

-RESEARCH ARTICLE-

IN QUEST OF GENDER EQUALITY AND WOMEN'S TAX RIGHTS UNDER THE INCOME TAX REGULATION

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—Abstract—

A welfare state's tax system aims to promote equality by redistributing wealth and opportunities. It aims to not only bridge the gap between the rich and the poor, but also promote fairness among different family types and support gender equality. This study assesses the perceived qualities of income tax regulation concerning married women from the taxpayer's perspective, using the four canons of taxation as a framework. This study also examines the significance of perceived quality in relation to tax compliance. Indonesia has been chosen as the subject of the study because of its past experiences with tax reform and the presence of a highly productive yet underemployed female population. This study is a research study that combines different methods to gather data. The data was collected through a survey of individual taxpayers and interviews with various stakeholders, such as individual taxpayers, tax consultants, and tax authorities. The findings indicate that the perceived qualities of income tax regulations concerning married women only adhere to the certainty principle. Meanwhile, education and the perceived equality of married women's tax rights have been found to have a significant impact on tax compliance. This study provides important insights for tax policy studies and aims to enhance the existing income tax policy by promoting gender equality and women's rights,

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particularly for married women taxpayers. In addition, the findings offer valuable insights for improving tax compliance among couples who opt for separate tax filings.

Keywords: Family, tax filing, compliance, tax administration, tax reform.

JEL classification: A13, H31, E62

INTRODUCTION

The importance of gender equality in achieving the SDGs cannot be overstated. The global labor force participation rate for women is currently below 47%, despite most women being of productive age (Ilo, 2022). The 2023 Global Gender Gap Index indicates that no country has attained complete gender parity (Wef, 2023). According to the index, Southern Asia had the second-lowest score among the eight regions, with a gender parity rate of 63.4%. The tax system of a welfare state plays a crucial role in redistributing wealth and opportunities among different social groups, including the rich and the poor, different family types, and males and females. The tax treatment of men and women is subject to gender bias (Coelho et al., 2022; Gunnarsson & Spangenberg, 2019; Hodgson & Sadiq, 2018; Kolovich, 2018; Lahey, 2015; Schechtel, 2023; Stotsky, 1997; Toyofuku, 2024; Wilkinson & Hageman, 2023). A tax regime that considers the family to be the smallest tax unit can lead to gender bias. This is because such a tax system requires income tax to be calculated based on the combined income of the family. The tax rate imposed on additional income in families, typically earned by working women, would be significantly higher (Andrienko et al., 2015; Apps & Rees, 2022; Bucheli & Olivieri, 2019; Hodgson & Sadiq, 2018; Stotsky, 1997).

Prior research has explored the relationship between the tax system and gender issues (Lin & Slemrod, 2024). However, there has been limited focus on the taxation aspects of married women in developing countries, including Indonesia. Indonesia is the fourth-most populous country, with most of the population being productive females. However, a significant portion of these females is underemployed. Corporate income tax primarily contributes to Indonesia's income tax revenue, accounting for 32.32% in 2019 and 28.93% in 2021. In contrast, personal income tax contributed only 9.78% in 2019 and 9.35% in 2021, despite the country's extensive history of tax reform and large population (Oecd, 2023). The individual income tax contribution was relatively small compared to Asia-Pacific countries (up to 16%) and OECD countries (up to 24%) in 2021. The corporate income tax in OECD countries contributed only 9% (Oecd, 2023).

Prior research on gender issues in taxation has consistently found gender differences in tax regulation (Andrienko et al., 2015; Balthasar & Müller, 2018; Bucheli & Olivieri, 2019; Coelho et al., 2022; Hundsdoerfer, 2022; Hurlburt et al., 2019; Kolovich, 2018; Lahey, 2010, 2015; Lin & Slemrod, 2024; Stotsky, 1997). These studies have

emphasised the importance of gender equality in tax policy to address disparities in unpaid care work, employment rates, income, old age security, poverty, and wealth (Apps, 2017; Apps & Rees, 2011, 2022; Bachmann et al., 2021; Cremer et al., 2012; Cremer & Roeder, 2019; Gayle & Shephard, 2019; Gunnarsson & Spangenberg, 2019; Hodgson & Sadiq, 2018; Selin, 2014; Stewart, 2018). Prior research has also examined the impact of specific tax systems on social issues, such as the tax policies in developed nations that result in either a marriage penalty or a marriage bonus, influencing decisions regarding formal marriage (Alm et al., 1999; Barigozzi et al., 2019; Schechtel, 2023). This tax policy also has long-term implications for the country's demography. The role of political elites is crucial in developing a more equitable income tax system and ensuring tax fairness (Toyofuku, 2024; Wilkinson & Hageman, 2023). Previous research on Indonesian local tax has primarily focused on gender equality issues such as the implementation of additional income tax return attachments for couples who choose separate tax filing, tax management for married couples with individual incomes (Nur, 2014; Putri & Putranti, 2019; Nanda et al., 2017), and the fulfilment of tax obligations for married women (Anggarsari, 2010).

