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Corporate Taxpayer Compliance: Slippery Slope Framework and Planned Behavior Theory Approaches

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Abstract

The purpose of this study is to examine and analyze the influence of trust in tax authorities and the power of tax authorities as defined in the Slippery Slope framework to corporate taxpayer's intention to comply, then examine and analyze the effect of tax compliance intentions on corporate taxpayer compliance. This study took samples of companies included in category A corporate taxpayer in Timor Leste consisting of 53 respondents, using survey methods and primary data. The sampling technique uses the census method. The results of this study indicate that, first the trust in the tax authority and the power of the tax authority does not have a positive effect on the intention of tax compliance. Second, the intention of tax compliance has a positive effect on the behavior of tax compliance, both voluntary compliance and enforced compliance. Third, tax justice which consists of tax system fairness and procedural fairness, is not proven as a moderating variable that strengthens the relationship of trust to the tax authority and the power of the tax authority to the intention of tax compliance. This research is an additional empirical evidence that integrates aspects of social psychology and deterrence aspects in understanding tax compliance behavior in developing countries.

Keywords: *Tax Compliance; Slippery Slope; Tax Fairness; Planned Behavior Theory*

Introduction

The application of a self-assessment system that is considered easy and simple is very dependent on taxpayer compliance to actively and voluntarily fulfill its tax obligations (Adimassu & Jerene, 2015; Damayanti & Martono, 2018; Irawan & Ariesanti, 2018). One of the problems highlighted is the behavior of non-compliance from taxpayers that affects the effectiveness of the implementation of the self-assessment system (Saad, 2014; Mohdali et al. 2017). Understanding of the various factors underlying tax compliance is divided into three categories, namely the economic variable of deterrence, psychological variables, and fairness (Devos, 2014).

The economic approach refers to the logical consideration of taxpayers when deciding and reporting their tax obligations related to audits and tax penalties (Djajanti, 2018; Mohdali *et al*. 2017). Psychological factors are explained in the theory of planned behavior, where tax compliance is strongly influenced by one's intention to comply according to the determination of conscience or motivation that underlies compliance behavior (Damayanti *et al*. 2015; Bulutoding *et al*. 2018; Bidin *et al*. 2014). The factor of fairness is related to equality in taxes which includes three main principles namely the principle of benefits, the principle of ability to pay and the principle of horizontal and vertical justice (Siahaan, 2010). Tax fairness consists of tax system fairness and procedural fairness which have been proven to have a positive and significant influence on taxpayer compliance behavior (Siahaan, 2012; Syakura & Baridwan, 2014; Djajanti, 2018; Verboon & Dijke, 2011; Dijke & Verboon, 2010; Jimenez & Iyer, 2016).

In explaining tax compliance, Kirchler, Hoelzl and Wahl (2008) are based on two dimensions, namely trust in the tax authority and the power of the tax authority which is an integration of economic and psychological factors known as the *Slippery Slope framework*. Trust relates to the psychological side of taxpayers that the tax authorities work fairly and generously for the benefit of the community, while the power is determined by the taxpayer's perception of the capacity of tax authorities in detecting and punishing tax evaders (Gangl *et al*. 2015). Therefore, coercive control strategies increase the perception of authority power, whereas trust-based control increases taxpayer trust and results in voluntary compliance (Kogler *et al*. 2013; Siegl *et al*. 2018; Batrancea *et al*. 2019; Djajanti *et al*. 2019).

This study was motivated by the phenomenon of low tax compliance in Timor Leste, which can be seen from the level of tax gap in 2017, the percentage of taxpayers who pay and report tax returns in 2018, and fluctuations in the realization of state revenues from taxes in 2016-2018, based on data obtained from Direção Geral Autoridade Tributária. As a country that 90% of revenue is very dependent on crude oil processing revenues, of course tax as the main contributor to domestic income, which is 70% in 2017, is expected to be a pillar of future state revenue when crude oil is no longer the belle of the state budget. Therefore, this study specifically examines the compliance of corporate taxpayers, because corporate taxpayers are not only taxpayers for corporate income taxes, but also as agents/intermediaries in withholding tax for various types of taxes, such as payroll tax employees, sales tax, construction tax, sea and air transportation tax, land and building rental tax, as well as taxes on royalties, dividends and interest (DNRD Timor Leste, 2008).

