



# Public Service Quality and Taxpayer Compliance: A Governance Perspective

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## Abstract

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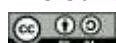
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The quality of public service plays a fundamental and strategic role in shaping a reciprocal and sustainable relationship between the government and society. This study aims to analyze in depth the correlation between public service quality and the level of taxpayer compliance using a library research approach based on publications from the last five years. Transparent, accountable, and responsive public services not only improve citizen satisfaction but also enhance institutional legitimacy, strengthen public trust, and foster a sense of fairness within the fiscal system. Conversely, poor service delivery, bureaucratic inefficiency, and lack of transparency tend to diminish public confidence and reduce the willingness to comply with tax obligations. Findings from various empirical studies demonstrate that high-quality service significantly influences taxpayer motivation, fiscal literacy, voluntary compliance, and perceptions of distributive and procedural justice. This study highlights the importance of continuous public service reform founded on the principles of good governance, efficiency, and citizen-oriented administration. Strengthening these elements is essential to creating a participatory, transparent, and trustworthy governance framework that promotes sustainable tax compliance and supports inclusive national development

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## **1. Introduction**

Public service is a fundamental aspect of modern governance systems as it serves as the main bridge between the state and society. The function of public service is not merely limited to the provision of goods and services, but also acts as a strategic instrument for building social trust and political legitimacy towards the government (Umar et al., 2019). High-quality public service reflects the efficiency, fairness, and professionalism of the bureaucracy, and is an important indicator for assessing the effectiveness of government administration. Quality public service indicates that the government is capable of prioritizing the interests of the community, thereby strengthening the reciprocal relationship between citizens and the state within the framework of the social contract.

In the context of taxation, excellent public service has a significant influence on taxpayer compliance behavior. When the public receives fast, transparent, and fair services, public trust in fiscal institutions increases, which ultimately encourages active participation in fulfilling tax obligations (Lukman et al., 2022). Conversely, if tax administration procedures are complex, officer attitudes are unprofessional, and there is a lack of transparency in the management of public funds, public trust in the tax system will decrease and impact the reduction of fiscal compliance. The quality of interaction between tax officials and taxpayers is thus an important dimension that reflects the extent to which public service can build positive perceptions of government fairness and integrity.

Various research results show that taxpayers' perceptions of public service quality have a direct correlation with fiscal compliance attitudes and behavior.

Ratnawati et al. (2019) emphasize that good public service is capable of fostering awareness, strengthening the perception of fairness, and building a sense of social responsibility among taxpayers. Through the provision of services oriented toward community needs, the government not only acts as a fiscal regulator but also as a moral agent that builds ethical communication with citizens. In this context, public service can be viewed as a moral and social medium that facilitates a relationship of trust between the community and the state, thereby sustainably increasing fiscal legitimacy.

Furthermore, improving the quality of public service has broad economic implications for national stability and growth. A government that is able to provide public services efficiently, transparently, and justly will create a conducive investment climate, strengthen business confidence, and expand the tax base through increased voluntary compliance. Dharmayanti (2023) asserts that good public service quality will create a positive cycle between state revenue and service improvement. The higher the tax revenue, the greater the government's fiscal capacity to improve the quality of public service, thereby creating a productive reciprocal relationship between service and tax compliance.

Nevertheless, challenges in the implementation of public service in developing countries remain complex. Low bureaucratic accountability, slow administrative processes, and limitations in the application of digitalization are significant obstacles to the effectiveness of public service. Modernizing service governance through the use of information technology, the implementation of e-government systems, and the strengthening of good governance principles are

strategic steps that need to be continuously developed. Bureaucratic reform based on transparency, accountability, and public satisfaction orientation is believed to strengthen fiscal legitimacy and increase tax compliance sustainably.