This study examines the perceived qualities of income tax laws related to married women and their significance to tax compliance, in contrast to previous studies. This study aims to assess the impact of taxation as an institutional framework on the redistribution of wealth and opportunities among different genders and family structures (married/single taxpayers). Smith's (1776) four canons of taxation - certainty, equality, convenience, and economy - serve as an evaluation framework for this study. These canons have a strong foundation in assessing a good taxation system and remain relevant in the modern tax system (Kim; Mpfu & Moloi, 2022; Smith & Smith, 2015; Soyode & Oyedokun, 2019). This study utilised a mixed research approach, combining quantitative and qualitative methods. Data was collected through surveys and interviews, allowing for a more comprehensive analysis and enhancing the reliability and validity of the findings, in comparison to previous studies. This study examines the relationship between tax policy and gender issues in Indonesia, a developing country. It offers practical implications for tax policy makers to promote gender equality and women's rights in tax policy. Specifically, it suggests modifications to the welfare state to address horizontal income inequality. The paper includes an introduction, literature review, research methodology, and results. The final section of the paper provides a conclusion and addresses the research implications and recommendations for future studies.

LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

Taxation is an important factor in promoting women's empowerment. Research has demonstrated that tax systems and fiscal policies have varying effects on men and women (Gunnarsson & Spangenberg, 2019). Equitable taxation ensures that the tax burden is distributed proportionately among individuals based on their ability to pay,

irrespective of gender, thereby enabling women to maximise their potential. The tax literature has identified ongoing gender issues in public policy, particularly in tax regulation. As a result, many tax studies have utilised quantitative analysis methods such as economic modelling simulations, optimal tax problem analysis, econometric analysis, regression analysis, and critical literature review analysis to propose improvements to the tax system (Alm et al., 1999; Alm & Melnik, 2005; Andrienko et al., 2015; Barigozzi et al., 2019; Bucheli & Olivieri, 2019; Coelho et al., 2022; Hundsdorfer, 2022; Hurlburt et al., 2019; Kolovich, 2018; Lahey, 2010, 2015; Lin & Slemrod, 2024; Schechtl, 2023; Stotsky, 1997). Additional methods, including surveys of tax policymakers, interpretative approaches to tax policy experiments, laboratory experiments, and case studies, have been employed to investigate gender equality and evidence-based policy making (Balthasar & Müller, 2018; Hundsdorfer, 2022; Toyofuku, 2024; Wilkinson & Hageman, 2023).

The tax treatment of spouses in the context of income tax has been a subject of extensive debate among economists and non-economists. Family tax regulations vary considerably between countries, although there seems to be a shift towards a more personalised tax system. Systems that consider individuals as the appropriate tax unit are likely to replace familial (or spousal)-based schemes. Therefore, the income of an individual's spouse has less influence on their tax liability. There has been a consistent trend in tax reforms in OECD countries over the past few decades (Cremer et al., 2012; Lin & Slemrod, 2024; Schechtl, 2023; Selin, 2014). The literature suggests that the difference in the optimal tax rates of primary and secondary earners determines the choice of tax unit. Income aggregation is only considered beneficial when the two tax rates are equal (Cremer et al., 2012). Marriage penalties can arise when there is a difference in tax rates. Research conducted in the United States indicates that married couples are more likely to experience marriage penalties rather than bonuses, and the number of families facing such penalties tends to increase. This trend can be attributed to the growing income equality among married couples in recent years, with a higher proportion of spouses working and an increase in the total income of either the wife or husband, which accounts for at least one-third of the combined income. Consequently, the tax system has the potential to impact a couple's decision to marry (Barigozzi et al., 2019).

According to the Constitution of Indonesia, all citizens are granted equal rights without any discrimination based on gender. Gender equality in Indonesia is influenced by patriarchal customs and culture prevalent among most tribes in the country. The gender disparity within family dynamics can be analyzed through the lenses of access, control, participation, and benefits (Puspitawati, 2019). Women encounter barriers to accessing resources, services, jobs, and information, which hinders their active and productive participation in society (Puspitawati, 2019). The gender inequality issues faced by women in Indonesia conflict with the Indonesian Constitution and the Marriage Law. This law acknowledges the patriarchal culture of Indonesia and emphasizes the

husband's role as the head of the family. It also specifies that the husband is responsible for providing for the family's needs based on his capacity, while the wife is responsible for managing household affairs.

In Indonesia, the tax policy follows the marriage law, treating all income or losses of a married woman as the income or losses of her husband. An exception exists for combining the income of a married woman, subject to certain criteria, which may be treated as a final tax. There are four tax marital status options available for married women for tax reporting purposes. These options include joint filing, divorcing status, separate filing status 1 (which is applicable when there is a separation agreement of assets and income), and separate filing status 2 (which allows a wife to exercise her own tax rights and obligations). Married women must register for a tax identification (tax ID) number for both filing statuses. In this scenario, the complexity of income tax calculation arises from the separate reporting of incomes, while the tax is still determined based on the combined net income of both spouses. The combination of income entering a layer of higher progressive tax rates can potentially result in an increase in income tax (Apps, 2017; Nur, 2014). This adverse impact contradicts Selin's (2014) finding that married women benefit more due to the lower marginal tax rate associated with joint filing. According to Putri and Putranti (2019), the Indonesian separate tax-filing policy lacks effectiveness, efficiency, adequacy, responsiveness, and accuracy. Like Indonesia, Singapore and Malaysia also implement separate assessments for married women. However, unlike Indonesia, these two countries do not impose specific conditions for tax separation (Deloitte, 2021; IRS Singapore, 2014). Additionally, a distinct tax assessment leads to a reduced tax payment (Ibrahim & Pope, 2011).