In contrast to the results of previous studies, this study adds tax fairness variables, which consist of fairness of the tax system and procedural fairness as moderating the relationship between trust in the tax authority and the power of the tax authority on the intention of tax compliance. This study then also examined the effect of intentions of tax compliance on tax compliance behavior, which consists of voluntary tax compliance and enforced tax compliance.

This study has three contributions, namely theoretical contributions, practical contributions, and policy contributions. This study uses the slippery slope framework to provide additional empirical evidence based on previous research developed by Batrancea *et al*. (2019), which identifies trust in tax authorities and the power of tax authorities as important determinants of tax compliance intentions. In addition, this study also provides additional empirical evidence regarding the positive effect of tax compliance intentions on tax compliance behavior based on *Planned Behavior theory*.

This study also made a practical contribution to the importance of tax compliance intentions in creating tax compliance behavior. The intention of this behavior itself can arise from the attitude of the taxpayer who reflects the trust of the taxpayer to the tax authority, as well as perceived behavioral control that reflects the taxpayer's perception of the use of the power of the tax authority in suppressing the taxpayer to comply with his tax obligations. The results of this study can be used by tax authorities to pay more attention to the intention of compliance of corporate taxpayers.

In terms of policy contributions, the results of this study can be used as a barometer that the use of the power of tax authorities in suppressing taxpayers to comply in the form of audits, fines and penalties is proven to affect the intention of compliance with corporate taxpayers. However, this preventive approach requires large resources from the tax authority. therefore, in the future tax policy makers should shift this prevention approach towards a social psychological approach so that it can change the behavior of taxpayers, that tax is a moral responsibility to the state, not as a burden so that it is in accordance with the spirit of the self-assessment system.

Literature Review

Tax Compliance

James and Alley (2004) explain the concept of tax compliance from a narrow and broad definition. The narrow definition of the concept of tax compliance looks at tax compliance in terms of tax avoidance, so that the economic approach is considered relevant in deciding between the expected benefits of avoiding taxes with the risk of detection and application of the law. However, if the concept of tax compliance is more broadly defined, then the behavioral approach is very relevant for determining taxpayer decisions in avoiding taxes or the perseverance of taxpayers in fulfilling their tax responsibilities.

Voluntary Compliance and Enforced Compliance

Tax compliance can be seen in two forms, namely enforced tax compliance and voluntary tax compliance (Mas'Ud *et al*. 2014). Enforced tax compliance is explained in a theory developed by Allingham and Sandmo (1972) called the *Deterrent Theory*. Deterrent theory explained as an effort to improve tax compliance through tax audits, sanctions/fines and penalties. However, non-compliance prevention approaches through punishment and auditing, require very high administrative costs, are prone to corruption, even this approach is ineffective and can actually reduce tax compliance (Jimenez & Iyer, 2016; Voermans, 2013; Slemrod *et al*. 2001; Cummings *et al*. 2005).

Voluntary compliance is driven by taxpayer morale which is the attitude and belief of taxpayers as determinants of compliant or non-compliant behavior, which can capture motivation outside economic motivation and factors beyond rational consideration of benefits and costs as explained in deterrence theory (Luttmer & Singhal, 2014; Akhand & Hubbard, 2016). Therefore, this approach is often considered better because it is cheaper and more effective in preventing non-compliance than managing the application of legal actions (Akhand & Hubbard, 2016; Braithwaite, 2003).