Based on this conceptual foundation, this research aims to analyze the relationship between the quality of public service and taxpayer compliance through a literature review approach. The main focus of this study is to identify the contribution of public service dimensions such as reliability, fairness, accountability, and public satisfaction to the increase in fiscal compliance. By using a literature synthesis approach, this research is expected to provide a comprehensive theoretical understanding of the strategic role of public service quality in supporting the effectiveness of the taxation system and strengthening governance that is integrated and oriented towards community interests.

## **2. Literature Review**

### **2.1. Dimensions of Public Service Quality**

Public service quality is a fundamental component in building community trust towards the government and creating a sustainable fiscal relationship. Based on the model proposed by Parasuraman et al., the dimensions of public service include reliability, responsiveness, assurance, empathy, and tangibles, which conceptually become the main benchmarks for assessing the quality of public service. Sukesi and Yunaidah (2020) affirm that the application of these dimensions in the context of tax services directly influences the level of taxpayer satisfaction and compliance.

Services provided quickly, fairly, and oriented towards community needs are able to increase positive perceptions of government performance and strengthen institutional legitimacy. In line with these findings, Ratnawati et al. (2019) show that good public service quality, when integrated with accountability and fiscal education, becomes the main foundation for the formation of taxpayer compliance behavior. Public accountability in the management of tax revenue plays an important role in fostering fiscal legitimacy and increasing the social responsibility of citizens.

The research by Artawan et al. (2020) also highlights that public service quality functions as a strategic instrument in building taxpayer trust and satisfaction, which in turn strengthens the community's moral motivation to fulfill tax obligations voluntarily. Furthermore, Dharmayanti (2023) asserts that the application of digital-based public service systems in the tax sector not only accelerates administrative processes and increases bureaucratic efficiency but also contributes to reducing the potential for fiscal irregularities. This modernization of public service that prioritizes transparency and effectiveness is in line with the principle of good governance, which places accountability, efficiency, and fairness as the main pillars of integrated governance.

## **2.2. Relationship Between Service Quality and Tax Compliance**

Public service quality has a significant and influential relationship with taxpayer compliance behavior. Umar et al. (2019) suggest that public perception of the effectiveness of government administration is the main determinant in forming the level of fiscal compliance. The higher the level of public trust in the quality of

services provided by the government, the greater the community's tendency to voluntarily comply with tax regulations.

Research conducted by Lukman et al. (2022) reinforces these findings by showing that optimal public service quality positively influences the level of taxpayer satisfaction and compliance. The study also confirms that the dimensions of reliability and responsiveness are the most dominant factors in forming positive perceptions of fiscal services. Marlina and Kuntadi (2023) add that good understanding of tax accounting and high-quality fiscal services have a significant influence on taxpayer compliance, especially through increased trust and perception of fairness towards the tax system. The consistency of these findings is reinforced by Putra et al. (2023) who show that providing tax services professionally, transparently, and with integrity can reduce community resistance to tax obligations.

Thus, public service functions not only as an administrative mechanism but also as a psychological instrument that plays an important role in strengthening government legitimacy in the eyes of the public. Furthermore, a comparative study by Nguvava and Sangar (2024) asserts that public service quality has a mediating effect between tax awareness and actual compliance behavior. The study emphasizes the importance of increasing the competence of tax officials through customer-oriented training to build fiscal loyalty and increase long-term compliance sustainably.

### **2.3. Public Service Reform and Fiscal Implications**

The quality of public service plays a role that is not only limited to increasing public satisfaction but also significantly influences the fiscal performance and

effectiveness of a country's taxation system. Umar et al. (2019) affirm that government effectiveness in providing inclusive public services functions as an important mediating factor between the socioeconomic conditions of the community and the level of tax compliance. Countries that implement good and integrated public governance generally show a higher level of tax compliance because the community feels that their tax contributions provide real benefits to collective welfare. In line with this, Dharmayanti (2023) highlights that digital transformation in the tax service system is capable of strengthening fiscal accountability through increased administrative efficiency and transparency in tax data management. Service digitalization not only simplifies the reporting process but also fosters public trust in the state's fiscal system.