The impact of taxpayers' perception of tax policy and tax system complexity on tax compliance has been extensively studied by Fischer et al. (1992) and corroborated by recent research, including (Tilahun, 2019). Prior research has identified specific factors that affect tax compliance behaviors, including opportunities for noncompliance (i.e., income, level, income source, and occupation), tax systems/structures (i.e., complexity of the tax system, probability of detection, penalties, and the tax rate), and attitudes and perceptions (i.e., fairness of tax systems and peer influence). Prior research has emphasized the significance of taxpayers possessing tax knowledge in order to accurately calculate, pay, and report their taxes (Hassan et al., 2021; Musimenta, 2020; Nasution et al., 2020; Palil & Mustapha, 2011; Pertiwi et al., 2020; Tilahun, 2019). The implementation of a more intricate tax system and self-assessment method necessitates that Based taxpayers acquire additional training or seek professional aid in order to fulfil their tax obligations (Musimenta, 2020).

This study proposes that the Indonesian income tax law regarding married women satisfies four canons of taxation: equality, certainty, convenience, and economy. This proposition was analyzed using a comprehensive descriptive analysis that involved

triangulation of data collected from surveys of individual taxpayers and interviews with stakeholders, such as individual taxpayers, tax consultants, and tax authorities. This study includes both qualitative and quantitative analyses to investigate the potential associations between perceived equality, certainty, convenience, and economy in the income tax law for married women and taxpayers' compliance. Thus, in accordance with Fischer et al. (1992) and prior research on tax compliance (Hassan et al., 2021; Musimenta, 2020; Nasution et al., 2020; Pertiwi et al., 2020; Tilahun, 2019), this study develops the following hypothesis: "Taxpayer characteristics, knowledge of taxation, and perceived qualities of income tax law related to married women are associated with tax compliance behaviors." The hypothesis was tested using a binary logistic regression model. This study employs a mixed methods approach, utilizing triangulation of data, to examine gender issues in tax policy. This approach allows for a more comprehensive analysis compared to previous studies that have solely used either quantitative or qualitative methods.

RESEARCH METHODOLOGY

Population, Sample and Data Collection

This study investigates the rights of married female taxpayers through a mixed-methods approach. It includes a comprehensive descriptive analysis and binary logistic regression analysis using triangulated data from a survey and interviews. The survey targets married individual taxpayers who submit annual tax returns. To reduce sampling bias, the survey was conducted in collaboration with the Population and Civil Registration Agency of the district or local government. After the survey, in-depth interviews were conducted with informants, including individual taxpayers, tax consultants, and tax officers. These interviews aimed to validate the survey findings and investigate potential explanations for the observed results. Specifically, during the surveys and interviews, ethical approval was obtained from the e-research unit of the Indonesian tax authority, specifically the Directorate General of Taxes (DGT). Respondents provided written informed consent prior to completing the surveys, while verbal consent was obtained prior to the interviews.

The survey questionnaires were developed by referencing Indonesian tax regulations pertaining to married women taxpayers, such as the Tax Income Law, the General Tax Provisions and Procedures Law, and specific technical tax procedures outlined by the Ministry of Finance, the Tax Authority (Directorate General of Taxes, DGT), and relevant circular letters. The questionnaire consists of two parts. The first part collects demographic information from the respondents. The second part contains 22 questions that assess the perceived quality of current tax regulations for married women taxpayers. Prior to distribution, a pilot study was conducted to establish the reliability and validity of the questions. Further reliability and validity tests were conducted after collecting all

responses (refer to [Table 6](#) in the results section). The survey consisted of close-ended questions using a 6-point Likert scale to measure respondents' perceptions. The scale ranged from 1 (strongly disagree) to 6 (strongly agree). The agreement score was computed by dividing the total real score on the Likert scale by the total optimal score on the scale, assuming all answers were 6. A total of 340 questionnaires were collected, of which 170 were valid for analysis.

Interviews were conducted with representatives from all stakeholders in the tax ecosystems. The selection of individual taxpayer interviewees was based on a convenience sample consisting only of those who expressed their willingness to be interviewed when completing the survey. Interviews were conducted with tax consultants to assess the limited technical knowledge of individual taxpayers regarding questions that require in-depth understanding, such as the simulation of tax income calculation. Tax consultants offer services to aid individuals in completing their annual income tax returns. Interviews were conducted with tax officers to validate the findings of the survey, as well as with individual taxpayers and tax consultants. Fourteen individuals, including five tax consultants, participated in the interviews—two males (code: KPL1-2) and three females (code: KPW1-3); five individual taxpayers, two males (code: WPL1-2) and three females (code: WPW1-3); and three tax authorities, which consisted of 1 account representative (code: AR1-3), 1 tax advisor (code: PR) from a tax office in Jakarta, and 1 tax officer of the Directorate of Regulations II (code: PP). All interviews were conducted online using several media, including Microsoft Teams, Zoom, and WhatsApp voice calls. Each interview lasted between 40 and 70 minutes. By examining the Likert scale and agreement score of the survey results with the interviews results, this study provides a comprehensive descriptive analysis to answer the proposition of the study related to perceived quality of current income tax regulations regarding to rights of women married taxpayers.