Slippery Slope Theory

According to Batrancea *et al*. (2019) Slippery Slope framework in tax compliance analysis was first introduced by Kirchler *et al*. (2008), serves as a conceptual tool in tax research that enables the integration of various perspectives on tax behavior. Siegl *et al*. (2018) in his research on tax compliance of large organizations, confirms that the slippery slope framework has integrated empirical findings in the fields of economics, sociology and psychology. This framework works with the assumption that tax compliance is influenced by two main factors, namely trust in the tax authority and the power of the tax authority.

Trust in tax authorities refers to the general belief, both individuals and social groups, that tax authorities work for the benefit of the community (Kirchler *et al*. 2008; Siegl *et al*. 2018; Djajanti, 2018). On the other hand, the power of the tax authority represents the taxpayer's perception of the capacity or ability of tax officials to detect non-compliance and impose sanctions or punish tax evaders (Wahl *et al*. 2010; Mas'Ud *et al*. 2014). Thus, a high level of tax compliance can be achieved either with high trust in the tax authority or taxpayer perceptions about the high power of the tax authority (Kirchler *et al*. 2008; Batrancea *et al*. 2019).

Tax Fairness

Tax fairness in this study consists of the tax system fairness and procedural fairness. Syakura and Baridwan (2014) in a study of corporate taxpayers found that the fairer the taxation system, the more taxpayer compliance in paying taxes. Thus the level of tax compliance will increase if the tax authority can present a fair taxation system. Previous studies also examined the role of procedural justice in tax compliance, where procedural justice was proven to have a positive effect on tax compliance and had a voluntary effect especially on citizens whose levels of trust in government were still low (Jimenez & Iyer, 2016; Djajanti, 2018; Siahaan, 2012; Dijke & Verboon, 2010; Verboon & Dijke, 2011).

Theory of Planned Behavior

The central factor in this theory is the individual's intention to perform certain behaviors, whether motivated by the will to do or not do certain behaviors, or that are driven by non-motivational factors such as the availability of opportunities and resources that support certain behaviors (Ajzen, 1991). According to Ajzen (2005) in the planned behavior theory model there are three psychosocial factors that determine behavioral intentions that ultimately determine individual behavior, namely attitudes, subjective norms and perceived behavioral control. Attitude is seen as an overall evaluation of a person against an object, person or place that has a fundamental influence on intentions and influences subsequent behavior. Subjective norms represent social influences or external factors that are considered for making behavioral decisions. Perceived control of behavior determines the ease or difficulty for individuals in carrying out certain behaviors, depending on the availability of the necessary resources, time and opportunity to implement them (García and Gaytán, 2013).

When emphasized with taxpayer compliance, trust in the tax authority represents the taxpayers who reflect their beliefs or trust or assessments of the tax authority, while the power of the tax authority represents the perception of behavioral control, where this behavioral control is related to the taxpayer's perception of the system of supervision and sanctions which will be given if the taxpayer is not compliant (Djajanti, 2018).

Hypothesis Development

Effect of Trust in Tax Authorities on Tax Compliance Intention

In the perspective of the slippery slope theory (Kirchler *et al*. 2008) asserts that taxpayer compliance comes from trusts that foster voluntary compliance. Previous studies have found a positive relationship between trust and voluntary compliance, as well as a negative relationship between trust and enforced compliance (Kogler *et al*. 2013; Siegl *et al*. 2018; Batrancea *et al*. 2019). An experimental study conducted by Batrancea *et al*. (2019) found that with increasing taxpayers' trust in tax authorities, there would also be an increase in tax compliance intentions. Based on the description of the the theory and some of the findings above, the research hypothesis is as follows:

$H_{1:}$Trust to the tax authorities positively affect tax compliance intentions.

Effect of Power of Tax Authorities on Tax Compliance Intention

Allingham and Sandmo (1972) state that pressure from tax authorities in the form of heavy fines, the possibility of auditing, and the imposition of higher tax rates can foster compliance if the imposition exceeds the risk that taxpayers will face. Djajanti *et al*. (2019) in his research found that the level of power of the tax authority is a reflection of the power used to force taxpayers to be honest, effective and efficient in fighting tax crime, so as to reveal tax evasion.

