
The Impact of Tax Knowledge, Tax Morale, and Tax Awareness Towards Tax Compliance Behaviour Among Potential Taxpayers of Commerce Department Students in Politeknik Muadzam Shah

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Abstract

Introduction of the Self-Assessment System (SAS) in 2001 for corporate taxpayers and 2004 for individual taxpayers represented a paradigm shift in tax administration, in which students as a youth and potential tax payer in future represent a particularly vulnerable group in terms of readiness on tax compliance behaviour. This study attempts to investigate the impact of tax knowledge, tax morale and tax awareness towards tax compliance behaviour among potential taxpayers of Commerce Department Students in Politeknik Muadzam Shah. A theoretical framework was developed based on the Theory of Planned Behavior. This study applied a quantitative research design in order to identify relationship between the independent variables and dependent variable. A structured questionnaire was distributed to the 584 Commerce Department Students in Politeknik Muadzam Shah. The data gain was then been analyse by using SPSS Statistic 29 with descriptive analysis, reliability analysis, pearson correlation analysis and linear regression. The data analysis from 298 completed respondent revealed that tax knowledge, tax morale and tax awareness have significant influences on the tax compliance behaviour among Commerce Department Students as a potential taxpayers in future time. The results of this study are also in line with the Theory of Planned Behaviour, provide strong empirical evidence that all three factors significantly affect tax compliance behaviour, with tax awareness emerging as the strongest variable, followed by tax morale and tax knowledge. This present study, however, has limitations on not include students from non-commerce fields and students from other institute higher learning as this study only focused on commerce students from a single polytechnic. Other critical factors towards tax compliance behaviour such as tax complexity and tax cost were not included.

Keywords : *Tax knowledge, tax morale, tax awareness, tax compliance behaviour, theory of planned behaviour.*

I. INTRODUCTION

A. Background of the study

Taxation is universally acknowledged as a cornerstone of national development, providing governments with stable revenue streams to fund essential sectors such as infrastructure, healthcare, education, social protection, and security. A sustainable tax system not only ensures fiscal stability but also reduces reliance on volatile external borrowing or natural resource rents, thereby supporting long-term economic resilience [27]. In the Malaysian context, taxation contributes more than half of federal government revenue, confirming

its crucial role in financing national expenditure and sustaining socio-economic growth [41].

Malaysia's tax framework has undergone significant reforms aimed at strengthening efficiency and compliance. Among these reforms, the introduction of the Self-Assessment System (SAS) in 2001 for corporate taxpayers and 2004 for individual taxpayers represented a paradigm shift in tax administration. By placing responsibility for accurate self-declaration directly on taxpayers, SAS was expected to reduce administrative burdens on the Inland Revenue Board of Malaysia (IRBM) while encouraging voluntary compliance. However, the success of SAS is highly dependent on

taxpayers' tax knowledge, awareness, and moral responsibility, rather than enforcement alone.

However, implementing SAS effectively depends not only on administrative reform but also on behavioural and psychological factors. Recent research indicates that even with SAS, many Malaysians struggle with limited tax knowledge, low awareness, and inadequacies in moral motivation [21], [37]. For example, previous study found a negative relationship between tax non-compliance and both tax knowledge and awareness among potential taxpayers (final year accounting students), implying that higher knowledge and awareness reduce non-compliance [37].

Despite its potential, voluntary compliance under SAS has remained inconsistent. Empirical evidence highlights that Malaysian taxpayers continue to struggle with limited tax literacy, difficulties understanding complex legislation, and varying degrees of tax morale [35], [12]. Studies have further revealed that while enforcement mechanisms may reduce evasion, they cannot foster sustainable compliance unless taxpayers internalize a sense of civic duty and ethical obligation [27], [10]. This underscores the importance of behavioural factors in shaping tax compliance behaviour.

Moreover, complexity of tax law remains a significant barrier in which a study of SMEs in Malaysia revealed that owners find tax regulations confusing, and these complexity perceptions reduce willingness to comply voluntarily [14].

