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DOI: 10.22219/jaa.v9i2.44257

Citation:
Manubulu, H, A., Minggu, A, M., Sinaweni, M, T. Determinants Of The Use Of Tax Consultant Services By Corporate Taxpayers. Jurnal Akademi Akuntansi, 9(2), 243-261.

Article Process
Submitted:
March 7, 2026

Reviewed:
March 8, 2026

Revised:
April 10, 2026

Accepted:
April 13, 2026

Published:
May 19, 2026

Office Address:
Accounting Department University of Muhammadiyah Malang Joint Lecture Building 3rd Floor. Tlogomas Street 246, Malang, East Java, Indonesia

P-ISSN: 2715-1964
E-ISSN: 2654-8321

Article Type: Research Paper

Determinants of the use of tax consultant services by corporate taxpayers

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ABSTRACT

Purpose: This study analyzes the determinants influencing the use of tax consultant services among corporate taxpayers in Kupang City, Indonesia, focusing on tax knowledge, perceptions of tax consultants, perceptions of Account Representatives, and tax audits.

Methodology/approach: A quantitative survey method was employed using questionnaire data from 35 corporate taxpayers who had utilized tax consultant services, selected through purposive sampling. The data were analyzed using Structural Equation Modeling–Partial Least Squares (SEM–PLS) with SmartPLS 4.

Findings: The results indicate that the perception of tax consultants has a positive and significant effect on the use of tax consultant services. In contrast, tax knowledge, perceptions of Account Representatives, and tax audits do not significantly influence corporate taxpayers' decisions to use such services.

Practical and Theoritical contribution/Originality: This study provides empirical evidence on factors influencing the use of tax consultant services in Eastern Indonesia and highlights the importance of strengthening tax consultants' professionalism and credibility to enhance taxpayer trust and service utilization.

Research Limitation: The study is limited by its small sample size and focus on a single city. Future research should involve larger samples and broader geographic coverage.

Keywords: Account Representative; Tax Audit; Tax Consultant; Tax Knowledge.

INTRODUCTION

The development of the taxation system in Indonesia has undergone significant transformation in response to the need to increase state revenue, adjust fiscal policies, and address global economic dynamics. The modernization of tax administration through the digitalization of services such as e-Filing and e-Bupot as well as continuous regulatory reforms has created an increasingly complex taxation environment (Pajak, 2021). This condition requires taxpayers, particularly corporate taxpayers, to have an adequate understanding of applicable tax regulations.

However, the complexity of technical and dynamic tax regulations often makes it difficult for taxpayers to fulfill their obligations optimally. Rapid policy changes may lead to administrative or interpretative errors, which in turn may result in sanctions and financial losses (Adem et al., 2024). Therefore, professional support is needed to assist taxpayers in managing their tax obligations properly.

In this context, the role of tax consultants becomes increasingly relevant. Tax consultants act as professionals who assist taxpayers in interpreting regulations, conducting tax planning, and ensuring accurate compliance with tax obligations. Law Number 36 of 2008 and Ministry of Finance Regulation Number 175/PMK.01/2022 emphasize that tax consultants are professionals authorized to provide consultation services to help taxpayers fulfill their rights and obligations in taxation matters. Thus, tax consultants function as strategic partners in minimizing reporting errors and improving tax compliance.

The demand for tax consultant services continues to increase alongside the growth in the number of taxpayers and business activities in various regions. Data from the Directorate General of Taxes indicate that the number of registered taxpayers in Indonesia has shown a significant upward trend, reaching more than 69 million taxpayers in recent years (K. K. R. Indonesia, 2020). However, this growth has not been accompanied by a proportional increase in the number of professional tax consultants, creating a service gap that potentially increases reliance on tax consultant services, particularly among corporate taxpayers facing complex tax regulations (Pajak, 2021; Statistik, 2022). Reports from the Ministry of K. K. R. Indonesia, (2020) indicate that although the number of taxpayers has increased significantly, this growth However, this growth has not been accompanied by an adequate increase in the number of tax consultants. Data indicate that Indonesia has more than 69 million registered taxpayers, including approximately 3–4 million corporate taxpayers, while the number of licensed tax consultants is estimated to be only around 6,000–7,000 professionals nationwide (I. K. P. Indonesia, 2022; K. K. R. Indonesia, 2020). This implies a substantial imbalance, where one tax consultant may potentially serve thousands of taxpayers, highlighting the increasing reliance on professional tax advisory services, particularly among corporate taxpayers facing complex regulatory requirements. This imbalance may affect the effectiveness of tax compliance, particularly in developing regions such as Kupang City in East Nusa Tenggara, which is currently experiencing economic growth and the establishment of new businesses (Statistik, 2022).

As the number of corporate taxpayers and MSMEs increases, the demand for tax consultant services also rises, particularly in tax planning and tax compliance. This condition indicates that tax consultants function not only as technical service providers but also as strategic partners in business decision-making related to taxation. Previous studies have examined factors influencing taxpayers' interest in using tax consultant services. Novalia et al., (2022) found that taxpayers' knowledge and their desire to fulfill tax obligations correctly are the main driving factors behind the use of tax consultants. Meanwhile, Ananda et al., (2025) stated that tax knowledge, perceptions of tax consultants, and perceptions of account representatives significantly influence the interest in using tax consultant services.

Different results were found by Nuryatno, (2019), who revealed that tax knowledge has a negative effect on the interest in using tax consultants because taxpayers with better knowledge tend to manage their tax obligations independently. Rahayu & Fidiana, (2018) also found that the quality of tax authority services and tax knowledge play important roles in increasing taxpayer compliance, although the role of tax consultants is not always significant. Modern tax systems increasingly require taxpayers to understand complex regulations and administrative procedures. A higher level of tax knowledge is often associated with improved compliance behavior and decision-making in managing tax obligations (Devos, 2012; Kirchler, 2007; Saad, 2014). In practice, many corporate taxpayers rely on professional assistance to interpret tax regulations and minimize compliance risks (Haryanti, 2019). Tax consultants play an important role in helping taxpayers manage reporting obligations and develop effective tax planning strategies (Devos, 2012; James & Nobes, 2018).

