



Abstract

This thesis researches the association between trust in government and high tax morale in Indonesia. High tax morale becomes crucial since taxes are the government's primary source for forging society's well-being. This thesis employs a quantitative method using logistic regression. This thesis utilizes the data from World Values Survey (WVS) wave seventh in Indonesia. This thesis reveals that the reciprocity mechanism between trust in government and high tax morale does not transpire in Indonesia. The regression result shows no association between the two variables. High tax morale in Indonesia operates with other mechanisms except for reciprocity. Because of it, this study explores other variables associated with tax morale in the former studies. This thesis indicates that educational attainment strongly associates with tax morale in Indonesia. This study also finds that age, gender, life satisfaction, and collectivistic cultural orientation are positively associated with high tax morale. Therefore, this thesis argues that government funding from taxes will be sustainable if the government develops appropriate education policies, constructs citizens' well-being, and builds people's solidarity. The government should enact policies to ensure every citizen finishes compulsory education. In addition, the government must integrate the knowledge about taxes and the benefits of taxes in the school and university curricula. The government also must participate in generating a sense of solidarity and citizens' well-being through strengthening social policies and using taxes as the primary resources for financing social policies.

Keywords: high tax morale, trust in government, tax compliance, citizenship