If the taxpayer is faced with additional tax obligations and penalties after the audit, then this raises the perception of the power of the tax authority in detecting non-compliance, so that tax compliance will increase (Siegl *et al*. 2018). An experimental study conducted by Batrancea *et al*. (2019) found that the high power of the tax authority had a positive influence on the intention of tax compliance. Based on the description of the the theory and some of the findings above, the research hypothesis is as follows:

$H_{2:}$ Power of the tax authorities positively affect tax compliance intentions.

The Effect of Trust on Tax Authorities on the Intention of Tax Compliance with Moderation of Tax Fairness

According to Djajanti et al. (2019) that within the framework of the slippery slope, tax fairness actually contributes to the growth of trust. Jimenez and Iyer (2016) state that in the traditional tax literature, trust is described as a result of fairness and the intention of compliance is described as a function of trust in tax authorities. Thus the trust in the tax authority is related to the perception of tax fairness and ultimately related to the intention of tax compliance. Siegl et *al*. (2018) states that trust arises from the fair actions of tax authorities to taxpayers thereby stimulating voluntary compliance. The fairer the taxation system, the more taxpayer compliance in paying taxes (Syakura & Baridwan, 2014). Trust that is moderated by tax fairness is predicted to further increase tax compliance intentions. Based on the description of the the theory and some of the findings above, the research hypothesis is as follows:

H_3: Tax fairness strengthens the positive relationship of trust to the tax authority on the intention of tax compliance.

Effect of Power of Tax Authority on Tax Compliance Intentions with Moderation of Tax Fairness

Kogler *et al*. (2013) and Djajanti (2018) explain the phenomenon of tax compliance in developing countries, where in conditions of developing countries with low trust, pressure from the tax authority is still needed to create tax compliance. The research results of Djajanti *et al*. (2019), who used tax fairness as a variable that moderated the relationship between power of tax authority and tax compliance, found that procedural justice weakened the influence of authority pressure on voluntary tax compliance. The power of the tax authority which is moderated by tax justice is predicted to further increase the intention of tax compliance. Based on the description of the the theory and some of the findings above, the research hypothesis is as follows:

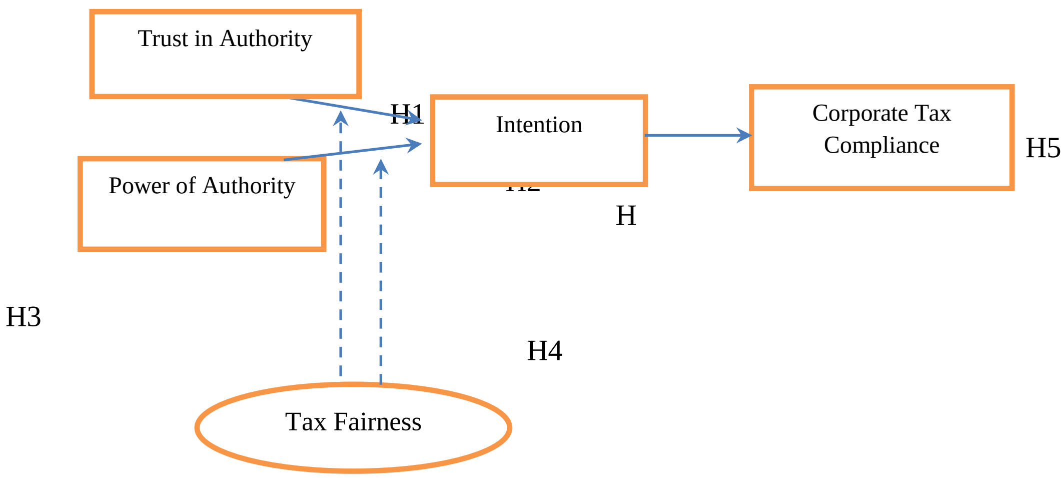
H_4: Tax fairness strengthens the positive relationship of the power of the tax authority to the intention of tax compliance.