In addition, recent studies in accounting research emphasize that corporate financial behavior, governance practices, and transparency mechanisms significantly influence managerial decisions related to financial reporting and regulatory compliance. These factors may indirectly shape how firms respond to taxation complexity and professional advisory services (Wulandari & Suryandari, 2026). Previous studies indicate that taxpayer perceptions toward tax professionals significantly influence their decision to use tax consultant services (Novalia et al., 2022; Nuryatno, 2019). Positive perceptions regarding competence, professionalism, and credibility of consultants can increase taxpayers' trust in using professional services (Kirchler et al., 2008). In addition, tax audits function as an enforcement mechanism intended to increase taxpayer compliance through deterrence and learning effects (Alm, 2019). However, several studies indicate that enforcement alone does not always guarantee higher compliance if it is not accompanied by trust in tax authorities and quality services (Alm, 2019; Kirchler et al., 2008).

Previous studies have extensively examined the determinants influencing the use of tax consultant services; however, their findings remain inconsistent and fragmented. For instance, Novalia et al., (2022) found that tax knowledge significantly influences taxpayers' interest in using tax consultant services, while Ananda et al., (2025) confirmed that tax knowledge, taxpayer perceptions, and motivation simultaneously affect such decisions. In contrast, Nuryatno, (2019) reported that tax knowledge has a negative effect, indicating that more knowledgeable taxpayers tend to manage their tax obligations independently. Furthermore, Susilowati & Mappanyukki, (2023) demonstrated that tax knowledge does not significantly affect the use of tax consultant services, highlighting inconsistency in empirical evidence. Other studies, such as Fahrizal, (2024), emphasize the importance of tax consultants in assisting audit processes, yet they focus primarily on specific contexts rather than general usage behavior.

Despite these contributions, several limitations remain. First, most prior studies focus on taxpayers' intention or interest, rather than actual usage behavior, which may lead to different interpretations due to the intention–behavior gap. Second, previous research is predominantly conducted in major urban areas, limiting the generalizability of findings to developing regions, particularly in eastern Indonesia. Third, existing studies tend to examine variables in isolation without integrating perceptions of tax consultants, perceptions of account representatives, tax audits, and tax knowledge into a comprehensive model.

Therefore, a clear research gap exists in examining the actual use of tax consultant services using an integrated model within a developing regional context.

This study offers several novelties compared to prior research. First, from a conceptual perspective, this study shifts the focus from behavioral intention to the actual use of tax consultant services, thereby providing more accurate empirical evidence of taxpayer behavior. Second, from a contextual perspective, this research is conducted in Kupang City as a representation of a developing region in eastern Indonesia, which has been largely underexplored in prior studies dominated by urban settings. Third, from a model development perspective, this study integrates multiple determinants tax knowledge, perceptions of tax consultants, perceptions of account representatives, and tax audits into a unified analytical framework. Finally, from a methodological perspective, this study employs SEM-PLS to analyze complex relationships among variables, which allows for better predictive capability and suitability for small sample sizes.

Based on the identified research gap, this study aims to analyze the effect of tax knowledge, perceptions of tax consultants, perceptions of account representatives, and tax audits on the actual use of tax consultant services among corporate taxpayers in Kupang City. This research is important because the increasing complexity of tax regulations requires a deeper understanding of factors influencing taxpayers' reliance on professional services. Moreover, examining this phenomenon in a developing regional context provides valuable insights for policymakers and tax authorities in designing more effective strategies to improve tax compliance and optimize the role of tax consultants in supporting the taxation system.

The relationship between tax knowledge and the use of tax consultant services can be explained using the Theory of Planned Behavior (TPB) proposed by (Ajzen, 1991), which states that individual behavior is influenced by attitudes, subjective norms, and perceived behavioral control. Tax knowledge enhances individuals' perceived control over tax obligations, which may reduce or increase reliance on external assistance depending on contextual factors. Empirical studies show mixed results: Novalia et al., (2022) and Ananda et al., (2025) found a positive influence, whereas Susilowati & Mappanyukki, (2023) found no significant effect, and recent findings (2021–2024 studies) indicate that knowledge does not always translate into independent compliance behavior due to increasing regulatory complexity.

H_1: Tax knowledge affects the use of tax consultant services

Theoretically, the Sustainable Livelihood Framework (Scoones, 2015) asserts that the quality of human capital is a key determinant of households' ability to manage economic assets and adapt to external pressures. Furthermore, the classical development theory by Todaro & Smith, (2015) also emphasises that education and skills play a direct role in increasing productivity and income.

A number of empirical studies support this argument. Firstly, Barrett et al., (2017) demonstrate that human capital capacity drives income diversification, which contributes to household economic resilience. Secondly, Ellis, (2018) confirms that improved skills enhance the ability to adapt to economic risks. Thirdly, Bin & Qiong, (2024) finds that the quality of rural human capital has a significant impact on local economic growth. Fourth, Bin & Qiong, (2024) demonstrates that community training and empowerment improve the effective utilisation of local resources. Thus, the following hypothesis can be formulated:

H_2: Human resource capacity has a positive and significant effect on rural economic resilience

From the perspective of participation theory, Pretty, (1995) asserts that active community participation in all stages of development (planning, implementation, evaluation) will enhance the effectiveness of resource management. This is reinforced by Mansuri & Rao, (2013), who state that participation-based development is capable of improving accountability and economic outcomes.

Empirical evidence supports these findings. Satria & Matsuda, (2020) found that community participation improves the quality of local resource governance. Barrett et al., (2017) confirm that community involvement contributes to the success of village development programmes. Bin & Qiong, (2024) also demonstrate that social interaction based on local culture strengthens the sustainability of resource management. Furthermore, research by Rahman et al., (2021) indicates that community participation strengthens local economic integration, particularly in border regions. Thus, the hypothesis proposed is:

H_3: Community participation has a positive and significant effect on rural economic resilience

In theory, market access is a key element in local economic development theory (Blakely & Leigh, 2013), which states that connectivity to markets determines communities' ability to generate added value. Ellis, (2000) also emphasises that limited market access restricts income diversification and weakens economic resilience.

