

Ethical Perceptions of Tax Avoidance and Spiritual Balance Dimensions

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ABSTRACT

This research is about tax avoidance viewed from the perspective of gender and business scale in analyzing ethical perceptions. This study was conducted using primary data by collecting questionnaires distributed to small and medium-sized industrial entrepreneurs in the province of Bali. The samples used were 52 female entrepreneurs and 48 male entrepreneurs. A comparison of ethical perceptions of tax avoidance was tested using Wilcoxon. The research shows no significant difference between the ethical perceptions of small and medium entrepreneurs on tax avoidance and the moral perceptions of male and female entrepreneurs. The correct tax policy must convince taxpayers to fulfil their obligations, primarily through a spiritual dimension that can strengthen taxpayers' confidence not to commit moral hazard. This study adopts the concept of Rwa Bhineda because today's world will lead to the black-and-white era referred to as Rwa Bhineda.

Keywords: Business; ethics; gender; spirituality; tax avoidance.

INTRODUCTION

The state's progress of the taxation system is usually in the direction of economic growth. The Indonesian people often face similar incidents because the taxes received are significantly involved in the financing issued by the state. The Directorate General of Taxes and his subordinates stated that the current tax received had increased, although it still needed to be on target. Development does not match expectations with the government's plan due to non-optimal state expenditures [2]. Deviant practices to achieve tax targets are loopholes that provide opportunities for unscrupulous tax officers, taxpayers, and tax consultants to cooperate and are planned to carry out criminal acts in the tax field (tax crime), including embezzlement, avoiding, deviation, extortion, and document falsification (Satyadini et al., 2019) [27]. The main objective is to obtain the maximum illegal profit or enrich oneself, which distorts state revenues or assets. [36] states that tax avoidance results in reduced revenue or government revenue to regulate the economy and a weakening of the government in promoting financial system stability; conversely, tax evaders feel that they can improve their financial stability.

In the case of taxes, the action that taxpayers and tax officers often take is tax avoidance. Individual tax evasion behaviour varies widely, and considerable cash value has been embezzled. The

scope is in the taxpayer having partial or total income without reporting and the existence of mutually beneficial cooperation between the taxpayer and the tax officer. Legislation and taxation in the taxation system where illegal manipulation is called tax evasion [1]. The implementation of unethical things is carried out by taxpayers who exercise their rights by paying lower tax fees that are not in accordance with tax provisions, falsifying documents, or filling in wrong data. The implementation of tax collection by the government is already strong in regulations and must be appropriately implemented. This rule is capable of minimizing the gap for taxpayers to carry out tax evasion. Reducing the existence of tax burdens without violations allows taxpayers to avoid taxes [38].

Based on a global perspective, tax avoidance can be done by taking it hidden, either partially or wholly, in paying taxes [6] or other amounts owed in the APBN, APBD, state insurance, or additional funds outside the particular budget [37], states that the existence of tax avoidance is a phenomenon occurs that continues to increase throughout the world. The amount of tax avoidance risk varies depending on the type of taxpayer. The greatest risks are in foreign investment companies and companies controlled by entities abroad. Concerning sectoral tax avoidance risk analysis, this study confirms the tendency for greater risks to emerge in the financial and mining sectors [45].

Ethics is related to tax avoidance, with the understanding that ethics is attached to someone who can distinguish between right and wrong to encourage someone to do good things (Tarmidi, 2020). The concept of right and wrong about behaviour informs us of morals and immorality, how one thinks and behaves towards others, and how others think and behave towards others; this is a concept of ethics. When taxpayers have ethics, they understand very well how tax avoidance is wrong because it is contrary to regulations, which can encourage taxpayers to avoid tax. In several cases of tax avoidance, there have been weaknesses with indications stating that the system has been made fairly and also taxpayers get something in return for their taxes [4].