Recent scholarship increasingly emphasizes the behavioural economics perspective in taxation, pointing to the influence of attitudes, perceptions of fairness, and social norms. For instance, previous study in Asian contexts, tax morale, fairness, and institutional trust significantly predict compliance intentions, while excessive complexity undermines compliance efforts [38]. A study reported that voluntary compliance improves when taxpayers perceive both fairness in tax distribution and integrity in governance [8]. In Malaysia, where public trust in government institutions remains an important determinant, perceptions of fairness and efficiency in the use of tax revenue continue to shape compliance behaviour [25], [10].

More recently, scholars have noted that young taxpayers and students represent a particularly vulnerable group in terms of compliance readiness. Many Malaysian students possess general awareness of taxation but lack the technical

understanding needed to meet SAS requirements [43]. Similarly, strengthening tax knowledge and morale among salaried groups remains critical to sustaining SAS, findings which may be extended to future taxpayers such as commerce students [41]. These insights highlight the urgency of cultivating tax knowledge, moral responsibility, and awareness at an early stage, ensuring that the next generation enters the workforce better prepared to comply tax payment voluntarily.

B. Problem Statement

Although Malaysia introduced the Self-Assessment System (SAS) in 2001 for corporate taxpayers and 2004 for individual taxpayers, voluntary tax compliance remains a persistent challenge. Even among salaried employees who are generally expected to comply through payroll deductions, studies reveal gaps in knowledge, perceptions of complexity, and varying levels of moral responsibility. For instance, a Malaysian study found that tax knowledge, tax complexity, and tax morale significantly influence compliance behaviour under SAS, confirming that these behavioural factors remain central challenges for salaried taxpayers [41]. In order for tax knowledge motivates tax compliance, it must be supported by effective education and awareness initiatives to prevent unintentional non-tax compliance [43].

Other recent findings, however, point to deeper behavioural barriers. Young workers, enforcement mechanisms and system complexity exert stronger influence on compliance than tax knowledge or awareness, suggesting that deterrence remains more powerful than civic duty [26]. Tax awareness and knowledge show only weak correlations with compliance behaviour among Malaysian students, indicating that awareness campaigns alone may not translate into actual compliance [28]. These results contrast with earlier assumptions that improving tax literacy automatically leads to voluntary compliance.

In addition, fairness perceptions and trust in institutions strongly shape compliance decisions. Perceptions of justice and confidence in the Inland Revenue Board are vital for voluntary compliance [10]. Previous study emphasized the role of religiosity and intrinsic motivation in shaping tax morale [25]. These insights align with international evidence, such as in Cambodia [38] and in Indonesia [8], both of whom confirmed that trust, fairness, and morale are stronger predictors of compliance than technical knowledge alone.

Despite these findings, critical gaps persist. Among salaried Malaysians, tax knowledge, tax complexity, and tax morale significantly impact compliance, yet many remain non-compliant under SAS [41]. While tax knowledge is necessary, it appears insufficient alone. Observation from previous researcher that, although awareness and knowledge are negatively associated with non-compliance, many students with formal tax education still lack deep understanding of SAS procedures or penalties [37].

Young workers and future taxpayers are particularly vulnerable. For example, identification on education level, fairness perception, and institutional trust mediate between knowledge and compliance, but awareness and moral commitment are still weak among young students [21].

Prior research has examined awareness but has not fully tested how knowledge, morale, and awareness interact to shape compliance intentions under SAS [36].

Taken together, these findings suggest that while tax knowledge, complexity, and morale clearly affect compliance, less of the studies focus on students as future and potential individual taxpayer in Malaysia. For commerce students as future taxpayers, the risk is clear on limited exposure to practical tax procedures, coupled with perceptions of complexity and weak morale, may create a generation of taxpayers who comply primarily out of fear of penalties rather than intrinsic responsibility.

C. Research Context

This study is conducted among commerce students at Politeknik Muadzam Shah. These students are future taxpayers who, through their academic programmes, may have more exposure to business or accounting and thus potentially stronger knowledge and attitudes towards taxation. However, prior research suggests that even among students in accounting or business programmes, awareness, understanding, and moral motivations remain uneven [21], [37]. The choice of this population allows examination of how tax knowledge, awareness, and tax morale interact under Theory of Planned Behaviour (TPB) among upcoming and potential taxpayers in a polytechnic context.

D. Research Question

This study is guided by the following research questions:

- i. Does tax knowledge influence tax compliance behaviour?
- ii. Does tax awareness influence tax compliance behaviour?
- iii. Does tax morale influence tax compliance behaviour?