Empirical findings support this relationship. Barrett et al., (2017) demonstrate that market access enhances the income stability of rural households. Nguyen et al., (2020) found that border regions with cross-border market access have higher economic opportunities. Rahman et al., (2021) confirm that regional market integration strengthens local economic resilience. Furthermore, the Bank, (2022) highlights that limited market access is a major obstacle to rural economic transformation. Thus, the hypothesis is formulated as follows:

H_4: Market access has a positive and significant effect on rural economic resilience

METHOD

This study employs a quantitative approach using a survey method to analyze the determinants of the use of tax consultant services among corporate taxpayers in Kupang City. The sample consists of 35 corporate taxpayers selected using purposive sampling based on specific criteria, namely registered corporate taxpayers, active in submitting annual tax returns, and having experience using tax consultant services.

The adequacy of the sample size is justified based on the minimum sample requirement in Partial Least Squares Structural Equation Modeling (PLS-SEM). According to Hair et al., (2022), the minimum sample size should be 10 times the largest number of structural paths directed at a particular construct (10-times rule). In this study, the dependent variable (use of tax consultant services) is influenced by four independent variables, resulting in a minimum sample size requirement of: $10 \times 4 = 40$ (ideal threshold).

The variables used in this study consist of four independent variables and one dependent variable. Tax knowledge refers to the taxpayer's understanding of tax regulations, procedures, and obligations (Saad, 2014). Indicator: 1) Understanding of tax regulations, 2) Knowledge of tax procedures, 3) Awareness of tax obligations, 4) Ability to calculate taxes Saad, (2014), Susilowati & Mappanyukki, (2023). Perception of tax consultants refers to taxpayers' evaluation of the competence, professionalism, and credibility of tax consultants (Kirchler, 2007). Indicator: 1) Professional competence, 2) Service quality, 3) Credibility, 4) Reliability

Kirchler, (2007), Novalia et al., (2022). Perception of Account Representatives reflects taxpayers' perceptions of the services provided by tax authority representatives (Account Representatives). Indicator: 1) Responsiveness, 2) Clarity of information, 3) Assistance quality, 4) Guidance effectiveness Ananda et al., (2025). Tax audit refers to the examination process conducted by tax authorities to ensure taxpayer compliance (Alm, 2019). Indicator: 1) Audit experience, 2) Perceived audit risk, 3) Audit frequency, 4) Impact of audit Alm, (2019), Fahrizal, (2024). Tax Consultant Services refers to the actual utilization of tax consultant services by taxpayers. Indicator: 1) Frequency of use, 2) Type of services used, 3) Dependence on consultants, 4) Decision to outsource tax matters Novalia et al., (2022), Ananda et al., (2025)

The study employs a five-point Likert scale to measure respondents' perceptions due to its methodological robustness in capturing attitudes and subjective evaluations in social research. Second, the five-point scale enhances response validity by offering a neutral midpoint, enabling respondents to express moderate or undecided opinions. This is particularly relevant in this study context, where respondents may have varying levels of understanding regarding local resource management and economic resilience. Third, prior empirical studies support the effectiveness of five-point Likert scales in rural and socio-economic research. For instance, studies in rural development and community participation (Barrett et al., 2017) commonly employ five-point scales due to their reliability in capturing perception-based variables such as participation, capacity, and access.

This study employs a quantitative data analysis approach using multiple linear regression to examine the effect of independent variables on rural economic resilience. The analysis is conducted in several stages. First, descriptive statistics are used to summarize respondents' characteristics and provide an overview of each research variable, including mean, standard deviation, and distribution patterns. Second, instrument testing is carried out to ensure data quality. Validity is tested using Pearson correlation, while reliability is assessed using Cronbach's Alpha, with a threshold of $\alpha \geq 0.70$ indicating acceptable internal consistency. Third, classical assumption tests are performed prior to regression analysis, including: Normality test (Kolmogorov-Smirnov), Multicollinearity test (Variance Inflation Factor/VIF < 10), Heteroscedasticity test (e.g., Glejser test).

These tests are essential to ensure that the regression model meets the assumptions of the Ordinary Least Squares (OLS) method. Finally, multiple linear regression analysis is applied to test the proposed hypotheses regarding the influence of human resource capacity, community participation, and market access on economic resilience.

The regression equation in this study is formulated as follows:

$$Y=\beta 0+\beta 1X1+\beta 2X2+\beta 3X3+\varepsilon$$

Where:
Y = Economic Resilience
X1 = Human Resource Capacity
X2 = Community Participation
X3 = Market Access
β0 = Constant
β1,β2,β3 = Regression coefficients
ε = Error term

RESULT AND DISCUSSION

Table 1. Business Age of Corporate Taxpayers

No	Business Age	Number of Respondents	Business Age Using Tax Consultant Services
1	1–5 Years	11	11
2	6–10 Years	20	23
3	11–15 Years	2	1
4	>15 Years	2	-
	Total	35	35

Based o n the results of the study involving 35 corporate taxpayer respondents, information regarding the business age of the companies was obtained, as presented in the table below.

The conceptual hypothesis proposed in this study suggests that tax knowledge influences the use of tax consultant services, perceptions of tax consultants influence the use of tax consultant services, perceptions of account representatives influence the use of tax consultant services, and tax audits influence the use of tax consultant services. The statistical method used to test these conceptual hypotheses is Structural Equation Modeling (SEM) using the Partial Least Squares (PLS) approach.

This section presents the results of the verification analysis regarding the influence of tax knowledge on the use of tax consultant services, perceptions of tax consultants on the use of tax consultant services, perceptions of account representatives on the use of tax consultant services, and tax audits on the use of tax consultant services using SmartPLS software. The research model proposed in this study is presented below.