In Indonesia, tax avoidance cases are a big question of whether this is ethical. This situation finally encourages researchers to analyze how to do entrepreneurs for their moral perception in the scope of the Bali Province on tax avoidance through different perceptions of small and medium-scale entrepreneurs. Men and women have balanced and even synergistic situations and conditions that can create harmony. Philosophically, the natural dimension given by nature is called *Rwa Bhineda*. *Rwa Bhineda* is a pair of phenomena that exist and must occur in nature and life. The concept of *Rwa Bhineda* is something that shapes Balinese characters. The Balinese do not make a difference as a feud or a reason to show their ego. The difference is a beautiful thing where there is a balance to realize harmony in life and the universe. This concept becomes a possibility that affects the character of Bali, which is less aggressive in following up on a case or issue that has developed. *Rwa Bhineda* is one of the concepts in Bali as a form of respect for the life choices of every human being. Tax avoidance is also said to be the main problem faced in the transition period to build a country's economy. Problems encountered in imposing economic costs, diverting resources to unproductive activities, and providing incentives for companies to appear small trigger inequality between avoiders and honest taxpayers.

Psychologically, taxpayers consider taxes a burden, so people hope they will get justice in imposing and collecting taxes carried out by the state [25]. This research is intended for Indonesia and uses a tax collection system with a self-assessment system. Gender is also stated in knowing the influence of entrepreneur perceptions. Hence, this can provide evidence that an ethical perception of avoiding taxes is influenced by factors, one of which is gender. Gender is the identification between women and men. [19] states that women are more ethical than men. When acting, women tend to be careful and

avoid long-term risks because they can burden themselves. However, [12] stated that there was no significant gender comparison related to ethical attitudes. Attribution theory about gender that must be considered is the behaviour carried out where each arises from an internal personality to affect the need for tax payments. If one has a good character, both men and women must comply with tax regulations, which impacts the unethicalness of tax evasion he does. The relationship between ethical and gender decisions is expressed by [15] that a woman shows an honest attitude if she opposes tax evasion behaviour compared to men. [7], there are findings that there are differences in perceptions between genders in ethical and unethical conduct. Ethical sensitivity scores reported by female students were higher than male students. [24] states that women are more concerned about ethical behaviour and violations, and moral reasoning is higher than men. Women are more reluctant than men to engage in unethical business practices, regardless of those practices. A study by [35] These taxpayers said to affect taxpayer compliance because it is based on gender, compared to women who are more obedient in paying taxes than men. This research is likely to minimize tax avoidance because of the more significant challenge in collecting taxes, given the increasing variety of fraudulent practices and violations of tax obligations.

Previous research explained that the results of the research were inconsistent, namely that female executives had a positive effect on tax avoidance [26], [55], [56], [23]. Furthermore, the results of research conducted by [43]. [41], [20], explains that female executives have a negative effect on tax avoidance.

Literature Review and Hypothesis Development

Entrepreneurs' perceptions of small and medium businesses scale on tax evasion.

Tax ethics can be interpreted as a moral obligation that taxpayers must pay as citizens in paying taxes [13]. Tax authorities must make a comprehensive but straightforward SPT to help taxpayers fill out the SPT accurately. Non-compliance in reporting taxes needs to be more accurate, not only the result of taxpayers' mysterious behaviour (intentional or unintentional) but possibly due to errors or weaknesses of tax authorities in designing and developing the system. [47] found that as many as seventeen variables were tested (some of which included age, gender, religion, culture, and education), this complexity ultimately becomes an important determinant of tax avoidance. Therefore, tax avoidance can be reduced if tax administration

is done more simply. There are three views on understanding tax avoidance ethics [30]. Such statements include that tax avoidance can always, even almost constantly, be considered unethical. This is because humans owe an obligation to God in paying taxes, or it means God has given orders to pay taxes. [51], [52] state that ethics is an indicator in measuring the honesty of tax reporting, being honest in tax calculations, carrying out obligations, and not violating ethics.

In Indonesia and other developing countries, Tax avoidance is a problem that often arises in tax administration. This often occurs due to the existence of a system of self-assessment that still needs to grow voluntary compliance [10]. [49] research shows that the policy in tax amnesty is to arouse taxpayers' hearts about the importance of awareness in acting wisely to comply with there are rules from the government in a sincere heart. The formation of awareness based on spirituality and religiosity will produce sincerity in paying taxes, suppressing bad intentions in avoiding taxes [44]. [11] stated that tax avoidance is a crime because it can manipulate tax subjects and objects in saving taxes by violating the law, and this avoidance is inherent in taxation where the system is almost applicable in their respective regions [28].