E. Objective of the study

The objectives of the study are:

- i. To examine the relationship between tax knowledge and tax compliance behaviour.
- ii. To examine the relationship between tax awareness on tax compliance behaviour.
- iii. To examine the relationship between tax morale and tax compliance behaviour.

II. LITERATURE REVIEW

A. Theory of Planned Behavior

The Theory of Planned Behaviour (TPB) has been widely used to explain and predict human behaviour across various disciplines, including taxation developed by [1]. TPB asserts that the most immediate determinant of behaviour is behavioural intention, which itself is shaped by three key components: attitude toward the behaviour, subjective norms, and perceived behavioural control. Attitude reflects an individual's overall evaluation of performing a behaviour as favourable or unfavourable, subjective norms capture the perceived social pressure from significant others to perform or not perform a behaviour, and perceived behavioural control refers to an individual's perception of their capability to perform the behaviour, influenced by access to resources, skills, and opportunities [1].

The Theory of Planned Behaviour (TPB) has been widely applied to explain tax compliance intentions and behaviours across both developed and developing countries, offering insights that support improvements in tax systems globally. TPB provides one of the most accurate theoretical frameworks for understanding tax compliance, as it incorporates important psychological and behavioural factors such as tax morale and tax

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knowledge [24]. Moreover, TPB able to explain the tax compliance behaviour by demonstrating its consistent ability to predict taxpayers' intentions and behaviours in emerging economies [38].

At its core, TPB posits that three factors determine an individual's behavioural intention: attitudes toward the behaviour, subjective norms, and perceived behavioural control [1]. When individuals have a strong intention to comply, the likelihood of actual compliance behaviour increases. In line with this, identification study on tax morale, tax complexity, and tax knowledge as significant determinants of compliance intentions under the TPB framework [38]. Similarly, researcher found that higher levels of tax knowledge, coupled with favourable attitudes toward taxation, substantially increase taxpayers' willingness to meet their obligations [4].

Evidence also suggests that tax knowledge is closely linked to taxpayers' attitudes toward tax morality, thereby reinforcing the role of TPB in connecting cognitive and ethical dimensions of compliance [40].

Recent research continues to demonstrate the relevance of TPB in explaining compliance behaviours, including taxation. tax awareness and tax knowledge significantly shape potential taxpayers' intentions [37], while other study highlighted that perceptions of complexity strongly influence small and medium enterprises' compliance behaviours [14]. Similarly, this include that tax awareness among students is influenced by subjective norms and civic responsibilities, showing that social expectations and institutional influence remain critical factors in shaping compliance [36].

Collectively, these studies demonstrate that TPB remains a powerful framework for understanding and predicting tax compliance behaviour, particularly when tax knowledge, morale, and awareness are integrated into its constructs. For this study, the TPB framework is adapted by aligning its three constructs with the variables under investigation. Tax knowledge is associated with perceived behavioural control, as individuals with stronger literacy feel more capable of fulfilling tax obligations. Tax morale reflects attitudes toward the behaviour, since intrinsic motivation and ethical considerations influence whether tax compliance is viewed positively. Tax awareness corresponds to subjective norms, as increased awareness combined with social

expectations encourages stronger intentions to comply.

Thus, TPB provides a comprehensive theoretical lens for explaining how commerce students at Politeknik Muadzam Shah may form compliance intentions as future taxpayers.

B. Tax Compliance Behaviour

Tax compliance remains a serious challenge for tax authorities around the world, and ensuring that taxpayers adhere to tax requirements is often difficult. Tax compliance is defined as taxpayers' willingness to obey tax laws to contribute toward economic balance [16], [3]. Tax compliance behaviour refers to the extent to which taxpayers follow tax laws, report income truthfully, and pay taxes within the required timeframes. The differences between voluntary compliance, which stems from taxpayers' internal motivation, trust, and civic duty, and enforced compliance, which is driven by fear of penalties, audits, or legal consequences [18].

Emphasizes on enforcement mechanisms remain necessary, sustainable fiscal systems rely more heavily on voluntary compliance because it reduces administrative costs and fosters public trust [2]. Essentially, compliance involves properly fulfilling all obligations under applicable tax laws and regulations [29]. Empirical research using the TPB framework spans many nations, including Canada Ghana, Indonesia and the United States [20], [39], [32], [8] ,[6].