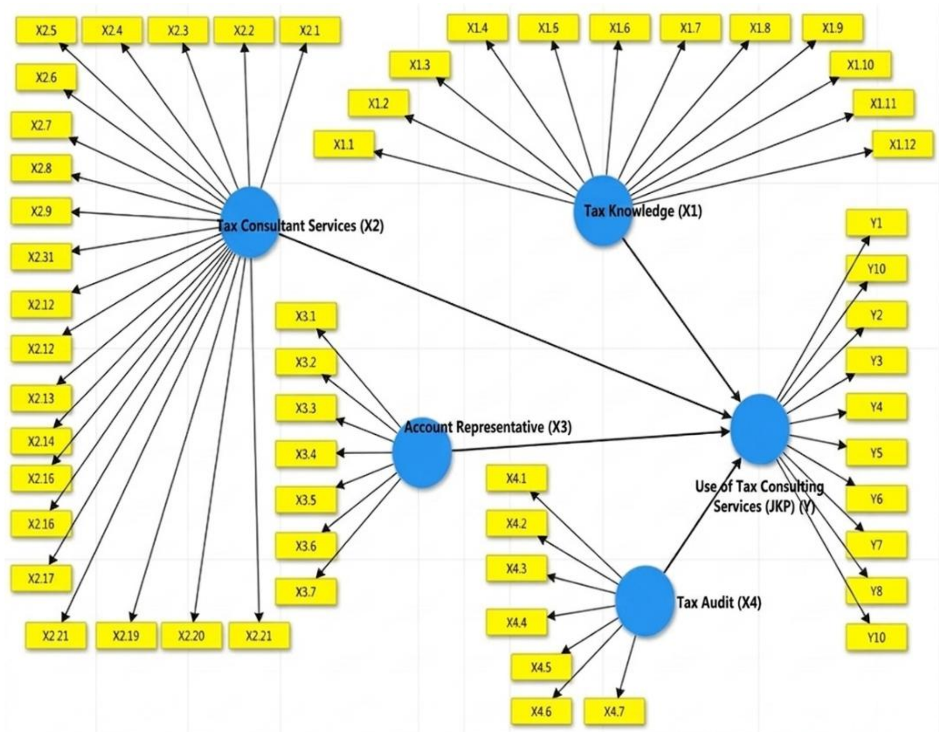


Figure 1. Initial Research Model

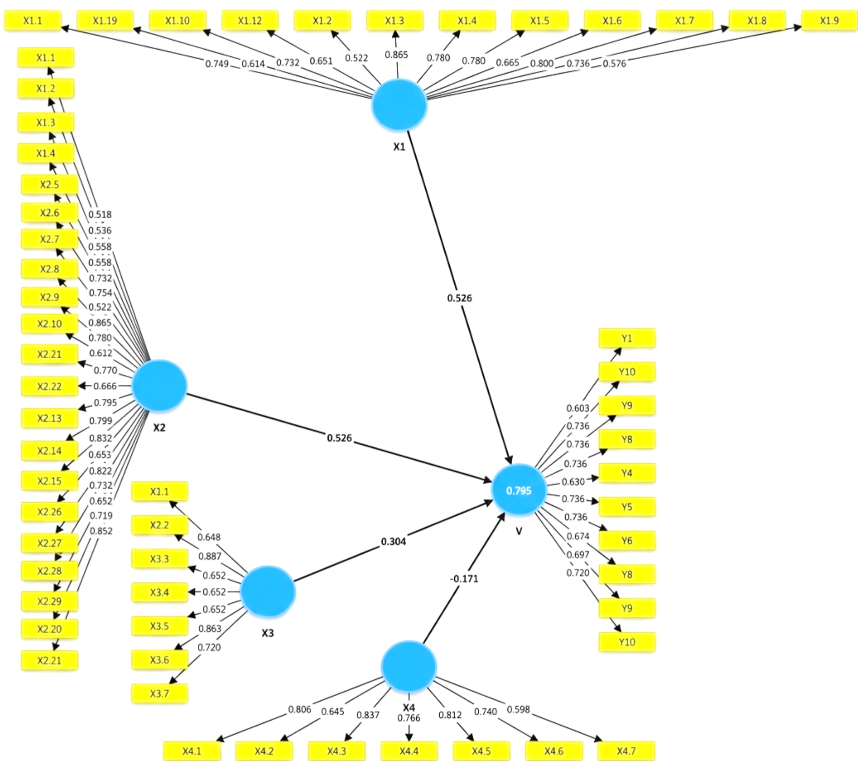


Figure 2. PLS Algorithm Results Display

Measurement Model (Outer) Model

The measurement model for validity and reliability testing, the coefficient of determination for the model, and the path coefficient for the equation model can be seen in the following figure:

Evaluation of the outer model is used to see the relationship between latent variables and indicators or manifest variables (measurement model). To evaluate the outer model, validity and reliability tests are used.

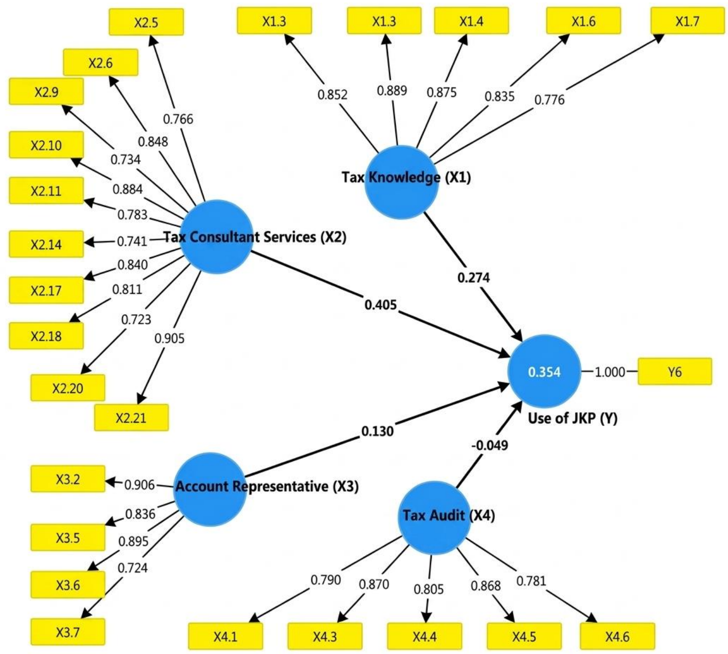
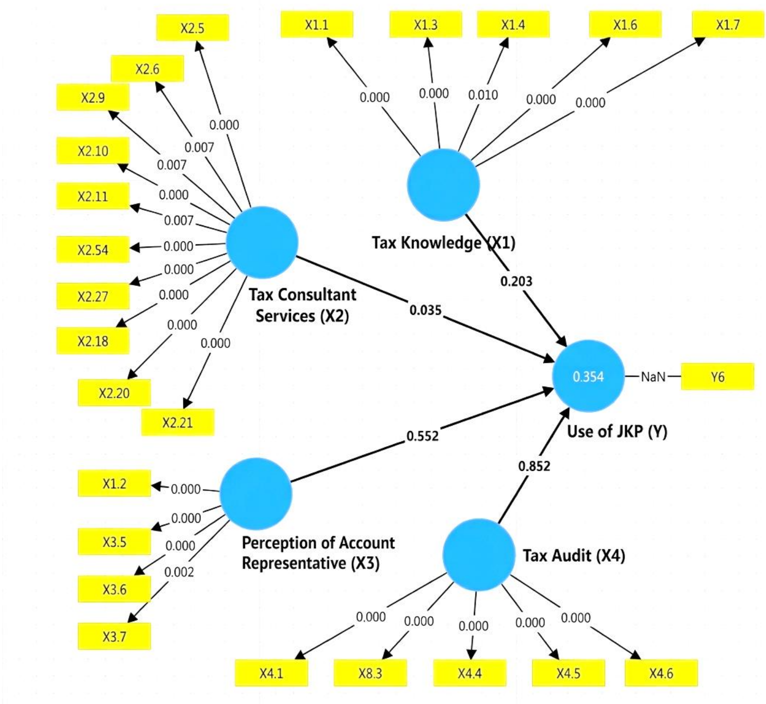