Research Model and Measurement of Variables

This study examines the perceptions of married taxpayers to evaluate the extent to which the Indonesian income taxation law promotes gender equality and upholds the tax rights of married women. The evaluation is based on four canons of taxation ([Smith, 1776](#)): equity, certainty, convenience, and economy. This study examines the perceived qualities of income tax law that are related to the tax rights of married women. It analyses the current tax system to determine the significance of these aspects in relation to tax compliance. [Fischer et al. \(1992\)](#) and previous tax compliance studies ([Hassan et al., 2021](#); [Musimenta, 2020](#); [Nasution et al., 2020](#); [Pertiwi et al., 2020](#); [Tilahun, 2019](#)) identified additional variables related to taxpayers' characteristics. These variables are considered as controlling variables in the analysis. These factors encompass education levels, gender, and tax knowledge. The measurement of tax noncompliance behavior is based on ([Oecd, 2004](#)) and focuses on the inaccurate reporting of marital status in annual

tax returns. A binary logistic regression model used for the analysis is as follows:

$$\text{Logit TC} = \beta_0 + \beta_1 \text{EDU} + \beta_2 \text{GDR} + \beta_3 \text{KNO} + \beta_4 \text{CER} + \beta_5 \text{EQU} + \beta_6 \text{CON} + \beta_7 \text{ECO} + \varepsilon$$

Where:

Logit TC = Logit of Tax Compliance (1 = if respondents correctly filled in the marital status in the annual tax return, 0 = otherwise).

EDU = Education level (1 = if respondents have an undergraduate education or higher, 0 = otherwise)

GDR = Gender (1 = female, 0 = male)

KNO = Tax knowledge (see [Table 1](#) for the questionnaire)

CER = Perceived economy (see [Table 2](#) for the questionnaire)

EQU = Perceived certainty (see [Table 3](#) for the questionnaire)

CON = Perceived convenience (see [Table 4](#) for the questionnaire)

ECO = Perceived equality (see [Table 5](#) for the questionnaire)

RESULTS AND DISCUSSIONS

Demography of the Respondents

The majority of the 170 valid questionnaires were completed by respondents from Java, the most populated island in Indonesia, accounting for 88.2% of the total. The remaining percentages were distributed among Sumatra (7.1%), Kalimantan (3.5%), and Sulawesi (1.2%). Most of the respondents (56%) were women, with the majority of them falling between the ages of 30 and 50 (73%) and possessing a strong educational background. Approximately 50% of the individuals possessed a diploma or bachelor's degree, while 23% held a master's or doctoral degree.

Analysis of the Taxation Aspects of Married Women

[Table 1](#) reveals that 42.35% of the participants made errors when indicating their marital status on their annual tax return. Consequently, this resulted in inaccurate calculations of their tax liability, despite the respondents having a moderate understanding of the tax rights of married women (with an average agreement level of 66.72%). This finding suggests that tax education programs offered by tax officers lack effectiveness. The survey findings indicate that respondents independently gained knowledge about the tax rights and obligations of married women.

The average perceived certainty, as indicated in [Table 2](#), is moderate, with a 69.06% agreement level. The finding suggests that income tax regulations provide clear and certain guidance on the tax rights of married women. Indicator 1 demonstrates the highest agreement level (79.80%), indicating that the current income tax regulation for married women is clear enough for them to have the option to choose between joint or

separate filing. This is supported by interviews that show that married women have the legal freedom to use their own tax identification numbers (tax IDs) or to use their husband's. Three taxpayers (WPL1, WPW1, and WPW3) argue that if a woman is a housewife, she should be financially dependent on her husband, as stated below by WPW3:

Table 1. Tax Compliance and Perceived Tax Knowledge

No	Marital Status in Annual Income Tax Return	No. of Respondents	Percentage
1	Correctly fill in the status	98	57.65%
2	Incorrectly fill in the status	72	42.35%
	Total	170	100%
No	Statements/Indicators of Perceived Tax Knowledge (KNO)	Agreement level	Likert Scale Average
1	I received an adequate explanation from the tax officer regarding the tax rights and obligations of married women	61.96	3.72
2	I determined for myself about the tax rights and obligations of married women	71.47	4.29
	Total	66.72	4.00

“I even think that because I have my own job and salary, I have my own tax identification number, I report my own taxes, and so on. ... I think, someone who chooses being combined (joint filing) is a housewife who neither works nor has her own income; therefore, they combine [their tax status] with their husbands [joint filing].”

Indicator 4 demonstrates a 76.27% agreement level, indicating that income tax regulation reliably provides final tax treatment for married women who opt for joint filing and have income from a single job provider. This final tax treatment is advantageous as it eliminates the need to file annual tax returns and mitigates the risks of underpaid or overpaid taxes. In-depth interviews revealed that all individual taxpayers expressed a desire to access this final tax treatment facility. One interviewee proposed that, for the sake of justice and equality, this tax facility should also be extended to married women who choose separate filing status. The informant from the tax authority (PP) states that this final tax treatment is applicable when the total amount of withholding tax matches the tax calculation in the annual tax return. Therefore, if a married woman earns income and her income tax has already been withheld, she has already fulfilled her tax obligations.