In developing countries, compliance behaviour is shaped by behavioural factors such as tax knowledge, tax awareness, and tax morale.

Tax knowledge improves taxpayers' ability to comply by enhancing their understanding of rules, procedures, and obligations. Higher knowledge reduces non-compliance among potential taxpayers in Malaysia [37]. Similarly, highlighted from other researcher that when SMEs adopt IT systems and improve tax literacy, their compliance costs decrease, resulting in stronger compliance [4]. Limited knowledge, however, often produces unintentional errors and lower willingness to comply.

Tax awareness relates to individuals' recognition of tax obligations and the role of taxes in national development. Awareness campaigns and education strengthen civic responsibility and reinforce subjective norms that compliance is

expected in society. Tax awareness and education strongly influenced compliance perceptions among Malaysian SMEs [14]. Likewise, studied showed that greater awareness of obligations and enforcement improved compliance intentions in Cambodia [38].

Tax morale reflects taxpayers' intrinsic motivation and ethical values in paying taxes, influenced by fairness, transparency, and trust in government. Tax morale significantly shapes compliance behaviour among salaried groups in Malaysia [41]. Previous studies found that low tax morale, often linked to corruption and unfair practices, contributes to evasion tendencies [40].

Taken together, tax knowledge strengthens perceived control, tax awareness reinforces subjective norms, and tax morale influences attitudes toward taxation. These three dimensions are consistent with the Theory of Planned Behaviour, providing a robust framework to explain tax compliance behaviour among future taxpayer in this study.

C. Tax Knowledge and Tax Compliance Behaviour

Tax education is widely recognized as an essential tool in cultivating tax knowledge, which in turn enables individuals to better understand tax laws and regulations [9]. Tax knowledge is among the most influential determinants of tax compliance behaviour under the self-assessment system in Malaysia [22], [7], [41], [12], [26]. Conversely, inadequate tax knowledge has been associated with misreporting, errors, and even unintentional tax evasion [33].

Evidence from highly compliant nations such as Canada, the United States, Switzerland, and New Zealand suggests that embedding tax education programs early in the curriculum can significantly foster compliance later in adulthood (CIAT, 2011). Tax education is a practical approach to strengthening voluntary compliance, as it equips individuals with the necessary technical and general tax knowledge [23]. In addition, researcher from Indonesia agreed that tax education can increase tax knowledge and influence taxpayers' compliance behavior in which line with social learning theory [17].

In the Malaysian context, further empirical evidence underscores the critical role of tax knowledge in addressing compliance challenges in

which emphasized that tax knowledge represents a core element of voluntary compliance behaviour [7], [43], [35]. Tax knowledge encompasses both technical aspects such as filing procedures and reporting rules and general knowledge about the tax system [43].

Several scholars argue that investing in taxpayer education may be more effective than allocating resources to enforcement and detection [7]. Impact of tax knowledge on compliance is mixed and context-dependent [15]. Increased knowledge does not automatically translate into greater compliance, highlighting that education must be complemented by factors such as trust in institutions, tax morale, and perceived fairness of the system [12]. Building on these insights, this study proposes the following hypothesis:

H1: Tax knowledge does significantly influence tax compliance behaviour among potential taxpayers of Commerce Students in Politeknik Muadzam Shah.

D. Tax Morale and Tax Compliance Behaviour

Tax morale is an important behavioural factor influencing tax compliance, reflecting taxpayers' intrinsic motivation, ethical values, and attitudes toward fulfilling tax obligations [27], [25]. In Malaysia's self-assessment system, taxpayers are responsible for self-declaration, but compliance is often undermined by perceptions of unfairness and inequality. Studies suggested tax morale is related to tax compliance behaviour [25]. Other findings confirmed that positive perceptions of justice and trust in tax authorities foster compliance, whereas declining trust weakens confidence and leads to immoral tax behaviour [10], [41], [12], [26].