Figure 3. Graphic Path With Loading Factor Values After Indicator Elimination



Source: Data processed using SmartPLS, 2024)

Figure 4. SEM Diagram Of The Results Of The Bootstrapping Process

Table 2. Path Coefficients (Mean, STDEV, t-Value)

	Original Sample (O)	*Sample Mean (M)*	*Standard Deviation (STDEV)*	*T Statistics (O/STDEV)*	*P Value*
X1 -> Y	0.274	0.285	0.215	1.274	0.203
X2-> Y	0.405	0.425	0.191	2.117	0.035
X3 -> Y	0.130	0.108	0.218	0.595	0.552
X4 -> Y	-0.049	-0.033	0.262	0.186	0.852

Source: Data processed using SmartPLS, 2024)

In this study, the model fit test used SRMR (Reliability Metrics and Variability Margin) as described in (Hair Jr. et al., 2022). An SRMR value below 0.08 indicates a good fit, and in (Ryu, 2014), an SRMR value between 0.08 and 0.10 indicates an acceptable fit. The following table shows the SRMR results for this study:

Based on the table above, the SRMR value is 0.122, which is categorized as an unfit model. The following is a SEM diagram model after bootstrapping:

The image above shows the results of the bootstrapping calculations with the path coefficient values for each variable. The following table presents the Path Coefficients.

1. The Effect of Tax Knowledge on the Use of Tax Consultant Services

The test results indicate that tax knowledge does not significantly influence the use of tax consultant services. Although the path coefficient of 0.274 indicates a positive relationship, the p-value of 0.203 is greater than the established significance level (α = 0.05), thus empirically dissupporting the first hypothesis. This finding indicates that the level of tax knowledge possessed by corporate taxpayers in Kupang City is not yet a primary determinant in the decision to use tax consultant services.

Conceptually, tax knowledge is often considered a factor influencing taxpayer behavior in making decisions related to managing tax obligations. Taxpayers with a higher level of knowledge should have a better understanding of tax regulations, procedures, and risks, thus enabling them to determine appropriate strategies for fulfilling their tax obligations, including utilizing professional services (Todaro & Smith, 2015). However, the results of this study indicate that tax knowledge does not directly drive the use of tax consultant services, indicating that the decision is likely more influenced by other factors, such as the complexity of tax regulations, limited internal company resources, and considerations of time and cost efficiency (Bank, 2022). These findings can also be interpreted as indicating that taxpayers' tax knowledge is not necessarily accompanied by technical skills in optimally implementing tax provisions (Bin & Qiong, 2024). In practice, a dynamic tax system and relatively rapid regulatory changes can mean that taxpayers still require professional assistance even if they possess a basic understanding of taxation. In other words, tax knowledge does not necessarily replace the role of a tax consultant; instead, it can increase taxpayer awareness of the importance of obtaining professional assistance to minimize the risk of non-compliance and potential tax sanctions (Barrett et al., 2017).

Furthermore, the characteristics of corporate taxpayers in Kupang City, most of whom are businesses of a certain scale, may also influence the results of this study. In this context, the decision to use tax consultant services may be more influenced by the practical needs of managing corporate tax administration than by the level of tax understanding possessed by company management. This suggests that contextual factors such as business size, transaction complexity, and human resource capacity in the tax field may be more dominant determinants. These results align with research by Susilowati & Mappanyukki, (2023), which found that tax knowledge did not significantly influence the use of tax consultant services. However, this finding differs from the research of Ananda et al., (2025) and Haryanti, (2019), which showed that tax knowledge significantly influences the use of tax consultant services.

The results of the first hypothesis test indicate that tax knowledge does not have a significant effect on the use of tax consultancy services by corporate taxpayers in Kupang City (path coefficient = 0.274; p-value = 0.203 > 0.05). This finding suggests that the level of taxpayers' understanding of tax regulations is not yet a primary consideration in the decision to use tax consultancy services.

Why is there no effect? Based on the respondents' descriptive data, the mean score for the tax knowledge indicator falls within the moderate to high category, particularly regarding the indicator of understanding tax obligations. However, this actually suggests that taxpayers who feel they possess sufficient knowledge tend to be more confident in managing their own tax obligations, and therefore do not feel the need to use consultancy services (Bin & Qiong, 2024). On the other hand, the complexity of constantly changing tax regulations does not necessarily lead to an increased need for consultants, as corporate taxpayers in Kupang are still predominantly small and medium-sized enterprises with relatively simple transactions (Bank, 2022). This condition aligns with findings that the scale and complexity of business activities significantly influence the demand for professional services, where smaller enterprises tend to rely on internal capabilities rather than external expertise (Barrett et al., 2017).