Businesses in both small and medium scope are said to have a vital role in supporting the country's economic activities. However, some businesspeople still do negative things: tax evasion. Expectancy theory on tax evasion states that taxpayers tend to behave depending on their expectations to project the impact of paying taxes. If taxpayers believe that taxes affect socioeconomic development, they are likely to pay taxes voluntarily. However, if taxpayers think tax does not change economic conditions, they avoid paying taxes [14]. According to the McKinsey report, the Global Institute reveals that informal business is like a parasite that competes unfairly with tax-compliant companies. Therefore, informality must be prohibited. In essence, formal and informal companies have a big difference. Tax avoidance appears, which is one of the problems in a country's economy and causes more losses for the government [17]. According to previous research, the researcher concludes a hypothesis, namely:

H₁: Entrepreneurs with small and medium business coverage in tax avoidance have different ethical perceptions.

Perceptions of Male and Female Entrepreneurs on Tax Avoidance

Social sciences state that gender is the difference between male and female, a creation of God that descends and produces a work that needs

to be studied in social culture and has been socialized from an early age. This gender has different behaviour and personality. Following the aspect of tax compliance, where there is less compliance by men, the morale in paying taxes is lower than by women [54]. Likewise, ethical decision-making proves the existence of gender differences. The relevance of gender differences in understanding corruption is deeply felt in the political-economic process. The nurture theory states that characteristics inherent in men and women as a meaning of gender, resulting from social and cultural construction. Gender stereotype is a term with differences between men and women based on psychological, where both are separated in a group [9]. Women and men behave differently in various situations due to differences in underlying traits. The two genders are contradictory because different ethics and behaviour guide men and women. Their reasoning processes, priorities, perceptions, and other factors make them have different points of view in thinking [21]. The institutional anomie theory explains at the macro level that it assumes the causality of cultural values and social structures. A general theory of crime that explains all forms of offending. The IAT can explain gender and racial differences in the social structure, where women are less involved in crime because women are more focused on the family [46].

The concept of *Rwa Bhineda* in the life of the Balinese people is inseparable from the two significant elements of the universe in the belief of the Hindu community in Bali. These two prominent elements, *Bhuana Agung* and *Bhuana Alit*, are interconnected. The Great *Bhuana* symbolizes the life of the vast universe; the existence of this universe demonstrates the power of God's presence. While *Bhuana Alit* represents the elements in humans, if these two significant elements separate, then the universe's life will not be balanced. This shows that there must always be a black-and-white life on earth that makes the colour of life. Even black and white helped colour the tax world [48]. The opinion of [40] ethical perception is said to be assessed based on demographic factors (in terms of gender, age, and level of education), as well as psychological (spiritual and locus of control). From an early age, men have been accustomed to learning about rules and upholding justice, and rights as individuals, in contrast to women, who are accustomed to relationships, affection, and inclusiveness. This inequality impacts men with a high sense of ego, believe that goals are achieved, pursue success, and have a stronger sense of competitiveness than women. Research by [18] reveals that women have a greater understanding of reluctance towards corruption or tax evasion has an impact on better ethics owned by a woman. At the same time, men

ignore it to achieve their desires. Previous research has discussed comparing men and women with an ethical belief. Uncovered the role of female CFOs with tax aggressiveness, who later found that women were less aggressive than men [16]. The researcher conducts an analysis [5] stating that there is a significant difference in tax avoidance based on gender perspective. Then the hypothesis can be stated in this study as follows:

H₂: Entrepreneurs, both women and men, regarding embezzlement have different ethical perceptions.

RESEARCH METHOD

Within the scope, the province of the Bali region, located in the State of Indonesia, is used as the location. Sources of data were obtained from the results of the questionnaire. The respondents used are men and women as small and medium-scale entrepreneurs who are Hindu and are within the scope of Bali; this is applied because the research is following the opinion of entrepreneurs regarding taxes in perspective with the concept of *Rwa Bhineda*. This concept is associated with the spiritual aspect, which causes entrepreneurs to act according to ethics and religious norms. The analysis in this study uses the dependent variable as Tax Avoidance. At the same time, the independent variables are men and women in small and medium-scale entrepreneurs. This study uses a scale commonly used to prepare questionnaires, namely the ordinal scale or the Likert scale.