Research further shows that tax morale is shaped by both internal and external factors. While moral values, religiosity, and personal ethics create intrinsic motivation, external influences such as governance quality, equitable treatment, tax authority behaviour, cultural norms, and social expectations also play a significant role [30]. Social norms and religious values, in particular, provide strong moral grounding for tax compliance, with taxpayers often perceiving payment as a civic duty and moral responsibility. Improvements in governance and fair treatment by authorities have been found to encourage voluntary compliance.

Knowledge also strengthens tax morale by increasing awareness of taxation's role in financing

national development [12]. Building on these insights, this study proposes the following hypothesis:

H2: Tax morale does significantly influence tax compliance behaviour among potential taxpayers of Commerce Students in Politeknik Muadzam Shah.

E. Tax Awareness and Tax Compliance Behaviour

Taxation is a fundamental source of revenue for governments worldwide, including Malaysia, where it represented 74% of national income in 2018 [5]. A critical element in ensuring compliance is taxpayers' knowledge of taxation systems, such as the Self-Assessment System, which helps improve voluntary compliance [30]. Tax awareness considered as important element in tax compliance behaviour, which scholars have defined in various ways. Tax awareness is defined as the ability to calculate, pay, and report taxes, additional as a cognitive process of recognizing the need to pay taxes and adhere to regulations [13], [42]. Tax awareness seen as an additional factor shaped by beliefs and reasoning that influences tax compliance behaviour [33].

Tax awareness benefits taxpayers by improving their ability to fulfil obligations, whereas limited awareness often leads to reluctance or avoidance of payment, whether intentional or not [34]. In Malaysia, low tax awareness has been associated with higher tax non-compliance, but literacy and education initiatives can strengthen the tax compliance [13]. Studies show that both tax knowledge and awareness play influential roles in tax compliance behaviour [31]. Building on these insights, this study proposes the following hypothesis:

H3: Tax awareness does significantly influence tax compliance behaviour among potential taxpayers of Commerce Students in Politeknik Muadzam Shah.

Based on the above discussions, Figure 1 below is developed to illustrate the theoretical framework which presents the relationship between independent and dependent variables.

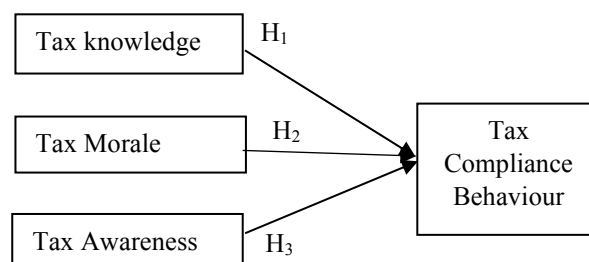


Figure 1: Theoretical Framework

III. RESEARCH METHODOLOGY

The present study focused on Commerce Students from session Sesi 2: 2024/2025 in Politeknik Muadzam Shah, Pahang. The students are selected as basis they are pursuing a Diploma in Business Studies and Diploma in Accountancy, in which these students are highly knowledgeable potential taxpayer in future either for pay tax own business or as individual tax payer. The questionnaire was distributed to the population of 584 students and collection of 298 respondents were received. Referring to table for determining sample size for a population of 600 students, a sample of 234 is sufficient to cross-reference the population [19]. Therefore, the sample of 298 is sufficient to cover the entire population. As a result, for this study, the response rate was 51% of the students (298 out of 584 students were invited), which exceeds the threshold of 30%, as suggested by [11].

The present study implemented a non-probability sampling method and the collection of data is conducted via a developed structured questionnaire. These questionnaires are distributed to all 584 students of Commerce Department during Session 2: 2024/2025 via online platform of Google Forms.

As for research instruments, the present study uses survey questionnaires to identify relationships between the constructs. The questionnaires employed in this study are adopted from empirical studies as it focused on tax compliance behaviour [36], [41], [14].

The questionnaire contains two major sections, the first section collects the demographic information about the respondents, while the second section comprises questions regarding three factors

which are the tax knowledge, tax morale, tax awareness towards tax compliance behaviour. The study employed a corresponding 5 Likert scale (1 for “Strongly Disagree”; 2 for “Disagree”; 3 for “Neutral”; 4 for “Agree” and 5 for “Strongly Agree”). The variables and questions are shown in Table 1.

In order to gain a comprehensive understanding of the data set, descriptive analysis, reliability analysis, pearson correlation analysis and linear regression was performed using SPSS, which involved calculating measures such as means, standard deviations, frequency and percentage to summarize and present key characteristics.