Effect of Tax Compliance Intentions on Tax Corporate Taxpayer Compliance

Intention is the tendency or decision to carry out tax compliance behavior (Damayanti *et al*. 2015). Planned behavior theory has been used successfully in previous empirical studies, which found a positive effect on tax compliance intentions on tax compliance behavior (Trivedi *et al*. 2005; Langham *et al*. 2012; Mustikasari, 2007; Bulutoding *et al*. 2018; Damayanti *et al*.2015). The intention of tax compliance can be seen from the role of trust which increases voluntary compliance, as well as the role of power in increasing enforced tax compliance (Batrancea *et al*. 2019). Siegl *et al*. (2018) states that voluntary and enforced compliance reflects two types or "feelings" of behavioral intentions that lead to compliance behavior. Based on the description of the the theory and some of the findings above, the research hypothesis is as follows:

H_5: Intention of Tax Compliance positively affect Corporate Tax Compliance
H_{5a}: Intention of Tax Compliance positively affect Voluntary Corporate Tax Compliance.
H_{5b}:Intention of Tax Compliance positively affect Enforced Corporate Tax Compliance.

Figure 1. Structural Model of Hypothesis Testing



Research Methodology

Population and Samples

The population in this study is companies that are included in category A corporate taxpayers, which have annual income above USD 1,000,000.00 (One million American Dollars). Data was obtained from the Direção Geral Autoridade Tributária based on 2018 audit data. The sampling method uses a census, so that all members of the population are sampled. There were 109 companies that were then sampled in this study, which were represented by company executives, such as accountants, managers, directors, and other sections who understood taxation.

Operational Definition Variable

Trust in the tax authority refers to the general belief, both individuals and social groups, that the tax authority works for the benefit of the community. Batrancea *et al*. (2019) in his research found that increasing trust of taxpayers to tax authorities will have an impact on increasing tax compliance intentions. Indicators variabel used in this study were adopted from the instruments by Djajanti (2018) and Batrancea *et al*. (2019), which consists of nine indicators.

The power of the tax authority reflects the ability of the tax authority in suppressing taxpayers to comply in paying taxes in accordance with applicable regulations. The presence of a strong tax authority is important to ensure fair tax regulation in accordance with the law and regulations, as well as effective in reducing non-compliance and tax fraud, so that taxpayers really feel the potential threat from the use of power by tax authorities and will respond by increasing tax compliance. Indicators variabel used in this study were adopted from the instruments by Djajanti (2018), Batrancea *et al*. (2019) and Siegl *et al*. (2018) consisting of ten indicators.

Justice in the tax system places a sense of justice as a *benefit principle* and *ability to pay principle*. Fair in the field of taxation also means giving equal treatment to taxpayers who are in the same economic situation and charging taxes in accordance with the capabilities and benefits it receives. Indicators of the tax system fairness variable are measured by four indicators were adopted from the instruments by Syakura and Baridwan (2014) and Djajanti (2018).

Procedural justice places equal rights and obligations for each of its citizens which ensures equal distribution of rights and obligations in accordance with fair agreements, which can be achieved through impartial procedures. Indicators of procedural fairness variable are measured by seven indicators were adopted from the instruments by Verboon and Dijke (2011), Dijke and Verboon (2010), Djajanti (2018), and Ningsih (2018).

Intention is the tendency or decision to carry out tax compliance behavior. Development of tax compliance intention variable were adopted from the instruments by Damayanti *et al*. (2015) and Batrancea *et al*. (2019) consisting of six indicators.

Voluntary compliance arises from self-awareness that does intend to pay taxes as a form of participation as a citizen. Increased trust in tax authorities will lead to voluntary compliance of taxpayers which is a reflection of behavioral intentions that lead to compliance behavior. Indicators variabel used in this study were adopted from the instruments by Djajanti (2018), Siegl *et al*. (2018) and Batrancea *et al*. (2019) consisting of seven indicators.