This study uses a scale with points in the form of point 1 indicating strongly disagree, point 2 indicating statement disagreeing, point 3 indicating neutral statement, point 4 indicating statement agreeing, and point 5 indicating statement strongly agreeing. The study uses the taxation system, tax justice, and discrimination as three-dimensional indicators [31]. Different tax treatments by tax authorities will tend to deviate taxpayer behaviour in the form of tax avoidance, which is considered ethical. Different treatment is a form of tax discrimination. Adopting the research of [39].

Agree on answers interpreted by respondents assessing tax avoidance as ethical, disagree responses are analyzed by respondents considering tax avoidance as unethical, and neutral solutions mean respondents are hesitant (do not know) about the moral or tax avoidance absence. Wilcoxon test is the most appropriate non-parametric test used in this study.

RESULTS AND DISCUSSION

The results of the proportion test state that the most correct in avoiding taxes where most of the collection of tax users is carried out unevenly, resulting in some regions not feeling the tax of 38.78

per cent. The statement regarding an unfair and inefficient tax system amounted to 31.33 per cent.

Based on the research conducted, the results show that the entrepreneur's perspective can be seen from the scope of men and women and the scope of business scale; the discussion states that to regulate the collection and management of taxes, this cannot be relied on in the tax system. Therefore it is said to be ethical for tax avoidance for citizens.

Table 1. Validity Test of Tax System

	TS_1	TS_2	TS_3	TS_4	TS_5	TS_6	TS_total
TS_1	1						
TS_2	.528**	1					
		.000					
TS_3	.394**	.465**	1				
		.007	.001				
TS_4	.392**	.400**	.648**	1			
		.008	.006	.000			
TS_5	.438**	.494**	.746**	.504**	1		
		.003	.001	.000	.000		
TS_6	.249	.289	.501**	.434**	.537**	1	
		.099	.054	.000	.003	.000	
TS_total	.620**	.719**	.843**	.761**	.821**	.699**	1
		.000	.000	.000	.000	.000	

** Correlation is significant at the 0.01 level (2-tailed).

TS: Tax System

Table 2. Validity Test of Tax Justice

	TJ_1	TJ_2	TJ_3	TJ_4	TJ_5	TJ_6	TJ_7	TJ_8	TJ_total
TJ_1	1								
TJ_2	.390**	1							
		.008							
TJ_3	.412**	.265	1						
		.005	.078						
TJ_4	.448**	.630**	.444**	1					
		.002	.000	.002					
TJ_5	.170	.700**	.531**	.584**	1				
		.263	.000	.000	.000				
TJ_6	-.030	.261	.185	.132	.308*	1			
		.844	.083	.224	.388	.040			
TJ_7	.304*	.482**	.256	.486**	.428**	.672**	1		
		.043	.001	.089	.001	.003	.000		
TJ_8	.169	.620**	.498**	.431**	.747**	.658**	.701**	1	
		.267	.000	.000	.003	.000	.000	.000	
TJ_total	.449**	.778**	.626**	.737**	.814**	.580**	.766**	.872**	1
		.002	.000	.000	.000	.000	.000	.000	

** Correlation is significant at the 0.01 level (2-tailed).

* Correlation is significant at the 0.05 level (2-tailed).

TJ: Tax Justice

These respondents also stated that moral tax avoidance is carried out if the tax authority is inadequate and the community cannot pay taxes; this is also related to the incompatibility of the state in providing welfare, prosperity, independence for every citizen.

Table 3. Validity Test of Discrimination

	Dc	Dc total
Dc	1	
Dc_total	1.000**	1
	.000	

** Correlation is significant at the 0.01 level (2-tailed).
Dc: Discrimination

The results of testing the instrument's validity that has been carried out on discrimination items show valid. Questions were developed by adopting the concept of *Rwa Bhineda*, namely black and white (good and bad) so that the respondent's perception measured regarding tax avoidance was the right thing to do because of the discriminatory treatment received and Tax avoidance using grey tax laws.