Other findings by Sukesi and Yunaidah (2020) indicate that tax socialization activities and the implementation of superior service significantly increase taxpayer understanding and participation in the national tax system. Artawan et al. (2020) add that public service that focuses on building taxpayer trust and satisfaction functions as a catalyst for the growth of community fiscal awareness. Thus, public service reform based on a citizen-centric approach is needed so that the tax system becomes more adaptive, participatory, and fair. Various literature findings in the last five years show that public service quality is a strategic instrument for increasing tax compliance while strengthening governance that is transparent and oriented towards public welfare.

### **3. Method**

This research implements the literature review (library research) method as the main approach in analyzing the relationship between public service quality and taxpayer compliance. This method was chosen because the research objective focuses on identifying conceptual and empirical patterns that emerge from various previous studies published in the last five years. The literature review approach allows researchers to gain a deeper understanding of the theories, variables, and relevant empirical evidence to build a comprehensive scientific synthesis. The main data sources are scientific articles indexed in reputable databases such as Google Scholar or Research Gate with themes related to public service quality, taxpayer compliance, trust in government, and good governance.

The literature search process was carried out using the keywords ‘quality of public service and tax compliance,’ ‘governance and taxpayer trust,’ and ‘service quality in tax administration.’ The selected articles were limited to publications in the last five years to be relevant to current empirical conditions. Each article was strictly selected based on three main criteria: relevance to the research focus, availability of empirical data or conceptual studies explaining the relationship between variables, and publication in scientific journals that apply a peer-review system. The data collection stage was carried out by in-depth reading, recording important findings, and classifying research results into main themes such as dimensions of service quality, factors of public trust, and fiscal compliance. Data analysis in this research uses a content analysis approach and thematic descriptive analysis. Content analysis aims to trace the relationship patterns, trends, and tendencies of previous research

results, while thematic analysis is focused on identifying conceptual similarities, especially regarding the role of transparency, accountability, and taxpayer satisfaction in strengthening fiscal compliance.

The results of the study from various sources are then synthesized in the form of a scientific narrative that shows the relationship between public service theory and tax compliance behavior, thereby producing a conceptual framework that can be used as a basis for future empirical research. To maintain the validity and credibility of the findings, this research applies a source triangulation technique by comparing results from different articles to obtain objective conclusions. All references used originate from credible academic publications, so the synthesis results have high scientific reliability. Through a systematic literature review approach, this research not only explains the relationship between public service quality and tax compliance but also provides a theoretical contribution to the development of fiscal service improvement policies based on the principle of good governance.

#### **4. Results**

The results of this study confirm that the quality of public service has a close and significant relationship with the level of taxpayer compliance. Based on a review of a number of studies in the last five years, it was found that the dimensions of service reliability (reliability), responsiveness, fairness, and transparency are the main variables that play a role in influencing the public's fiscal behavior. Quality public service not only results in administrative satisfaction but also fosters public trust in

government, which is the moral foundation for the formation of tax compliance. The literature analysis shows that positive perceptions of public service quality directly affect the public's willingness to fulfill tax obligations. Umar et al. (2019) suggest that the effectiveness of public governance, which is reflected in the quality of service, has a role as a mediating variable between socioeconomic conditions and taxpayer compliance. Governments that are able to provide public services efficiently and fairly tend to gain stronger fiscal legitimacy (Furqan et al., 2021). In the context of developing countries, perceptions of fairness and the benefits of taxes are proven to have a greater influence than the mere existence of regulations and sanctions.

Furthermore, research conducted by Ratnawati et al. (2019) confirms that service quality, accountability, and tax education have a positive impact on individual compliance in fulfilling tax obligations. These findings emphasize that the educational dimension in public service makes a significant contribution to the formation of public fiscal awareness. Tax education integrated with transparent public services can strengthen the perception of fairness regarding the distribution of public funds. Public understanding of how taxes are used for development also increases the sense of social responsibility and fiscal morality. This is in line with the view that increasing tax literacy functions as a strengthener of the relationship between public service and tax compliance.

