serving as an intervening variable, at the Lubuk Pakam Primary Tax Office.

Research Location and Timeframe

The research was conducted at the Lubuk Pakam Primary Tax Office (KPP Pratama), located at: State Finance Building, 2nd and 4th Floors, Jl. Pangeran Diponegoro No. 30A, Madras Hulu, Medan Polonia District, Medan City. The research was conducted over a period of 3 months, from May to August 2026.

Population and Sample

According to Sugiyono (2022), a population is a generalizable group consisting of objects or subjects that share specific characteristics identified by the researcher for study, from which conclusions are subsequently drawn. The population in this study consists of active individual taxpayers in Mulio Rejo Village, Puji Mulyo Village, and Purwodadi Village, Sunggal Subdistrict, Deli Serdang Regency. These three villages were selected as the study area because they are considered representative of the population of individual taxpayers within the jurisdiction of the Lubuk Pakam Primary Tax Office. The population size in this study is 3,810 active individual taxpayers, based on data from the Lubuk Pakam Primary Tax Office for the year 2026. Based on calculations using the Slovin formula with a 5% margin of error, the sample size used in this study is 362 active individual taxpayers. The sampling technique used in this study is probability sampling, as every member of the population has an equal chance of being selected as a respondent.

Research Data Sources

The data source used in this study is primary data.

RESULTS AND DISCUSSION

Outer Model Analysis

The *Outer Model* analysis, using *the PLS algorithm*, yielded the following results:

Validity Test

Table 1. Outer Loadings Values

	Trust	Taxpayer Decisions	Digital Service Quality
X1.1			0.785
X1.2			0.739
X1.3			0.863
X1.4			0.781
X1.5			0.795
Y.1		0.734	
Y.2		0.857	
Y.3		0.765	
Y.4		0.847	
Y.5		0.821	
Z.1	0.805		
Z.2	0.753		
Z.3	0.864		
Z.4	0.861		
Z.5	0.891		

Source: Smart PLS Output, 2025

Based on the values in Table 1 above, the results of the outer model test using factor loadings/outer loadings show that all indicators for each variable have loadings ≥ 0.70. This indicates that each indicator is measured validly. Therefore, it can be concluded that all items in the questionnaire meet the validity criteria, as shown in the following figure.

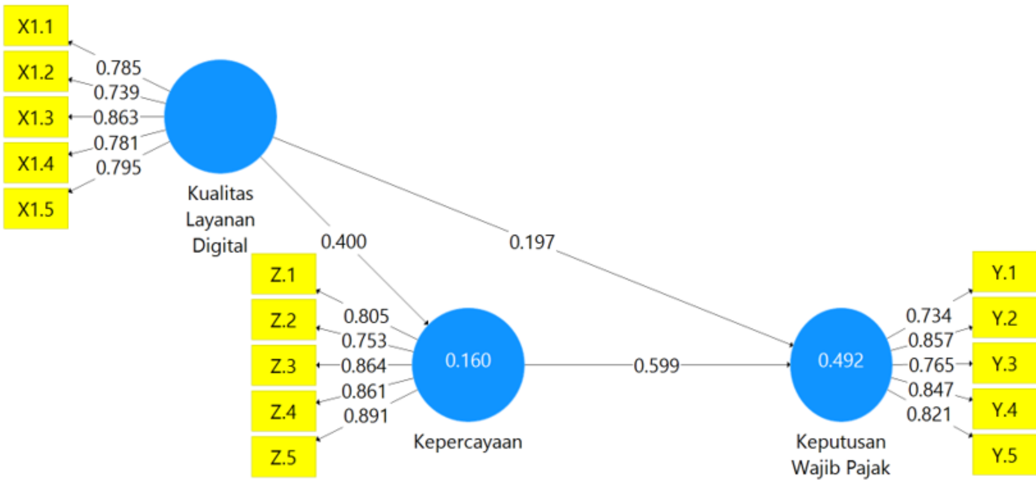

Figure 1. Outer Loadings

Reliability Test

Table 2. Construct Reliability and Validity Test

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Reliability	0.892	0.903	0.921	0.700
Taxpayer Decision	0.865	0.872	0.902	0.650
Digital Service Quality	0.853	0.857	0.895	0.630
Trust	0.892	0.903	0.921	0.700
Taxpayer Decision	0.865	0.872	0.902	0.650

Source: Smart PLS Output, 2025

From Table 2 above, the reliability test results show that the Cronbach's Alpha and Composite Reliability values for all constructs are above 0.70, and the AVE values are above 0.05. This indicates that all indicators have high internal consistency and are reliable in measuring their respective constructs. Therefore, the research instrument is deemed reliable and suitable for use in structural equation modeling.