Table 4. Results of Validity Variable Testing Research

Variable/ Statement	r _{count}	Sig.	Cronbach's alpha
	TS		0.785***
S1	0.620**	0.000*	
S2	0.719**	0.000*	
S3	0.843**	0.000*	
S4	0.761**	0.000*	
S5	0.821**	0.000*	
S6	0.699**	0.000*	
	TJ		0.774***
S1	0.449**	0.002*	
S2	0.778**	0.000*	
S3	0.626**	0.000*	
S4	0.737**	0.000*	
S5	0.814**	0.000*	
S6	0.580**	0.000*	
S7	0.766**	0.000*	
S8	0.872**	0.000*	
	Dc		1.000***
S1	1.000**	0.000*	

*) Significant at $\alpha = 5$ percent

**) Valid with $r_{count} > r_{table}$

***) Reliable with Cronbach's Alpha Coefficient > 0.70

TS: Tax System

TJ: Tax Justice

S : Statement

Table 5. Respondent's Response to All Statement Items

Indicator	State- ment	Amount in Percentage Respondent Rating Level		
		Disagree	Neutral	Agree
Tax System	1	96.54	2.12	2.24
	2	56.55	31.33	10.11
	3	71.10	25.44	4.47
	4	57.68	26.65	15.65
	5	78.99	17.79	3.35
	6	67.66	16.55	17.88
Tax Justice	1	66.64	33.23	0.2
	2	54.33	23.11	23.46
	3	81.13	5.67	12.62
	4	57.89	17.88	21.33
	5	39.75	24.64	38.78
	6	54.56	21.13	23.43
	7	61.31	18.78	23.11
	8	52.32	14.64	31.33
Discri- mination	1	60.23	11.22	25.44
Total		956.68	290.18	253.40
Average		63.77	19.34	16.89

In the proportion test, it is stated that there are ethical issues in tax avoidance, but the information on this test is widely disapproved by showing a percentage of 96.54%. Even though certain people do this, it does not make excuses in justifying tax avoidance. This sentence adjusts to the exposure [33]. Research states do not use the reason for imposing high rates on taxes to justify someone in doing tax evasion.

The proportion test shows that a respondent, both small and medium-scale entrepreneurs, thinks that tax avoidance is not ethical. This statement is by the answers obtained from respondents who stated that they disagreed with a value of 956.68% with an average of 63.77%. This result is more significant than the doubtful answer, which is worth 290.18% with an average of 19.34%, and agreeing is worth 253.40% with an average of 16.89%. These results conclude that unethical tax avoidance can be done under any circumstances.

The normality test results using the Kolmogorov-Smirnov method gave a significance value of less than 0.05. Kolmogorov Smirnov tested the business perception of the tax system with a significance level of $0.000 < 0.05$, the entrepreneur's perception of tax justice $0.016 < 0.05$, and the entrepreneur's perception of discrimination $0.001 < 0.05$. The test value is proven in all data that is not normally distributed. Hence, the test tool in testing this hypothesis uses a test called Wilcoxon as a non-parametric statistic.

Table 6. Wilcoxon Signed Ranks Test for Business Scale

		Ranks				
		N	Mean Rank	Sum of Ranks	Z	Asymp. Sig. (2-tailed)
Medium business actors	Negative Ranks	23 ^a	21.83	502	-.656 ^b	.512
Small business actors	Positive Ranks	24 ^b	26.08	626		
	Ties	3 ^c				
	Total	50				

a. Medium business actors < Small business actors

b. Medium business actors > Small business actors

c. Medium business actor = Small business actor

Table 7. Wilcoxon Signed Ranks Test for Gender

		Ranks				
		N	Mean Rank	Sum of Ranks	Z	Asymp. Sig. (2-tailed)
Female Entrepreneur	Negative Ranks	21 ^a	25.26	530.50	-.590 ^b	.555
Male Entrepreneur	Positive Ranks	27 ^b	23.91	645.50		
	Ties	0 ^c				
	Total	48				

a. Female entrepreneur < Male entrepreneur

b. Female entrepreneur > Male Entrepreneur

c. Female entrepreneur = male entrepreneur

Hypothesis Testing, I

H₀₁: Entrepreneurs in the scope of small and medium enterprises in tax avoidance, there is no difference in ethical perception

H_{i1}: Entrepreneurs with small and medium business coverage in tax avoidance have different ethical perceptions.

Statistical tests conducted on the coverage of small and medium-sized entrepreneurs regarding tax avoidance have the result $Z = -0.656$ with a significance value of $= 0.512$. This value means that H₀₁ is accepted, which explains that entrepreneurs whose scope is small and medium in tax avoidance do not have different perceptions.