In this scenario, there is no requirement for her to file a tax return at the end of the year, nor is there a need to combine her income with that of her husband or the head of the household. The tax consultant informant (KPL2) asserts that the final tax treatment is required by tax regulations and prioritizes administrative convenience over considerations of justice. The tax officers (AR1-2 and PR) recommend that married

women opt for the joint filing tax option to simplify administration. The implication of opting for joint filing taxes is that married working women must relinquish their own tax identification number in favor of using their husbands' tax identification number. According to indicator 2 in Table 2, the respondents moderately agreed (72.35%) that the current income tax law clearly states this requirement. Most respondents (73.04%), as shown by indicator 6 in Table 2, agree to a moderate extent that the tax regulation explicitly requires married women to complete a separate form in the additional attachment of the annual tax return, if they choose to do so.

Table 2. Perception of Certainty

No	Statements/Indicators of Certainty (CER)	Agreement level	Likert Scale Average
1	Married women can choose either joint filing or separate filing.	79.80	4.79
2	Married women who choose joint filing have to apply for revocation of their own Tax Identification Number (TIN).	72.35	4.34
3	If a married woman does not apply for the removal of her own TIN, she is automatically deemed to have chosen separate filing.	66.47	3.99
4	The tax treatment for married women, who choose joint filing, and work only from one provider, is final, so there is no need to pay additional Income Tax when reporting the Annual Tax Return.	76.27	4.58
5	Married women who wish to choose separate filing are needed to provide a written statement.	68.24	4.09
6	If I choose separate filing, I must fill in the attachment of separate filing of tax marital status above.	73.04	4.38
7	In calculating income tax for separate filing, the husband and wife's net income are combined.	53.92	3.24
8	I know that separate filing has the potential resulting a higher income tax because the additional income from married women will go into a layer of higher tax rates.	63.82	3.83
9	If the husband is not working, the married woman must request a written statement from the local district government stating that the husband has no income to obtain tax exempt for marriage status.	67.65	4.06
	Total	69.06	4.14

Source: Data processed by the authors (2023)

Indicator 7 demonstrates the lowest level of agreement (53.92%) regarding perceived certainty. This suggests that there is ambiguity in the calculation of income tax for separate filings, specifically in the requirement to combine the net incomes of both spouses. The interviews revealed taxpayers' disagreement regarding the necessity of combining the spouse's income when calculating income tax for separate filings. This finding suggests that individual taxpayers face challenges in accessing information about their spouse's earnings, as well as inconsistencies in separate tax filing options that require reporting combined income.

Indicator 8 demonstrates the level of uncertainty in the tax calculations, with an

agreement level of 63.82%. The respondents expressed uncertainty regarding the tax income liabilities associated with separate filings. This finding demonstrates taxpayers' concern that choosing separate filings may result in higher income tax due to the additional income earned by married women being subject to higher tax rates. The interviews with tax officers confirmed that tax costs can increase when the net income of both spouses is combined, regardless of separate filing. The interviews with taxpayers revealed a lack of awareness regarding the financial implications, as three participants were unaware of them. WPW2 argued that the tax authority did not provide any notification about the requirement of combined income. According to the tax consultant informant, only a limited number of taxpayers, particularly those with accounting backgrounds or experience in tax-related work, are aware of this consequence. This finding suggests a high likelihood of inaccurate tax calculations for married women. According to the tax authority (AR1), socialization is crucial for addressing this issue. It is necessary to educate married taxpayers on income tax calculations when they opt for separate filings.

Table 3 illustrates the limited perception of equality rights among married women in the income tax regulation. The perception of income tax regulation as unfair arises from the fact that, despite choosing separate filings, married women's tax calculation is still combined with that of their husbands. This finding suggests that taxpayers prefer to calculate their income tax based on their individual income rather than combining it, regardless of their marital status. Three tax consultants (KPL1, KPW1, and KPW3) confirmed that this rule was unsuitable, according to the survey. One taxpayer (WPW3) expressed her opinion that the current income tax regulation is injustice:

“... if you [married women] don't join your husband [for tax reporting], you must pay additional income tax. ... The rule caused married women who did not want to pay additional income taxes to join their husbands by choosing joint filing, which is what happens now. It's as if you're being directed for just one tax identification number: your husband's; just depending on your husband. There is no independence for women to choose. ... However, if the consequence of separate filings is having to pay more income tax, should it be like that?”

The tax authorities (KPL2 and KPW2) argue that the tax treatment is designed to accommodate administrative efficiency in response to taxpayers' perceived inequality, as quoted below (KPL2).

"Indeed, in terms of equality, yes, not equal, because there are different treatments; yes, it is different whether you [the wife] want to combine or separate [tax filing], but then, one principle [of tax] with another principle is sometimes contradictory. If, for example, they are combined [with the husband's], it's for ease of administration; [...] for the tax office, it is easier, just focus on one taxpayer. ... Therefore, the principle highlighted

(here) is the ease of administration.”