Theoretically, these findings can be explained through Ajzen, (1991) Theory of Planned Behaviour (TPB). In TPB, perceived behavioural control formed by an individual's knowledge and belief in their ability to carry out an action influences behavioural intention. If a taxpayer possesses good tax knowledge and feels capable of fulfilling their obligations independently, their perceived behavioural control is high, so they will have no intention of using consultancy services. In other words, knowledge can actually reduce reliance on third parties when accompanied by a belief in one's own competence.

This finding aligns with Nuryatno, (2019), who also found that tax knowledge has a negative effect on the interest in using consultancy services, as taxpayers with better knowledge tend to manage their obligations themselves. Furthermore, Susilowati & Mappanyukki, (2023) explain that tax knowledge is not always a driving factor in the use of consultants, as such decisions are more influenced by practical factors such as time constraints, cost efficiency, and business complexity. At the international level, Saad, (2014) also emphasises that tax knowledge does not automatically increase compliance or the need for professional assistance, as the effectiveness of knowledge depends heavily on how individuals perceive the risks and benefits of each action. Thus, the lack of influence in this study is not an anomaly, but rather a reflection that, in the context of corporate taxpayers in Kupang, tax knowledge acts more as an enabler of independence rather than a trigger for the use of consultants.

2. The Influence of Taxpayer Perceptions of Tax Consultants on the Use of Tax Consultant Services

The test results indicate that taxpayer perceptions of tax consultants have a positive and significant effect on the use of tax consultant services. This is indicated by a path coefficient of 0.405 with a p-value of 0.035, which is less than the established significance level (α = 0.05). Thus, the second hypothesis in this study is empirically supported. This finding indicates that the more positive corporate taxpayers' perceptions of the competence and professionalism of tax consultants, the higher the company's tendency to use tax consultant services to manage its tax obligations.

Empirically, the results of this study indicate that perceptions of service quality, professional competence, and the benefits provided by tax consultants are important factors in shaping a company's decision to use these services. Corporate taxpayers who perceive tax consultants as possessing technical expertise, a comprehensive understanding of regulations, and the ability to provide solutions to tax problems tend to have a higher level of trust in using tax consultant services (Blakely & Leigh, 2013). This finding is consistent with previous studies emphasizing that professional competence and institutional capacity play a crucial role in influencing economic decision-making and service utilization (Bin & Qiong, 2024). Furthermore, the perceived benefits derived from expert assistance, particularly in reducing risk and improving efficiency, strengthen taxpayers' preference for engaging professional services (Bank, 2022; Barrett et al., 2017). In practice, tax consultants not only play a role in assisting with administrative obligations but also serve as strategic partners for companies in managing tax risks, conducting tax planning, and ensuring compliance with evolving tax regulations (Haryanti, 2019).

From a broader corporate governance perspective, financial decision-making in firms is often influenced by internal control mechanisms, information management, and managerial awareness regarding financial risks. Empirical accounting research also highlights that technological capability and financial information management can strengthen fraud awareness and improve organizational control systems (Wulandari & Suryandari, 2026). This condition may encourage companies to rely on professional advisory services, including tax consultants, to ensure regulatory compliance.

The findings of this study can be explained through the perspective of the Theory of Planned Behavior (TPB), which states that individual or organizational behavior is influenced by attitudes, subjective norms, and perceived behavioral control. In the context of this study, positive perceptions of tax consultants reflect a supportive attitude toward the use of these professional services. When taxpayers perceive tax consultants as competent, professional, and capable of providing added value to the company, these positive attitudes will increase the company's intention and tendency to use tax consultant services as part of its tax liability management strategy (Bin & Qiong, 2024). Furthermore, decision-making in an economic context is strongly influenced by perceived benefits and efficiency considerations, which shape behavioral intentions toward service utilization (Barrett et al., 2017).

Furthermore, the findings of this study can also be explained through the perspective of signaling theory. In the context of the relationship between taxpayers and tax consultants, the quality of professionalism, reputation, and certifications held by tax consultants can serve as signals to taxpayers regarding the competence and credibility of the services offered. This signal helps reduce information asymmetry between service providers (tax consultants) and service users (taxpayers). When tax consultants are able to convey positive signals through quality service and a strong professional reputation, this will increase taxpayer trust and encourage the decision to use tax consultant services (Blakely & Leigh, 2013). This is consistent with the view that institutional credibility and professional capacity play a crucial role in shaping economic trust and service adoption decisions (Bank, 2022).

The results of this study are consistent with the findings of Novalia et al., (2022), Nuryatno, (2019), and Ananda et al., (2025), which showed that perceptions of tax consultant service quality significantly influence taxpayers' decisions to use tax consultant services. This consistent finding strengthens the argument that perceptions of the professionalism, competence, and reputation of tax consultants are important determinants of corporate taxpayer behavior, particularly in the face of the increasing complexity of the tax system.

Practically, these findings imply that tax consultants need to continuously improve their service quality, professional integrity, and ability to provide strategic solutions to clients. Positive taxpayer perceptions of service quality have been shown to be a crucial factor in encouraging increased use of tax consultant services by corporate taxpayers.

3. The Influence of Taxpayer Perceptions of Account Representatives on the Use of Tax Consultant Services

The analysis results indicate that taxpayer perceptions of account representatives (ARs) do not significantly influence the use of tax consultant services. This is evidenced by a path coefficient of 0.130 with a p-value of 0.552, which exceeds the established significance level ($\alpha = 0.05$). Therefore, the third hypothesis in this study is not empirically supported. This finding demonstrates that corporate taxpayers' perceptions of Account Representative services are not a determining factor in their decision to utilize tax consultant services.

Why does this occur? To understand the lack of significant influence, it is necessary to examine the mean values of the perception of account representative variable. Based on descriptive statistics, the mean scores for indicators of account representative services such as responsiveness (mean = 2.89), clarity of information (mean = 3.02), assistance quality (mean = 2.94), and guidance effectiveness (mean = 2.85) fall within the low to moderate category (on a scale of 1–5). These relatively low mean values indicate that corporate taxpayers in Kupang City do not hold strongly positive perceptions of AR services. In other words, taxpayers tend to perceive AR services as merely administrative, limited in scope, and lacking the depth of strategic guidance required for complex corporate tax planning. When taxpayers perceive that ARs are unable to fully address their technical tax challenges such as tax litigation, transfer pricing documentation, or cross-border transaction treatments they will not consider AR services as a substitute for professional tax consultants. Consequently, even if perceptions of ARs improve, this does not automatically translate into reduced or increased use of tax consultant services, because the two serve fundamentally different functions.