Table 1: Research Variable

Variables	Items	Questions
Tax Knowledge (TK)	TK1	I know that the LHDN is the agency that handles direct tax in Malaysia.
	TK2	I know that the Royal Malaysia Customs Department is the agency that handles indirect tax in Malaysia.
	TK3	I am familiar with how to file a personal income tax return in Malaysia.
	TK4	I know that we need to submit tax file every year.
	TK5	I know that there are several types of tax relief provided to reduce the burden on taxpayers.
	TK6	I know that buying books and education fee can reduce the tax amount payable to the government.
Tax Morale (TM)	TM1	I believe paying taxes is a duty that every citizen should fulfill.
	TM2	I believe that as a citizen, we need to follow all rules and

		regulations related to tax.
	TM3	I would still pay taxes honestly even if the chance of getting caught by authority is low.
	TM4	I will voluntarily comply with the tax law.
	TM5	I believe that tax avoidance is unethical for everyone.
	TM6	I believe paying taxes contributes to the well-being of society.
Tax awareness (TA)	TA1	Tax awareness should start from the young age.
	TA2	I am aware that the tax collection will be used for the social economic development in the country such as healthcare and education.
	TA3	I am aware of the penalties for not paying or avoid payment of taxes in Malaysia.
	TA4	I believe being informed about taxation is important for all citizens.
	TA5	I am conscious of my future responsibilities as a taxpayer when my income reaches the threshold amount.
Tax Compliance Behaviour (TCB)	TCB1	I intend to comply with tax laws once I enter the workforce.
	TCB2	I plan to file my tax returns accurately and on time in the future.
	TCB3	I will pay the correct amount of taxes even without being audited.
	TCB4	I believe I will continue to comply

		with tax laws throughout my life.
	TCB5	I would encourage others to be tax-

		compliant as part of responsible citizenship.
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IV. RESULT AND DISCUSSION

A. Socio-Demographic Characteristics

Table 2 demonstrates demographic data extracted from the present study. As indicated below, a total of 218 (73%) respondents from this study are female, while the remaining 80 (27%) respondents are male. 119 (40%) respondents are Commerce Students from Diploma Business Studies, while remaining of 179 (60%) respondents are Commerce Students from Diploma Accountancy. Total of 40 (13%) respondents are Commerce Students from Semester 1 and 2, 100 (34%) respondents are Commerce Students from Semester 3 and 4, 158 (53%) respondents are Commerce Students from Semester 5 and 6. In total, 214 (72%) of all the respondents have learned and attend any tax-related course or class during studies, while remaining 84 (28%) respondents never learned and attend any tax-related course or class during their studies.

Table 2: Demographic Characteristic of Respondents

<i>Gender</i>	<i>Number</i>	<i>Percentage (%)</i>
Male	80	27
Female	218	73
Total	298	100
<i>Program Studies</i>	<i>Number</i>	<i>Percentage (%)</i>
Diploma Business Studies	119	40
Diploma Accountancy	179	60
Total	298	100
<i>Semester</i>	<i>Number</i>	<i>Percentage (%)</i>
Sem 1 & 2	40	13
Sem 3 & 4	100	34
Sem 5 & 6	158	53
Total	298	100
<i>Learned and attend any tax-related course</i>	<i>Number</i>	<i>Percentage (%)</i>
Yes	214	72
No	84	28
Total	298	100

B. Descriptive Analysis

Table 3 shows the descriptive statistics of variable to measure the variables of research. The gather data was organized into statistical tables and subjected to mean analysis. Mean value of 2.50 and above were viewed as positive or accepted, while a score with less than 2.50 were seen as negative and unaccepted answer, as suggested by [44].

For tax knowledge variable result in table 3 indicates the low score on familiarity of process filing personal income tax. It shown that most of the respondents among Commerce Students have lack of knowledge on the procedure in filing personal income tax return in Malaysia. The same low score is also recorded in variables tax morale of honesty of the respondents to pay tax in future. This score indicates that respondents might have honesty issues in paying tax as potential taxpayer.