Table 3. Perception of Equity

No	Statement/Indicator of Equity (EQU)	Agreement level	Likert Scale Average
1	The tax treatment for married women with Separate Filing should not be calculated separately; the income calculation should not be based on their own income, not similar to the tax calculation of working women who are not married.	45.78	2.75
	Total	45.78	2.75

Source: Data processed by the authors (2023)

The DGT informant (PP) explained that the issue of an unequal tax burden is indeed being discussed and studied by the DGT: “[...] why is there discrimination ...? ... Related to the issue ..., we are currently conducting a study and benchmarking to countries that apply family tax units.”

This perceived inequality in the tax rights of married women highlights the uncertainty surrounding the calculation of their taxes. This uncertainty includes the possibility of higher income tax for married women, as previously discussed in relation to tax rights certainty. As a result, women, who typically contribute a second income in a family, would experience a higher effective tax rate. This would lead to a decrease in their income and further widen the income disparity between men and women (Cremer & Roeder, 2019). This finding suggests that the existing income tax regulation applies different treatment to working women before and after marriage, resulting in an increased tax burden if they opt to continue using their individual tax identification numbers. The regulation does not endorse marriage neutrality, which refers to the idea that the tax burden on individual taxpayers should not be affected by their marital status. Gender bias arises when married women face a higher tax burden due to family policies that consider the smallest tax unit.

The current tax regulation fails to achieve horizontal justice as stated by Alm and Melnik (2005), which assert that when two families have the same income, they should bear an equal income tax burden. The tax liability for each household varies based on the filing status chosen by the wife, whether it is a separate or joint filing. According to Alm and Melnik (2005), the ability to pay taxes of the smallest tax unit, which is the family, would be greater than that of an individual tax unit if there were multiple income earners in the family. According to the principle of vertical justice, a progressive tax rate results in families bearing a higher tax burden compared to individuals. Therefore, this perception of inequity may lead individual taxpayers to engage in illegal activities (Alm & Melnik, 2005).

Table 4 indicates that most respondents (59.89%) perceived married women's tax rights as inconvenient. The indicator 4 has the lowest perceived convenience, at 44.12%. This indicator pertains to situations where a married working woman, who serves as the primary earner or head of household, seeks to claim the entire non-taxable income in the calculation of income tax. In such cases, proof of the spouse's inability to work is required. The local district exclusively issues the husband's unemployment certificate at Level 3 of the local government. The limitations on issuing institutions are inconvenient. Interviews with taxpayers WPW1 and WPW3 suggest that lower-level local governments, such as rural or urban ones, could potentially issue this certificate. This is because these institutions are closer to taxpayers in terms of structure.

Table 4. Perception of Convenience

No	Statements/Indicators of Convenience (CON)	Agreement level	Likert Scale Average
1	I don't need assistance in completing the attachment of separate filing of tax marital status.	53.53	3.21
2	I can still easily determine the net income of my partner even though we choose separate filing.	70.00	4.20
3	I will ask for the unemployed certificate even though it can reveal the family's disgrace.	68.63	4.12
4	The husband's unemployed certificate should be limited provided by the local district only.	44.12	2.65
5	Information regarding married women's tax rights and obligations is easy to find.	62.75	3.76
6	Information regarding the tax rights and obligations of married women is easy to understand.	60.29	3.62
	Total	59.89	3.59

Source: Data processed by the authors (2023)

Regardless of low agreement levels of convenience indicators, indicator 2 shows a moderate level (70%) on the easy determination of the spouse's net income, even though they choose separate tax filing. However, this finding is different from the low certainty agreement level related to the requirement of combined income for the income tax calculation of separate filings. The moderate-level convenience indicator is also in contrast to the interview findings, which imply that taxpayers most likely lack information regarding their spouse's earnings. If this is the case, there is a probability that the net income of the partner will be filled incorrectly, which then results in an error in calculating the income tax payable, as confirmed by the tax authority informant (PP).

"[...] if they already have an agreement on the separation of assets and income, they will not see each other's income; how much the couple's wealth is, including how much income the couple has. They generally will not see each other's conditions."

Married couples who have mutual agreement on the division of assets and income may encounter difficulties when completing their annual tax returns, according to this finding. Thus, individuals may exhibit noncompliance due to these insurmountable limitations.

The perceived economy exhibits a low level of agreement, with an average of only 61.47% as indicated in Table 5. This implies that married women face a significant financial or time burden when it comes to complying with tax regulations. The lowest agreement level (46.47%) of perceived economy is indicator 2. This suggests that taxpayers are unwilling to pay extra costs for help with their annual tax return because they also must provide additional information for separate filings of their tax marital status.