Enforcecd compliance can be described as a situation where the taxpayer's willingness to pay taxes is the result of fears of detection, tax audits, imposition of fines, etc. related to economic factors. Indicators of enforced compliance variables consist of eight indicators were adopted from the instruments by Batrancea *et al*. (2019), Siegl *et al*. (2018) and Djajanti (2018).

Results and Discussion

The number of questionnaires that can be distributed are 68 questionnaires. The number of questionnaires filled out was 54 questionnaires (80.30%), 53 questionnaires were processed, 12 questionnaires did not return and 1 questionnaires that could not be processed. Most of the respondents in the sample were S-1 graduates (77.4%), while the rest were S-2 graduates (11.3%) and high school graduates (11.3%). There are no respondents whose education level is lower and higher than what was mentioned.

The questionnaire was filled out by company accountants (37.73%), managers (26.41%), finance officer (24.52%), then the rest were directors (5.67%), general affairs (3.77%) and assistant managers (1.89%). The work experience of respondent positions were varies, but most are in the range of 1-5 years

(37.73%), 6-10 years (37.73%), then the rest are more than 15 years (15.09%), 11-15 years (5.66%) and under 1 year (3.77%). Therefore, the average respondent has a good level of education with sufficient experience in the position occupied in the company.

Tax return filing and reporting is mostly done by company accountants as many as 40 respondents (75.47%), while by consultants are 7 respondents (13.2%), the finance department are 2 respondents (3.77%), and the rest is carried out by the tax authorities, company directors, managers and general affairs (one in each company with a percentage of 7.56%). Companies that became respondents engaged in trading 32 respondents (60.37%), services 8 respondents (15.09%), production 6 respondents (11.32%), hotels and restaurants 5 respondents (9.43%) and construction 2 respondents (3.77%).

Model Evaluation

The two main parameters used are construct validity (convergent validity and discriminant validity) and reliability. In this study, researchers still maintain an outer loading value above 0.50 as long as it can produce AVE and Communality more than 0.50 (Jogiyanto & Abdillah, 2016). Convergent validity is related to the principle that the gauge of a construct is highly correlated. Convergent validity test uses the parameter outer loading value > 0.70 and AVE and Communality > 0.50. However, in this study, researchers did not delete the indicator with an outer loading value of 0.50 - 0.70 as long as it can produce AVE and Communality > 0.50 (Jogiyanto & Abdillah, 2016). The test results (table 1) show that the convergent validity of all outer loading variables used > 0.50, AVE of all variables used > 0.50, and the communality of all variables used > 0.50.

The following is an algorithm iteration result table.

Table 1 algorithm

Constructs	AVE	Composite Reliability	R Square with and without moderation		Cronbach's Alpha	Communality
			Before	After		
TA	0.565	0.910			0.905	0.565
PA	0.633	0.873			0.811	0.633
TS	0.643	0.844			0.737	0.643
PF	0.614	0.886			0.843	0.614
IC	0.635	0.865	0.107	0.117	0,854	0.635
VC	0.572	0.896	0.255	0.255	0.871	0.572
EC	0.692	0.917	0.079	0.079	0.893	0.692

Notes: TA: Trust in Authority, PA: Power of Authority, TS: Tax System Fairness, PF: Procedural Fairness, IC: Intention to Comply; VC: Voluntary Compliance, EC: Enforced Compliance.

Discriminant validity is related to the principle that different constructor gauges should not has high correlate. The parameters used are the AVE of more roots must be higher than the correlation of latent variables and the value of cross loading > 0.70. Researchers use the cross loading value parameter according to Sholihin and Ratmono (2013) which states that indicators that have a cross loading value of 0.40 - 0.70 are still acceptable. Therefore, the researcher decided not to delete the indicator that has a cross loading value > 0.50. The test results show that the root of each variable has a value greater than the correlation of latent variables between variables and the value of cross loading of each indicator > 0.50.