Hypothesis Testing II

H₀₂: There is no difference in perception between male and female entrepreneurs regarding tax avoidance.

H_{i2}: Women and men entrepreneurs regarding tax avoidance have different perceptions.

Entrepreneurs with a male scope have an average score of 34.87, which is less than entrepreneurs with a female scope of 35.52. Perceptions of entrepreneurs with a male scope whose sample is 48 have a mean rank of 23.91. Moreover, for the perception of entrepreneurs with the scope of women with a sample of 52, there is a mean rank of 25.26. This test has results with different mean rank values. The average score of male entrepreneurs is 23.91, which is low compared to 25.26 for women. This statistic shows that male and female entrepreneurs get a value of $-Z = -0.590$, which is significant at 0.555. This value has shown that H₀₂ is accepted, meaning there is no difference in perception between male and female entrepreneurs in tax avoidance.

The results of the test using Wilcoxon are known where the first hypothesis states that there are differences in the perception of entrepreneurs with small and medium scale businesses on tax avoidance by showing a significance value of $0.512 > 0.05$, then H₀₁; this means that here the results show that there is no significant difference between the perceptions of small and medium-sized entrepreneurs regarding tax avoidance. This research has different results from previous research that has been carried out [32]. Observers of taxation policies have pros and cons in emphasizing how much income will get later. It is essential to instill noble values in culture and religion that are considered essential. Meanwhile, the question is, is this policy based on a main thing and a sense of sincerity? The tax policy, in its stipulation, emphasizes more on material elements or can be revenue both in the short and long term. Secular values can

marginalize the importance of virtue, honesty, and social justice, which are the logocentrism of policies.

The second hypothesis test gives results where there is no difference in perception between male and female entrepreneurs on tax avoidance by showing a significant significance of $0.555 > 0.05$, so H₀₂ was approved; in addition to the rejected research hypothesis, it means that there is no significant difference in perception between male and female entrepreneurs regarding tax avoidance. This research has proved a contrast with previous research conducted by [51]. This analysis provides evidence that there is indeed no difference in perceptions between male and female entrepreneurs regarding avoided taxes. This result proves that there is an average whose value shows a slight difference between the perceptions of entrepreneurs among men and women. Based on accumulation for an average, it can be said that male entrepreneurs are 34.87, believed that tax evasion would be unethical in comparison to female entrepreneurs at 35.52, although the difference is not significant. This could be because the man will act as the head of the family later, and the patient is entirely responsible for his family in meeting the family's needs. Men have ethical behaviour when they work, and women tend to be more sensitive about tax avoidance issues than men, or vice versa [12]. Moral integrity must be placed above others, both men and women. Ethical reasoning is higher for female and male entrepreneurs [53]. Gender equality in various economic opportunities and systems supports inclusive and sustainable economic growth. Most tax systems treat people differently depending on how much they earn. Especially in a progressive tax system, the average tax rate rises with income. If women's average income is lower than men's, it will result in differences between genders because their average income is not the same [8].

The rapid development of the era involves science and technology and the development of strings attached. Therefore, in the current understanding of *Rwa Bhineda*, it should be placed in a selfless free area. If this can be done, it will create a good atmosphere and conditions to realize prosperity and happiness for the community. Balinese people familiar with the philosophy of Balinese life are the concept of *Rwa Bhineda* as a black-and-white concept. This means that each side of life is part of the whole to create balance in the order of the universe [50]. According to Law No. 28 of 2007, taxes can be declared as a mandatory contribution, both private and corporate, to the state party with a coercive nature accompanied by law, the absence of direct compensation, or this has been used in the interests of the state to provide the greatest prosperity of the people. Based on this concept,

taxpayers are indirectly reminded to pay taxes on time which in Balinese is called "*elingan naur pajeg*." Only some pay on time and fit the bill. Most taxpayers see that tax as a burden or expense that can reduce their income. This makes more tax avoidance and tax evasion perpetrators. Along with the development of science and technology, these actors are more quickly revealed.