Coefficient of Determination (R^2)

When evaluating a model using PLS, we begin by examining the R-squared value for each latent dependent variable. The table below shows the estimated R-squared values using SmartPLS.

Table 3. R-Square Results

	R-Square	Adjusted R-Square
Confidence	0.160	0.158
Taxpayer's Decision	0.492	0.489

Source: Smart PLS, 2025

Table 3 shows the R-squared values for both dependent variables. For the trust variable, the R-squared value is 0.160; this means that digital service quality accounts for 0.160, or 16%. The remainder is attributed to other variables outside the model. The R-squared value for taxpayer compliance is 0.492, meaning that digital service quality and trust account for 0.492, or 49.2%; the remainder is attributed to other variables outside the model.

Structural Model Testing (Inner Model)

Hypothesis Testing

Direct Effects Between Variables

Direct effects between variables can be seen in the *path coefficient* values. The data analysis results show that the direct effect values are presented in the following table.

Table 4. *Path Coefficients* (Direct Effects)

	Original Sample	T-Statistics	P-Values	Conclusion
Digital Service Quality -> Taxpayer Decisions	0.197	4.670	0.000	Accepted
Digital Service Quality -> Trust	0.400	9.434	0.000	Accepted
Trust -> Taxpayer Decisions	0.599	15,452	0.000	Accepted

Source: Smart PLS Output, 2025

Table 4 shows the following direct effect values:

1. Digital service quality has a positive and significant effect on taxpayer decisions, with a t-statistic of 4.670 (above 1.96) and a p-value of 0.000 (below 0.05). This means that digital service quality has a real effect on taxpayers' decisions because the significance level is below 0.05 . These findings are consistent with previous research, which found that digital service quality has a positive and significant effect on taxpayers' decisions (Wirawan & Sjarif, 2025).
2. Digital service quality has a positive and significant effect on trust, with a t-statistic of 9.434 (above 1.96) and a p-value of 0.000 (below 0.05). This means that digital service quality has a significant effect on trust because the p-value is below 0.05. These findings are consistent with previous research, which also found that the quality of digital services has a positive and significant effect on trust (Wahyono & Ardiansyah, 2021).
3. Trust has a positive and significant effect on taxpayers' decisions, with a t-statistic of 15.452 (above 1.96) and a p-value of 0.000 (below 0.05). This means that trust has a significant effect on taxpayers' decisions because the p-value is below 0.05. These findings are consistent with previous research, which also found that trust has a positive and significant effect on taxpayers' decisions (Sari & Hermanto, 2020).

Indirect Effects Among Variables

The indirect effects between variables can be seen in the *specific indirect effects* values. The data analysis results show that the indirect effect values are presented in Table 5 below.

Table 5. *Specific Indirect Effects*

	Original Sample	T Statistics	P Values	Conclusion
Digital Service Quality -> Trust -> Taxpayer Decisions	0.240	7.512	0.000	Accepted

Source: Smart PLS, 2025

Table 5 shows the indirect effects between variables, namely: digital service quality has a positive and significant effect on taxpayer decisions through trust, with a t-statistic value of 7.512 above 1.96 and a significance level of 0.000 below 0.05. This means that trust acts as an intervening variable between digital service quality and taxpayer decisions.

Conclusion

1. Digital service quality has a positive and significant effect on taxpayer decisions at the Lubuk Pakam Primary Tax Office.
2. The quality of digital services has a positive and significant effect on trust at the Lubuk Pakam Primary Tax Office.
3. Trust has a positive and significant effect on taxpayer decisions at the Lubuk Pakam Primary Tax Office.
4. The quality of digital services has a positive and significant effect on taxpayers' decisions through trust as an intervening variable at the Lubuk Pakam Primary Tax Office.

Recommendations

1. Digital Service Quality
   Future research is recommended to further explore digital service quality by incorporating user experience aspects such as system security, the quality of interactive assistance, and access stability. This is important because digital service quality has been shown to influence taxpayer trust and decisions.
2. Taxpayer Trust
   Further research is recommended to include other trust-building factors such as data security, system transparency, and the consistency of DGT services. This is important because trust has been shown to act as a significant intervening variable in the research model.
3. Taxpayer Decisions
   Future research is advised to not only measure taxpayer decisions based on perceptions but also to use actual behavioral data, such as the frequency of Coretax usage or reporting compliance. This approach can enhance the validity of the research findings.
4. Future Research (Model and Context)
   Future research is recommended to include additional variables outside the current model, such as digital literacy, risk perception, and the quality of interactions with tax officials. Additionally, research could be expanded to other Tax Office (KPP) regions or employ a longitudinal design to examine changes in taxpayer behavior over time.

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