The reliability test results show that the Cronbach alpha and composite reliability > 0.70 for all variables used. Therefore, it can be concluded that all indicators in this study are valid and reliable.

Hypothesis Testing

1. Main Hypothesis Testing

The test results in table 2 show that the t-statistic value for the main hypothesis (hypothesis without moderation), where H_1 and H_2 have a t-statistic value < 1,645 with negative coefficients. The test results show that H_1 and H_2 are not supported, which means that trust in the tax authority and the power of the tax authority have a negative influence on the intention of tax compliance.

Based on table 2 it is also known that H_3 and H_4 have a t-statistic value > 1.645 with a positive coefficient. The test results show that H_3 and H_4 are supported, which means that the intention of tax compliance has a positive effect on voluntary compliance and enforced corporate tax compliance.

Table 2 - The Result of Main Hypothesis Testing

Hypothesis	Construct	Original Sample	t-Statistics	Result
H_1	Trust in Authority -> Intention to Comply	-0.025	0.086	Rejected
H_2	Power of Authority -> Intention to Comply	-0.170	0.861	Rejected
H_{5a}	Intention to Comply -> Voluntary Compliance	0505	4846	Accepted
H_{5b}	Intention to Comply -> Enforced Compliance	0.280	2,083	Accepted

2. Moderation Hypothesis Testing

Testing of the moderating effects gradually done using the approach Baron and Kenney (1986) in Jogiyanto and Abdillah (2016).

a. Test the main effect, which is to test the effect of the variabel trust to the tax authority and the power of the tax authority on the variable of tax compliance intentions, where testing the main effect must be significant. Based on table 2 it can be seen that the results of the main hypothesis are not significant.
b. Testing the moderating variables of the tax system fairness and procedural fairness towards the variable of tax compliance intentions and the test results must be significant. Based on table 3 it is known that the t-statistic value for the tax system fairness and procedural fairness variables are < 1.645 with negative coefficients.

The results of testing the moderation hypothesis indicate that the preconditions for the formation of the moderation hypothesis in the model cannot be done based on the Baron and Kenney (1986) approach, so the moderation hypothesis in this study cannot be continued.

Discussion of Results

The test results obtained empirical evidence that H_1 is not supported by a negative coefficient. This means that trust in the tax authority does not affect the intention of tax compliance. The results of this study are not consistent with previous studies conducted by Batrancea et al. (2019) which empirically proved that increasing trust in the tax authorities would also increase the intention of tax compliance. However, the results of this study are consistent with research conducted by Taing and Chang (2020), Kirchler *et al*. (2008), Mas'Ud *et al*. (2014) and Siegl *et al*. (2018), where the results of these studies have proven empirically that trust in the tax authority does not significantly influence the intention of tax compliance.

The variable of trust in the tax authority when standing alone does not affect tax compliance, so that tax compliance is achieved not only by trust alone but is a combination of trust and power. Therefore, it can be concluded that trust in the tax authority does not affect the intention of tax compliance or directly does not affect tax compliance.

The test results obtained by empirical evidence that H_2 is not supported with a negative coefficient. This means that the power of the tax authority does not affect the intention of tax compliance. The results of this study are not consistent with previous studies conducted by Batrancea *et al*. (2019) which empirically proved that although not completely complementary, the trust and power of the tax authority increased the intention of tax compliance and reduced tax evasion in different communities, both economic, sociodemographic, political and cultural backgrounds. However, the results of this study are consistent with research conducted by Taing and Chang (2020), Gangl *et al*. (2019), Mas'Ud *et al*. (2014), Kirchler *et al*. (2008) and Gangl *et al*. (2015), where the results of these studies have proven empirically that the power of the tax authority does not statistically influence the intention of tax compliance.