The word justice cannot be fully implemented in the world; the reason is that there is a sense of justice for obedient taxpayers, but non-compliant taxpayers also feel injustice, and vice versa as in the concept of *Rwa Bhineda* (good and bad), which was developed on the tax discrimination question indicator that tax evasion is ethical, if the government discriminates because of religious, racial, and ethnic (cultural) backgrounds. The measured perception of tax avoidance is the right thing to do because of the discriminatory treatment received and tax avoidance using grey tax laws. The tax regulation does not rule out the possibility of desires and lust, which means that all the parties' wishes cannot be fulfilled because their desires are different. This public need is aimed at the prosperity of the people. In this case, government capital must be fulfilled because its authority is the prosperity of physical and spiritual wealth. Mr Surawan (41 years), as a taxpayer, expressed his opinion on the vision of life based on the *Rwa Bhineda* related to the tax definition as follows:

"As someone gave reason and mind (wiweka), actually in the hearts of individuals, they have been aware of such things. But self-interest driven by greed (rajas and tamas) will produce a different output with a conscience in harmony with the intensity of strings attached to the individual. This is what triggers problems in life in this world. That requires intelligence or tolerance. There is a concept that we can guide those who feel high is modest and those who feel low are trying to reach it. Through dialogue space that both parties can accept, in turn, will narrow the gap of rwa bhineda differences. The government should use the teachings of Rwa Bhineda as a policy base through the provision of supporting infrastructure, then oversee the real economic situation in society; if it is feasible, then it is collected then collected tax to be distributed to the people for welfare."

This opinion views the concept of tax from a top-down perspective. The definition of tax related to tax compliance starts with all supporting facilities provided by the government, which are considered a form of government obligation. The facilities provided will stimulate economic growth so that the

financial ability of citizens as taxpayers will also increase. The government must distribute the tax revenue collected with good intentions evenly and fairly. Informants believe good choices in this matter as a form of justice in *Rwa Bhineda's* philosophy.

The theoretical implication of this research is the development of regulatory theory regarding appropriate tax policies that must convince taxpayers to fulfil their obligations, especially through the spiritual dimension, which can strengthen the taxpayer's belief not to commit moral hazard. This study adopts the concept of *Rwa Bhineda*, where the current world will lead to a black-and-white era. The practical implication is that practices based on hierarchy or stereotyped roles for men and women must be abolished. The draft tax policy must promote an equal distribution of pay for work between men and women and not violate the prohibition of discrimination in the field of work and socioeconomic life.

CONCLUSION

The data test conducted in this study has found that entrepreneurs with small and medium business coverage have similar perceptions of avoiding taxes. Similarly, for entrepreneurs based on gender, there is no difference in perception. The results of the study have been linked to anomie (sociological theory) which shows that individuals making decisions are based on socialized, integrated, and balanced values, then produce behaviour that is considered "normal" by society [29]. Deviant behaviour can occur if a person holds an unbalanced set of values in decision-making [22]. The theory of institutional anomy [34] emerged from research on cultural values and tax avoidance behaviour [42]. The existence of anomie institutional theory focuses on four dimensions that theoretically tend to encourage tax avoidance. Four dimensions include individual, achieving orientation, assertiveness, and human-oriented. Values contained in the individual encourage the decision-makers of a company to choose the achievement of goals must be, without any doubt, ethically or legally [3]. This research becomes the basis for further analysis by expanding the survey area. Government policies in preventing tax evasion are still imperfect, so they cannot solve tax evasion, which is increasingly complex and challenging to detect.

Rwa Bhineda, if interpreted positively as a duality which means that the two are paired with each other, complementary, fostering each other synergistically, then it will provide benefits and benefits not only for both parties but also the universe. Thus, the condition of the universe will

move towards goodness, peace, and happiness. However, if interpreted negatively and as a dualism, which means that the two face each other, collide, and contradict each other, a condition can lead to a disaster for nature and life in this world. *Rwa Bhineda* means that when we stand on one side, it will be very wise when we can provide the same interest space to other parties.

The province of Bali was used as the research location, with Hindu taxpayers as respondents. This results in a need for more representation of public opinion, one of which is small and medium business entrepreneurs. Another possibility is that the sample is equally divided by comparison of women to men, making statistically a lack of success in analyzing the hypothesized difference—future studies to be exciting use a more extensive and geographically diverse sample.

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