Table 5. Perception of Economy

No	Statements/Indicators of Economy (ECO)	Agreement level	Likert Scale Average
1	I will revoke my TIN as a married woman even though tax authorities will audit me	66.96	4.02
2	I am willing to incur additional costs for the assistance I receive in connection with completing the attachment of separate filing of tax marital status.	46.47	2.79
3	I am able to pay off the income tax payable if my Tax Return status is underpaid.	68.04	4.08
4	If my husband was unemployed, I would ask for the unemployed certificate from the local district.	64.41	3.86
	Total	61.47	3.69

Source: Data processed by the authors (2023)

WPW3 argued that the tax authority should cover this cost. The tax authority (KPW2) has indicated that high-income individual taxpayers voluntarily incur additional expenses by engaging tax consultants to assist with the completion of separate tax returns. This study found that respondents were slightly in agreement (66.96%) with taking the risk of a tax audit when revoking the TIN if they opt for joint filing, compared to other costs. Similar findings are observed when considering the administrative costs associated with collecting husbands' unemployed certificates to claim full non-taxable income benefits in cases where the husband is unemployed. Taxpayers may be willing to pay their underpaid income taxes. Regarding the issue of underpaid status, the interviews revealed the necessity of implementing an effective tax withholding system to address the problem of tax burden. Tax consultants argue that although many taxpayers still fail to pay their underpaid taxes, the willingness to pay is more significant than the ability to do so. Therefore, they emphasize the importance of moral suasion in encouraging people to fulfil their tax obligations. A higher cost of compliance would negatively impact tax

compliance due to a low perceived economy (Musimenta, 2020; Oecd, 2004; Tilahun, 2019).

The Effect of Perceived Gender Equality and Women's Tax Rights on Tax Compliance

Table 6 demonstrates the validity of all perceived qualities of good administration systems—certainty, convenience, and economy—as their r values exceed the r table. The validity of the equality principle cannot be tested due to a single question. A pilot study was conducted to establish face validity, but the reliability tests indicated that certain variables were not reliable. This study includes these variables for quantitative analysis based on their construct validity, which the literature identifies as a crucial aspect of a good tax administration system (Smith, 1776).

Different diagnostic tests were performed to verify the goodness-of-fit of the model. The specification error test indicates that the model is free from misspecification errors. The results of the Hosmer and Lemeshow tests indicated a good fit for the model. The VIF values indicate that the model is not affected by multicollinearity. The binary logistic regression model met the criteria for a good fit. The results of the binary logistic regression analysis presented in Table 7 indicate a significant association between education, the perceived equality of income tax regulations, and tax compliance among married women. Higher levels of education are associated with a higher likelihood of taxpayers accurately reporting their marital status on their annual tax returns. This finding suggests that taxpayers with higher levels of education are 1.5 times more likely to complete their annual tax return correctly. The perception of inequality is associated with a reduced likelihood of accurately reporting marital status on the annual tax return. This finding suggests that a negative perception of equality is associated with a 0.74 decrease in the likelihood of taxpayers correctly filling in their annual tax return.

Table 6. Validity and Reliability Tests

Code	Statements/Indicators	Validity (r stat)*	Reliability (Cronbach Alpha)
Certainty (CRTN)			0.8746*
CRTN1	Married women can choose either joint filing or separate filing.	0.8082	
CRTN2	Married women who choose joint filing have to apply for revocation of their own Tax Identification Number (TIN).	0.7939	
CRTN3	If a married woman does not apply for the removal of her own TIN, she is automatically deemed to have chosen separate filing.	0.7100	
CRTN4	The tax treatment for married women, who choose joint filing, and work only from one provider, is final, so there is no need to pay additional Income Tax when reporting the Annual Tax Return.	0.7223	
CRTN5	Married women who wish to choose separate filing are needed to provide a written statement.	0.6468	
CRTN6	If I choose separate filing, I must fill in the attachment of separate filing of tax marital status above.	0.7989	
CRTN7	In calculating income tax for separate filing, the husband and wife's net income must be combined.	0.5864	
CRTN8	I know that separate filing has the potential to result in a higher income tax because the additional income from married women will go into a layer of higher tax rates.	0.6977	
CRTN9	If the husband is not working, the married woman must request a written statement from the local district government stating that the husband has no income to obtain tax exempt for marriage status.	0.6298	
Equity (EQTY)			NA
EQTY1	The tax treatment for married women with Separate Filing should not be calculated separately; the income calculation should not be based on their own income; not similar to the tax calculation of working women who are not married.	NA	

Table 6. Continued

Code	Statements/Indicators	Validity (r stat)*	Reliability (Cronbach Alpha)
Convenience (CNVN)			0.6991*
CNVN1	I don't need assistance in completing the attachment of separate filing of tax marital status.	0.7086	
CNVN2	I can still easily determine the net income of my partner even though we choose separate filing.	0.6238	
CNVN3	I will ask for the unemployed certificate even though it can reveal the family's disgrace.	0.6192	
CNVN4	The husband's unemployed certificate should be limited provided by the local district only.	0.7443	
Economy (ECNM)			0.5311
ECNM1	I will revoke my TIN as a married woman even though tax authorities will audit me	0.5243	
ECNM2	I am willing to incur additional costs for the assistance I receive in connection with completing the attachment of separate filing of tax marital status.	0.6492	
ECNM3	I am able to pay off the income tax payable if my Tax Return status is underpaid.	0.7138	
ECNM4	If my husband was unemployed, I would ask for the unemployed certificate from the local district.	0.6987	
*Note: r table for 168 sample (DF=n-2) significant level at 0.05 (one tailed): 0.1266. All variables have r value > 0.1266 and therefore are valid. Variables of Certainty and Convenience are reliable with the Cronbach alpha > 0.6			