The research by Sukesni and Yunaidah (2020) also strengthens this argument by showing a positive correlation between tax socialization and superior service towards the level of taxpayer satisfaction and compliance. When the public obtains

adequate information and professional service from tax officials, resistance to the tax system tends to decrease. This condition confirms the importance of effective public communication and quality interaction between tax officials and the public as service users. The dimensions of service reliability and responsiveness are the most dominant indicators that affect the level of satisfaction and fiscal compliance. Lukman et al. (2022) found that fast, clear, and friendly service is able to create a positive experience that increases public fiscal loyalty. They emphasize that public service functions not only to enforce regulations but also as a means to build partnership between the government and citizens in the development process. This finding is consistent with the service-dominant logic principle that focuses on the creation of shared value between service providers and beneficiaries.

Research by Marlina and Kuntadi (2023) shows that tax accounting understanding and fiscal service quality simultaneously influence the level of taxpayer compliance. The higher the level of taxpayer understanding of administrative mechanisms, the stronger the positive influence of service quality on compliance behavior. Public service that is informative as well as educational strengthens the perception that taxes are a social instrument for equal distribution of welfare, not merely a financial burden. In the context of modern fiscal administration, Simatupang et al. (2023) highlights the important role of digitalization of tax services in increasing system efficiency and accountability. The implementation of information technology such as e-filing and e-billing is proven not only to reduce the administrative burden but also to expand transparency. These technology-based innovations help narrow the information gap between the

government and taxpayers and reduce the potential for administrative irregularities. Thus, public service digitalization becomes an important instrument in strengthening the integrity of the tax system and building public trust in the government.

In the realm of fiscal fairness, Putra et al. (2023) suggest that the perception of public service fairness has a strong connection with voluntary compliance. When taxpayers assess that the public service they receive is commensurate with the contribution given, they tend to comply with tax obligations without legal coercion. This shows that the application of distributive justice and procedural justice principles is an important element in a modern tax system that is oriented towards community participation. The factors of trust in tax officials and the integrity of public institutions also have a significant influence on compliance behavior. Artawan et al. (2020) show that public service supported by employee integrity is capable of increasing taxpayer trust and satisfaction. This trust creates a harmonious social relationship between the community and the state, which is an essential basis for the sustainability of national development. When the public is confident that tax officials work professionally and ethically, tax compliance will grow naturally without the need for external coercion.

Cross-country research conducted by Nguvava and Sangar (2024) provides a comparative perspective by asserting that public service quality acts as a mediating variable between tax awareness and actual compliance behavior. This means that high tax awareness will not be effective if it is not balanced by the provision of adequate public service. This finding confirms that tax compliance improvement

policies must be holistic by considering the dimensions of service, education, and public trust. In general, the results of the literature synthesis show a consistent relationship pattern between public service and taxpayer compliance. First, quality public service directly increases public fiscal satisfaction and compliance. Second, service quality builds public trust in the government, which in turn encourages tax compliance. Third, the perception of fiscal fairness strengthens the community's willingness to pay taxes voluntarily. Fourth, tax literacy and socialization function as moderating factors that strengthen the influence of service quality on taxpayer compliance.

This relationship pattern confirms that public service reform must be directed at integrating the dimensions of fairness, transparency, and fiscal education (Sari & Muslim, 2023). The government needs to adopt a more participatory approach by involving the public in the process of evaluating and improving public service performance. In addition, increasing the capacity of human resources in the tax sector is an important prerequisite for creating more professional, communicative, and humane interactions between tax officials and taxpayers. The literature review also shows that public service quality not only affects fiscal compliance in the short term but also has long-term implications for fiscal stability and the political legitimacy of the state. Governments that are able to demonstrate accountability and openness in managing public funds will build a positive image and fiscal loyalty in the eyes of the public.