The low score of mean analysis in tax awareness variables indicates that respondents have lack awareness on degree of penalty imposed in case of not paying tax in the future. Low score in mean analysis on tax compliance behaviour also shown that there are possibility among Commerce Student in Politeknik Muadzam Shah as respondents might pay the incorrect amount of taxes in future.

Table 3: Descriptive statistics of variable to measure the variables of research

Variables	Items	Mean	Std. Deviation	N
Tax Knowledge (TK)	TK1	4.49	.730	298
	TK2	4.07	.962	298
	TK3	3.25	1.131	298
	TK4	4.13	.982	298
	TK5	4.14	.921	298
	TK6	3.96	1.069	298
Tax Morale (TM)	TM1	4.38	.783	298
	TM2	4.53	.652	298
	TM3	4.23	.788	298
	TM4	4.30	.767	298

	TM5	4.26	.864	298
	TM6	4.40	.760	298
Tax awareness (TA)	TA1	4.42	.754	298
	TA2	4.33	.756	298
	TA3	4.14	.876	298
	TA4	4.35	.751	298
	TA5	4.33	.765	298
Tax Compliance Behaviour (TCB)	TCB1	4.34	.740	298
	TCB2	4.28	.779	298
	TCB3	4.23	.824	298
	TCB4	4.32	.718	298
	TCB5	4.34	.759	298

C. Reliability Analysis

All data variables collected from questionnaires has been match with reliability statistics of Cronbach's Alpha. Total 22 question in this study show the reliable internal consistency of set of data in testing items as design. A higher alpha value of above 0.70 indicates that the items in all variables are highly correlated, in which respondents respond the question similarly. The results in table 4 indicates that Commerce Students in Politeknik Muadzam Shah show the Cronbach's Alpa for all variables of Tax Knowledge, tax Morale, tax Awareness and Tax Compliance Behaviour show the score of more than 0.70. Therefore, based on the analysis of Cronbach Alpha that using SPSS it explained that significant value of Cronbach Alpha from all variables were correlated and achieved.

Table 4: Reliability Statistics

Variables	Items	Cronbach's Alpha
Tax Knowledge (TK)	TK1	0.851
	TK2	
	TK3	
	TK4	
	TK5	
	TK6	
Tax Morale (TM)	TM1	0.917
	TM2	
	TM3	
	TM4	
	TM5	
	TM6	
Tax awareness (TA)	TA1	0.898
	TA2	

	TA3	
	TA4	
	TA5	
Tax Compliance Behaviour (TCB)	TCB1	0.937
	TCB2	
	TCB3	
	TCB4	
	TCB5	

D. Pearson Correlation Analysis

Table 5 below was developed using SPSS to show Pearson Correlation on explaining the relationship result between independent variables of Tax Knowledge, Tax Morale and Tax Awareness towards dependent variables of Tax Compliance Behaviour.

Table 5: Pearson Correlation Analysis

Variables	Tax Compliance Behaviour	Tax Knowledge	Tax Morale	Tax Awareness
Tax Compliance Behaviour	1.000	0.618	0.807	0.891
Tax Knowledge	0.618	1.000	0.692	0.595
Tax Morale	0.807	0.692	1.000	0.847
Tax Awareness	0.891	0.595	0.847	1.000

The Pearson correlation analysis in Table 5 indicates that Tax Compliance Behaviour (TCB) has the strongest positive association with Tax Awareness (TA) ($r = 0.891$), followed by Tax Morale (TM) ($r = 0.807$), and Tax Knowledge (TK) ($r = 0.618$).

The strongest relationship was found between Tax Awareness (TA) and Tax Compliance Behaviour (TCB) ($r = 0.891$), which reflects a very strong positive correlation. This indicates that Commerce students who are more aware of tax obligations such as the purpose of taxation, deadlines, and reporting requirements are more likely to Tax Compliance Behaviour. Awareness represents the cognitive recognition of the importance of taxes as a civic duty [13], [33], [42].

This finding aligns with other studies who confirmed that awareness is a key determinant of non-compliance reduction, especially among potential taxpayers who are new to the system [28], [37]. Similarly, other study demonstrated that higher education exposure enhances awareness, acting as a moderator that strengthens compliance behaviour among students [36]. These studies suggest that tax awareness campaigns and educational modules targeting young taxpayers can be one of the most effective strategies in building sustainable compliance.