Tax compliance behavior is explained by a combination of trust and power, not only by power. The perception of the power of the tax authority will affect the intention of tax compliance, only if the taxpayer believes that the tax authority has made efforts that can prove that they are worthy to trust. When tax authorities rely solely on increasing tax compliance by forcing taxpayers to comply through the threat of fines and penalties, taxpayers who lack intrinsic motivation will take advantage of the opportunity to carry out tax evasion. Therefore, it can be concluded that the power of the tax authority does not affect the intention of tax compliance or directly does not affect the compliance of taxpayers.

Thus, the results of this study indicate that the slippery slope framework with two main factors namely trust in the tax authority and the power of the tax authority, does not become an important determinant of the intention of corporate tax in Timor Leste. Slippery slope framework not supported is allegedly due to cultural differences between developed and developing countries such as Timor Leste. This is evident from several previous studies, which found similar empirical evidence with this research in developing countries (Taing and Chang, 2020; Gobena & Dijke, 2015; Cummings *et al*. 2005).

Taing and Chang (2020) in a study in Kamboja that examined individual tax compliance using a theory of planned behavior found that trust in the government and the power of the tax authority did not influence tax compliance intentions. Gobena and Dijke (2015) conducted research within the framework of the slippery slope theory in Ethiopia, finding that trust would increase if the power used to force taxpayers was low. Conversely, the power of authority will play a role if trust is at a low level. Gobena and Dijke also found that one of the problems of countries in sub-Saharan Africa such as Ethiopia was corruption.

Cummings *et al*. (2005) argued that when citizens have low trust in state authority which causes low levels of cooperation between citizens and state authorities, corruption is rampant in the country. In the case of Timor Leste, based on the statement of the Timor Leste Anti-Corruption Commission (CAC) in 2016, the highest corruption cases occurred in several fields and government institutions, one of which was financial management related to tax payments and fines.

The study then added an analysis of corruption culture based on Hofstede's (1999) cultural dimension. The three dimensions analyzed in the Timor Leste case are power distance, masculinity and uncertainty avoidance. The distance of power can be seen from the opening of various corruption cases involving officials of government institutions, so that in the end, it raises the perception of taxpayers that the results of their tax payments are misused for the benefit of the authorities and groups. The dimension of masculinity can be seen from the ego of political leaders which results in the disapproval of the State Budget from 2017 to 2020, thus affecting economic growth in Timor Leste. The uncertainty avoidance dimension can be seen from the weak of tax administration that causes taxpayers to not feel satisfied with the services provided by the tax authorities. This creates uncertainty in the tax administration which decreases the taxpayer's trust in the tax authority.

Conclusion

The results of this study indicate empirically that trust in the tax authority and the power of the tax authority does not affect the intention of tax compliance. This means that corporate taxpayers have a perception or assessment that the two factors as defined in the slippery slope framework do not have an effect or influence on the intention of corporate tax compliance compliance in Timor Leste.

This research also empirically proves that the intention of tax compliance has an effect on tax compliance, both in establishing voluntary compliance and enforced compliance. Thus, corporate taxpayers who have high tax compliance intentions, will have high voluntary compliance and high enforced compliance, which reflects two types of behavioral intentions that lead to tax compliance behavior.

Limitations and Suggestions for Future Research

This study uses a relatively small number of samples, which are only amount of 53 samples that can be processed. different from previous studies that became a reference in this study, where the number of samples tested above 100 samples. Not achieving the number of samples as expected in this study led to poor generalization. Therefore, in order to increase the generalization of research in the field of taxation, it is hoped that further researchers will continue to replicate research on tax compliance with a larger number of samples, including those outside the sample in this study.

The lack of proof of trust in the tax authority and the power of the tax authority as a factor affecting the intention of corporate tax compliance in Timor Leste, allegedly due to differences in cultural dimensions between developing countries such as Timor Leste and developed countries. The instrument of the variables in this study uses the cultural background of developed countries such as the Netherlands and Australia. Thus, researchers can then add variables to the dimensions of culture, both developed and developing country cultures so as to provide a broader understanding of cross-cultural tax compliance behavior.

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