Thus, quality public service acts as a catalyst in realizing inclusive, fair, and sustainable economic development. The results of this literature review strengthen

the theory that public service is a strategic instrument for building public trust while increasing tax compliance. The success of a modern tax system depends not only on regulations and administrative sanctions but also on the quality of interaction and the experience of the public as recipients of public service. Therefore, public service reform based on digital, transparent, and citizen-needs-oriented approaches is a strategic direction for strengthening the integrated fiscal system and increasing state legitimacy in the public eye.

## **5. Discussion**

The findings of this research affirm that the quality of public service is a key factor determining the level of taxpayer compliance. Good public service is not only related to administrative efficiency but also concerns the dimensions of trust, fairness, and transparency. This finding is consistent with the research by Bakar et al. (2023), which showed that the effectiveness of government administration and the quality of public service significantly influence the public's fiscal compliance behavior. This means that transparent and accountable public service creates moral legitimacy for the government in managing taxes. Theoretically, the relationship between public service and tax compliance can be explained through the trust theory and good governance framework.

Trust theory emphasizes that trust in public institutions acts as a mediating factor between service and citizen behavior. When the public assesses that the government provides fair and responsive service, they tend to view tax payment as a form of voluntary contribution for the common good. This is also asserted by

Yuniati et al. (2019), who found that transparency and accountability in service increase fiscal awareness and reduce resistance to tax obligations. In addition, Putra et al. (2023) assert that high-quality tax service contributes to the increase in voluntary tax compliance, especially through the dimension of perceived fairness. When taxpayers feel that the service system is fair and non-discriminatory, the internal motivation to comply increases. This indicates that public service has a moral not just administrative function in strengthening social integration between the state and its citizens.

Simatupang et al. (2023) research also shows that the modernization of digital-based services has a positive impact on taxpayer satisfaction and compliance. Digitalization reduces the potential for corruption and increases efficiency in terms of time and cost. With the e-filing and e-payment systems, taxpayers can experience the ease and speed of service, thus increasing their perception of government professionalism. However, other findings indicate that public service quality is not yet fully equitable. Some studies, such as those reviewed by Sukesni and Yunaidah (2020), highlight existing constraints in the form of limited human resources, lack of training for officials, and low public understanding of tax rights and obligations. This indicates that efforts to improve public service quality must be accompanied by sustainable fiscal education programs.

This discussion underscores that increasing tax compliance is not merely the result of law enforcement or administrative sanctions, but also a consequence of the increasing quality of interaction between the government and the community. Public service reform that emphasizes good governance principles such as accountability,

transparency, participation, and efficiency is a strategic step towards a fair and sustainable tax system (Salam, 2023). Thus, it can be concluded that professional, transparent, and citizen-satisfaction-oriented public service not only strengthens bureaucratic performance but also becomes an important instrument for fostering voluntary fiscal compliance. The quality of public service functions as a bridge between government legitimacy and public fiscal loyalty, both of which are the main foundations for national economic stability.

## **6. Conclusion**

This research concludes that the quality of public service has a significant influence on the level of taxpayer compliance. Transparent, accountable, and responsive public service not only reflects bureaucratic effectiveness but also plays a role in building government trust and legitimacy in the eyes of the public. Findings from various literature sources show that quality public service is capable of creating a perception of fairness and increasing voluntary compliance, where taxpayers view tax payment as a form of participation in national development. The modernization of the public service system, especially through digitalization, is proven to increase efficiency, reduce the potential for irregularities, and strengthen transparency.

However, the improvement of public service quality must be accompanied by increased official capacity, fiscal education, and continuous supervision so that the benefits are felt equitably. Thus, public service reform based on good governance is the main key to strengthening fiscal compliance and expanding the state revenue base. The government needs to prioritize the principles of efficiency, integrity, and

orientation towards public satisfaction as part of the strategy to build a tax system that is fair, participatory, and sustainable.

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