Table 7. Binary Logistic Regression Results

Variables	Coefficient	Z value	P value
EDUC1	0.4037	1.55	0.0610*
GDR	0.0779	0.23	0.4100
KNOW	0.1044	0.21	0.4185
ECON	0.1004	0.30	0.3810
CERT	0.0496	0.15	0.4410
CONV	-0.1503	-0.46	0.3225
EQUI	-0.2992	-2.24	0.0125**
_cons	0.7802	1.05	0.1475
Obs	170		
Pseudo R2	0.0423		
LR chi2(7)	9.81		
Prob > chi2	0.1998		
Note: * significant with $\alpha=10\%$; ** significant with $\alpha=5\%$;			

CONCLUSION

This study assesses the quality of income tax regulations for married women in Indonesia and their impact on tax compliance. This study utilised triangulation data to determine that taxpayers have a relatively low to moderate perception of income tax regulations pertaining to the fulfilment of tax rights for married women. The equality aspect has the lowest level at 45.78%, while the convenience and economic aspects are at 59.89% and 61.47%, respectively. The highest level of agreement is 69.06%, which is achieved in the certainty aspect. This study found a significant relationship between education, the perceived equality of income tax laws, and tax compliance among married women. The findings indicate that the welfare state has altered horizontal income inequality. This study provides policy recommendations for tax policymakers to promote equal treatment and tax rights for married women. It is important to ensure equal treatment of female taxpayers under income tax rules, regardless of their marital status. This includes treating married women equally, whether they choose to file their taxes separately or jointly. The simplification of tax administration is crucial for married women to reduce tax compliance costs and assert their complete tax rights. This study offers insights for married female taxpayers on effectively managing their taxes, adhering to regulations, and mitigating potential increases in income tax liabilities. Taxpayers have the option to enhance their knowledge of income tax calculation, complete their annual tax filing, or seek guidance from tax consultants and advisors at the tax office. This study has several limitations, such as a relatively small sample size. Therefore, caution should be exercised when generalising the quantitative results to populations beyond the ones studied. It is important to note that the qualitative analysis does not aim to provide generalizable findings. The study's definition of tax compliance is restricted to the accurate fulfilment of tax marital status in yearly tax returns. The results of the quantitative binary logistic

analysis indicate a low pseudo-R², suggesting that future research should consider examining additional variables proposed by tax compliance theory and expanding the definition of tax compliance. This is necessary because tax compliance behaviour is a multifaceted issue. The structural equation model can be used to enhance the analysis, in addition to other quantitative models.

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DISCLOSURE STATEMENT

No potential conflict of interest was reported by the author(s).

DATA AVAILABILITY

Data provided in this paper is available upon reasonable request.

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APPENDIX Interview Guidelines for Tax Consultant

Principles	Interview guidelines
Taxpayer's right to obtain information	How is individual taxpayers' knowledge related to filling in status in the Annual SPT (in terms of filing status of "KK, HB, PH, MT")?
	Do individual taxpayers know the consequences of choosing this status? What are the consequences?
	Has the DGT carried out adequate outreach regarding the tax rights and obligations of married women?
	If you know that the income tax you will pay will be greater, do married women still want to choose to be separated?
Certainty	Married women who wish to join their husband's Tax ID are required to apply for the deletion of their own Tax ID. What is your view of this rule?
	What if a married woman already had a Tax ID before marriage and actually wanted to join her husband, but for one reason or another they still haven't closed their Tax ID and they have never made a statement that they want to be separated, are there any implications for their tax obligations?
	What do you think, where separate filing ("MT") in Indonesia instead uses combined income calculations? Meanwhile, if we look at other countries such as Singapore and Malaysia, separate filing means that the calculation does not require information regarding the partner's income data. Can the term separate filing in Indonesia ("MT") cause misunderstandings when viewed from the meaning of the word itself?
	To obtain the status of PTKP K/-, married women must obtain a certificate from the sub-district. How many married female taxpayers have obtained this certificate?
	What if it turns out that the wife has the main income and has a Tax ID while the husband has no income or Tax ID?
	In your opinion, if the Tax ID is integrated with the Citizen's ID, will it be easier to detect couples who have not reported their Annual Tax Return's status correctly? What are the anticipations?
a. Justice b. Perceived Inequity	Married women who have income from one employer and do not wish to be separated will be treated as final income. Do you think this is equal treatment to married women with "PH or MT" status?
Convenience	Does limiting the minimum certificate from the sub-district make it easier for individual taxpayers?
	There are several conditions that cause individual taxpayers to not be able to choose "PH and MT" status when filling out the Annual Tax Return, such as when one partner has no income or only final income, so the status chosen must be head of family or "KK". Doesn't this affect compliance in filling in status in the individual taxpayers Annual Tax Return?
Economy	Is there a fear that married women will be questioned to close their Tax ID so they can join their husband?
	If it turns out you have to make restitution, is it easy to make restitution? Can this be done through book transfer?
	Is this proportional calculation policy based on net income beneficial for taxpayers?
Effectiveness	How often does a "PH or MT" calculation based on proportional net income result in one spouse's Annual Tax Return being overpaid while the other spouse has to

Principles	Interview guidelines
	pay more?
a. Financial Burden b. The Cost of Compliance	If there is an overpayment or underpayment, will this affect the individual taxpayers' compliance in filling in the status in the Annual Tax Return?