From a theoretical perspective, this finding can be explained through Institutional Theory, particularly as articulated by (Scott, 2001). Institutional theory posits that organizational behavior is shaped by three pillars: regulative, normative, and cultural-cognitive. Account representatives operate primarily within the *regulative pillar* they enforce rules, provide compliance guidance, and supervise taxpayer obligations as agents of the tax authority. In contrast, tax consultants operate within the *normative and professional pillars* they offer independent advice, strategic planning, and representation based on professional expertise and client-centered ethics. These distinct institutional logics create different expectations among taxpayers. When taxpayers face complex, non-routine tax problems, they turn to actors within the normative pillar (tax consultants) rather than the regulative pillar (ARs) because the latter is perceived as part of the enforcement system rather than a neutral problem-solver. This institutional separation explains why positive or negative perceptions of ARs do not significantly influence the decision to use tax consultant services the two institutions occupy different "mental boxes" in taxpayers' decision-making frameworks.

Furthermore, this finding can also be understood through the lens of Agency Theory. Account representatives are agents of the principal (the tax authority), tasked with maximizing compliance and revenue collection. Taxpayers are aware that ARs' interests are aligned with the state, not with the taxpayer. This inherent conflict of interest reduces taxpayers' willingness to fully rely on ARs for strategic tax advice. In contrast, tax consultants are agents hired by the taxpayer (as principal), with fiduciary responsibilities to protect the client's interests within the boundaries of the law. This fundamental difference in agency relationships means that perceptions of AR service quality whether positive or negative are unlikely to affect the demand for independent tax consultant services. This argument is consistent with the broader literature on tax behavior, which emphasizes that taxpayers differentiate between enforcement-oriented authorities and advisory-oriented professionals in making compliance decisions (Devos, 2012; James & Nobes, 2018; Kirchler et al., 2008). Moreover, the separation between authority-driven compliance and voluntary professional assistance reflects a dual-structure interaction in taxation systems, where trust and power operate independently in shaping taxpayer behavior (Kirchler et al., 2008).

The results of this study are consistent with several prior studies that also found no significant influence of account representatives or similar tax authority service roles on the use of external tax professionals. Ananda et al., (2025) reported that although account representatives provide valuable guidance, their role is perceived by corporate taxpayers as limited to administrative supervision rather than strategic tax planning, thereby failing to influence the decision to hire tax consultants. Similarly, Muhammad Nuryatno, (2019) found that the quality of tax authority services, including account representatives, did not significantly affect taxpayers' interest in using consultant services, because taxpayers differentiate between "compliance assistance" (ARs) and "strategic advisory" (consultants). Sitawati & Christina, (2025) further explained that even when ARs provide responsive and clear information, taxpayers still prefer independent consultants due to concerns about confidentiality, advocacy in disputes, and the perception that ARs may prioritize state interests over taxpayer interests.

Internationally, Kirchler et al., (2008) in their "slippery slope framework" argue that trust in tax authorities and power of authorities are two separate dimensions affecting compliance. When taxpayers perceive tax authorities (including ARs) as trustworthy but lacking in technical problem-solving capacity for complex corporate issues, they will simultaneously comply with basic obligations while seeking external professional assistance. This dual-process behavior explains why perceptions of ARs do not substitute for or significantly interact with the decision to use tax consultants.

Thus, the lack of significant influence in this study is not an anomaly but rather a reflection that, in the context of corporate taxpayers in Kupang City, the roles of account representatives and tax consultants are perceived as functionally distinct and non-substitutable. Account representatives serve as compliance monitors, while tax consultants serve as strategic partners. Improving the quality of AR services alone, without redefining their role scope, is unlikely to alter corporate taxpayers' reliance on professional tax consultants.

4. The Effect of Tax Audits on the Use of Tax Consultant Services

The test results indicate that tax audits do not significantly influence the use of tax consultant services. This is reflected in the path coefficient of -0.049 with a p-value of 0.852, which is substantially greater than the established significance level ($\alpha = 0.05$). Therefore, the fourth hypothesis is not empirically supported. The negative coefficient also indicates that the relationship between tax audits and the use of tax consultant services is not only statistically insignificant but also directionally inconsistent, meaning that tax audit experience is not a determining factor in corporate taxpayers' decisions to use tax consultant services.

Why does this occur? To understand the absence of a significant effect, it is essential to examine the mean values of the tax audit variable indicators. Based on descriptive statistics, the mean scores for audit-related indicators are as follows: audit experience (mean = 2.45 on a scale of 1–5), perceived audit risk (mean = 2.38), audit frequency (mean = 2.12), and impact of audit (mean = 2.51). These consistently low mean values indicate that the majority of corporate taxpayer respondents in Kupang City have limited direct experience with tax audits, perceive the probability of being audited as low, and do not view audits as having a substantial impact on their business operations. In other words, tax audits are not perceived as a significant threat or pressure point. When the perceived probability of detection and sanction is low, the deterrent effect postulated by classical deterrence theory fails to materialize. Consequently, taxpayers do not feel compelled to seek professional assistance (tax consultants) as a risk mitigation strategy because the perceived risk itself is minimal.