The second-strongest correlation emerged between Tax Morale (TM) and TCB ($r = 0.807$), showing that ethical values and civic responsibility strongly influence students' compliance.

This result is consistent with who highlighted the role of justice perception and trust in driving compliance, as well as previous empirical evidence on how religiosity and moral values shape positive tax attitudes in Malaysia [10], [12], [25]. Other researcher also argued that reducing uncertainty and building trust strengthens tax morale [8], [41]. Together, these findings suggest that compliance cannot be sustained through enforcement alone; rather, trust in institutions and fairness in tax administration are essential in building voluntary compliance.

The correlation between Tax Knowledge (TK) and TCB ($r = 0.618$), while weaker than Tax Awareness and Tax Morale, remains statistically meaningful. Knowledge involves understanding tax laws, filing procedures, and the consequences of non-compliance [35]. The positive correlation implies that students who understand the technical aspects of taxation are more likely to comply, though knowledge by itself may not guarantee compliance.

This supports the findings who noted that self-employed taxpayers with greater knowledge exhibit higher compliance [12], [41].

These Pearson Correlation findings strongly support the Theory of Planned Behavior where behaviour is driven by attitudes (morale), subjective norms (awareness of societal expectations), and perceived behavioural control (knowledge) [1]. This suggests that an integrated behavioural model best explains students' future tax compliance.

E. Hypotheses Testing Linear regression

Table 6: Hypotheses result using linear regression

Hypotheses	Std Error	P-Value	Decision
H1	0.027	0.000	Supported
H2	0.047	0.000	Supported
H3	0.050	0.000	Supported

The linear regression results in Table 6 demonstrate that all three hypotheses (H1, H2, and H3) are statistically significant and supported, as indicated by very small standard errors (ranging from 0.027 to 0.050) and p-values of 0.000. This implies that the predictors proposed in the study such as tax knowledge, tax morale, and tax awareness exert a meaningful influence on tax compliance behaviour. The findings are consistent with previous research which highlights the importance of trust and fairness in shaping tax compliance behaviour decisions, as well as the role of individual determinants such as tax knowledge and awareness among Malaysian taxpayers [8], [10], [21], [28], [37]. Among students and young taxpayers, awareness and educational exposure are proven to strengthen voluntary compliance [36], [26], [14], [41]. Therefore, the supported hypotheses confirm that enhancing knowledge, strengthening morale, and increasing awareness can significantly reduce non-compliance and foster tax compliance behaviour, aligning with the theory of planned behaviour and extending prior evidence in both Malaysian and international contexts [35], [29], [12].

V. CONCLUSION, LIMITATIONS AND FUTURE RESEARCH

This study set out to examine the influence of tax knowledge, tax morale, and tax awareness on tax compliance behaviour among commerce students at Politeknik Muadzam Shah. The results of this study are also in line with the Theory of Planned Behaviour, with strong empirical evidence that all three factors significantly affect tax compliance behaviour, with tax awareness emerging as the strongest variable, followed by tax morale and tax knowledge.

While this study contributes important insights into the relationship between tax knowledge, tax morale, and tax awareness towards compliance behaviour among commerce students at Politeknik Muadzam Shah, several limitations must be acknowledged. First, the study is limited in scope as it only focused on commerce students from a single polytechnic, which may restrict the generalizability of the findings to students in other disciplines, institutions, or working adults with varying levels of tax exposure. Moreover, the study examined only three behavioural determinants under the Theory of Planned Behaviour, while other critical factors towards tax compliance behaviour such as tax complexity and tax cost were not included. Finally, this study did not test moderating or mediating effects, such as whether trust in institutions amplifies the role of morale or whether awareness mediates the effect of knowledge on compliance.

These limitations open several avenues for future research. Expanding the sample to include students from non-commerce fields, and variety of polytechnic in Malaysia in which would increase the generalizability of results across different potential taxpayer groups. Future studies should also integrate institutional variables such as perceptions of fairness, law complexity, enforcement strength, and digital filing systems to better explain compliance behaviour. Testing for moderating and mediating effects would provide a more nuanced explanation of how behavioural factors interact. Lastly, comparative studies across ASEAN or other regions could highlight cultural and policy differences, enabling Malaysia to benchmark its strategies and strengthen sustainable voluntary compliance.

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