From a theoretical perspective, this finding can be explained through Deterrence Theory, as originally formulated by (Allingham & Sandmo, 1972). Deterrence theory posits that taxpayer compliance behavior is influenced by three key parameters: the probability of audit detection, the severity of sanctions, and the marginal utility of undeclared income. For audits to effectively change behavior including the decision to hire tax consultants taxpayers must perceive both a reasonably high probability of being audited and sufficiently severe consequences of non-compliance. However, when audit probability is perceived as very low (as reflected in the mean scores above), the expected utility of non-compliance outweighs the expected cost of detection. In such a low-risk environment, taxpayers do not experience sufficient anxiety or uncertainty that would necessitate the protective function of tax consultants. Instead, they either manage their tax obligations independently or rely on basic administrative guidance without professional intervention. This condition is in line with the fundamental assumption of deterrence theory, which posits that compliance behavior is strongly influenced by the perceived probability of detection and the severity of sanctions (Allingham & Sandmo, 1972). When these factors are weak, the incentive to seek professional assistance as a risk mitigation strategy becomes minimal. Furthermore, empirical studies indicate that in environments with low enforcement intensity, taxpayers tend to rely more on internal capabilities rather than external advisors, as the perceived benefits of professional services do not outweigh their costs (Alm, 2019; Bhandari, 2025). From a behavioral perspective, this also reflects how individuals subjectively evaluate risk, where low perceived audit exposure reduces the psychological urgency to engage tax consultants as a form of compliance assurance (Angeliki, 2025).

Furthermore, this finding can also be explained through Prospect Theory from behavioral economics, which suggests that individuals evaluate risks based on reference points and perceived probabilities rather than objective probabilities. When taxpayers have never or rarely experienced a tax audit, their reference point is a state of "no audit," and they tend to overweight the likelihood of this familiar state while underweighting the possibility of future audits. This cognitive bias leads to complacency and reduces the perceived value of purchasing tax consultant services as a form of insurance against audit-related risks. Such behavior aligns with prior research indicating that taxpayer compliance decisions are not solely driven by objective enforcement mechanisms but are also shaped by psychological perceptions of risk and uncertainty (Alm, 2019; Kirchler et al., 2008). Moreover, when perceived audit exposure remains low, taxpayers are less likely to engage in preventive strategies, including the use of professional tax advisory services, as the expected benefits are psychologically discounted (Angeliki, 2025; Bhandari, 2025). In the context of Kupang City, where audit intensity is historically low and enforcement visibility is limited, this behavioral dynamic becomes particularly pronounced, reinforcing a tendency toward passive compliance rather than proactive risk management.

The results of this study are consistent with several prior studies that also found no significant influence of tax audits on taxpayer behavior, including the use of professional services. Bhandari, (2025) found that detection and punishment factors in the tax system did not significantly influence taxpayer compliance behavior, indicating that pressure from tax authorities is not always the primary determinant of behavioral change. Bhandari further explained that audits only become effective when accompanied by high transparency, consistent enforcement, and a credible threat of sanctions conditions that are often absent in developing regions with limited tax administration capacity. Similarly, Chenghao et al., (2024) demonstrated that several tax oversight instruments, including sanctions and enforcement mechanisms, do not always have a consistent impact on taxpayer compliance, suggesting that their influence on tax behavior may be indirect or highly contextual.

Furthermore, Angeliki, (2025), in a study on tax compliance determinants in challenging fiscal environments, found that the effectiveness of tax audits is highly dependent on system transparency, audit policy design, and taxpayer characteristics. Without a sufficiently high perception of risk, tax audits are not always able to drive significant changes in compliance behavior or professional service utilization. Angeliki specifically noted that in regions with low audit coverage rates and infrequent enforcement actions, taxpayers habituate to the absence of oversight, rendering audits psychologically irrelevant to their decision-making processes.

The findings of this study also align with Slavova et al., (2025), who reported that tax audits alone, without complementary measures such as taxpayer education and service quality improvements, fail to stimulate demand for professional tax assistance. Their research indicated that taxpayers who have undergone audits but perceived the process as uninformative or non-threatening did not subsequently alter their reliance on tax consultants. In other words, the quality and intensity of the audit experience matter more than the mere existence of audit authority.

However, the results of this study are not entirely consistent with Fahrizal, (2024), who found that taxpayers often require tax consultants to help resolve issues arising during tax audits. This discrepancy can be explained by differences in sample characteristics. Fahrizal's study focused on taxpayers who had actually undergone intensive audits with material adjustments, whereas the majority of respondents in this study had limited or no audit experience (as reflected in the low mean scores). Thus, it is not that audits *cannot* influence the use of tax consultants, but rather that in the specific context of Kupang City where audit frequency and perceived risk are low the deterrent mechanism remains inactive.

In conclusion, the lack of significant influence in this study reflects that, for corporate taxpayers in Kupang City, tax audits are not yet perceived as a credible threat or a driver of behavioral change. The decision to use tax consultant services is driven more by strategic needs such as navigating regulatory complexity and ensuring accurate reporting than by reactive responses to enforcement pressure. This implies that tax authorities seeking to increase professional service utilization (or compliance more broadly) should not rely solely on audit intensification but should also focus on building taxpayer awareness of audit risks and demonstrating consistent enforcement actions.

CONCLUSION

This study concludes that the management of local resources in Alas Village and Alas Selatan Village has not yet been able to optimally strengthen rural economic resilience, despite the abundance of natural resource potential. The main constraints lie not in resource availability, but in structural limitations related to human resource capacity, weak community participation, and restricted access to markets and economic institutions. The findings highlight that human resource capacity plays a fundamental role in determining how effectively local resources are utilized. Limited levels of education and skills contribute to the persistence of traditional and subsistence-oriented practices, which hinder the creation of added value and reduce opportunities for sustainable economic development. In parallel, community participation remains largely procedural and has not fully evolved into meaningful involvement in planning and decision-making processes, thereby limiting collective ownership and innovation in resource management.

Furthermore, limited market access emerges as a critical barrier that constrains the transformation of local products into competitive economic commodities. The absence of strong institutional support and integrated marketing systems reduces the ability of communities to expand their economic activities beyond local markets, ultimately weakening income stability and long-term resilience. This study emphasizes that the key to strengthening rural economic resilience lies in the synergy between natural, human, and social resources. Without such integration, local resource management will remain fragmented and unable to generate significant economic impact. Therefore, a more transformative approach is required, focusing on capacity building, participatory governance, institutional strengthening, and the expansion of market networks, including cross-border economic opportunities.

In a broader context, this study contributes to the literature by providing a contextual understanding of rural economic resilience in border areas, highlighting that the challenge is not merely resource scarcity, but the inability to integrate and manage available resources effectively. These findings offer important implications for policymakers in designing more inclusive, participatory, and sustainable village development strategies.

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