International Journal of Accounting, Management and Economic Review. Vol. 2 Issue 1, April (2026). ISSN (p): 2384-7026, ISSN (e): 3141-222X.

TAX MORALE AND TAX COMPLIANCE: EVIDENCE FROM INDIVIDUAL TAXPAYERS IN EDO STATE, NIGERIA

EHIMA Efosa
Department of Accounting
Faculty of Management Sciences
University of Benin, Benin City, Nigeria
efosa.ehima@uniben.edu

Obazee Uyioghosa
Department of Accounting.
Faculty of Management Sciences
University of Benin, Benin City, Nigeria
uyioghosa.obazee@uniben.edu

AMEDE Otivbo Faith
Department of Accounting
Faculty of Management Sciences
University of Benin, Benin City, Nigeria
otivbo.amede@uniben.edu

Corresponding Author:efosa.ehima@uniben.edu
DOI: https://doi.org/10.57233/ijamer.v2i1.41

Article Information: Received: 04/02/2026 Revised: 04/20/2026 Accepted: 04/23/2026

To Cite this Article: Ehima, E., Obazee, U., & Amede, O. F. (2026). Tax morale and tax compliance: Evidence from individual taxpayers in Edo State, Nigeria. *International Journal of Accounting, Management and Economic Review, 2*(1). https://doi.org/10.57233/ijamer.v2i1.42

Abstract
This study investigates the relationship between tax morale and tax compliance among individual taxpayers in Edo State, Nigeria. Specifically, tax morale is measured using two dimensions: moral obligation and civic duty. The study is motivated by the need to understand how internal moral values and civic responsibility shape tax compliance, especially in developing countries.A descriptive survey research design was employed, and primary data were collected from 385 respondents in Edo State using a structured questionnaire administered through Google Forms. The data were analysed using multiple linear regression to determine the relationship between moral obligation, civic duty and tax compliance. The findings reveal that both moral obligation (β =0.426, p <0.001) and civic duty (β = 0.235, $p < 0.001$) have a positive and statistically significant effect on tax compliance. The model is statistically significant ($F = 37.143$, $p < 0.001$) and explains 25.9% of the variation in tax compliance. This suggests that taxpayers who see payment of tax as both a moral responsibility and civic duty are more likely to comply voluntarily with their tax obligations. The results align with the Theory of Planned Behaviour, which emphasises the role of internalised attitudes and norms in shaping individual compliance decisions. The study contributes to literatures on tax compliance by showing the behavioural and moral dimensions of voluntary compliance among individual taxpayers in Edo State. It also has policy implications for tax authorities, particularly in regards to taxpayers' education, civic responsibility and programmes that encourage compliance.

Keywords: Civic duty, moral obligation, tax morale, tax compliance, theory of planned behaviour

1.0 Introduction

Tax compliance remains a critical concern for policymakers and tax authorities in any society as it directly affects the generation of revenue and overall economic development of a

country. Ensuring that taxpayers adhere to their tax obligations is essential for funding public services and promoting fiscal stability. Tax compliance refers to the taxpayer's willingness to comply with their tax obligations, by accurately reporting income, timely filing of tax returns, and payment of taxes due (Violeta, 2020). As a result, improving tax compliance remains a top priority for policymakers and tax authorities who are continually looking for ways to understand the factors that drive or hinder voluntary compliance.

Understanding the factors that influence compliance is important for policymakers and tax authorities. A key determinant of tax compliance is tax morale, which refers to the intrinsic motivation of taxpayers to meet their tax obligations (Timothy & Abbas, 2021). High tax morale is often associated with a strong sense of civic responsibility, trust in government institutions, and a perception that the tax system is fair and transparent. Studies have shown that when taxpayers believe tax revenues are used effectively and equitably, they are more likely to comply voluntarily (Alm, 2021; Torgler, 2021). On the other hand, negative perceptions of corruption, inefficiency, or inequity in tax systems can erode tax morale, reducing compliance rates (Torgler, 2019).

Moral obligation and civic duty are key determinants of tax compliance that fall within the broader concept of tax morale. Moral obligation refers to an individual's internal belief that paying taxes is ethically right and research indicates that moral obligation significantly influences tax compliance behaviour (Bobek & Hatfield, 2003; Kantohe & Kambey, 2021). Civic duty, on the other hand, reflects a sense of social responsibility and allegiance to the collective well-being of the society (Cole, 2020). This sense of obligation is often reinforced through tax education and balanced enforcement measures. Understanding and leveraging tax morale could potentially improve compliance and revenue collection.

This study focuses on moral obligation and civic duty as tax morale variables that may influence tax compliance. These constructs are crucial to understanding how internalized values and perceptions of social responsibility affect taxpayer behaviour. The study aims to empirically provide insights that can inform tax policy, particularly by highlighting the importance of fostering a culture of civic responsibility and ethical commitment through targeted education and transparent governance. By narrowing the focus to these key moral and civic dimensions, the research seeks to offer a nuanced understanding of how intrinsic motivations contribute to compliance behaviour in the Nigerian context, particularly in Edo state.

2.0 Literature Review

Tax compliance refers to the degree to which taxpayers comply with tax regulations. In other words, it is the extent to which taxpayers fulfil their legal obligations of paying taxes to the government. One important concept related to tax compliance is tax morale (Timothy &Abbas, 2021). Tax compliance can also be affected by various individual, organizational, and institutional factors. For example, individual factors such as tax knowledge, attitudes, and perceptions can influence tax compliance behaviour (Wardani & Hermawan, 2024). Organizational factors, such as the nature of the firm and the complexity of tax laws and regulations can also affect tax compliance, where the nature of the firm had a significant relationship and as tax complexity was seen to be significant and negatively related to tax compliance (Musimenta, 2020). Institutional factors, such as the quality of tax administration and the level of corruption, can also influence tax compliance behaviour (Horodnic, 2018). In this study, tax compliance is seen as the willingness and behaviour of taxpayers in meeting

their tax obligations, which includes accurately reporting of their income, filing of their tax returns on time, and the eventual payment of their taxes. This definition is adopted because this study focuses on voluntary compliance attitude of individual taxpayers.

Concept of Tax Morale

Tax compliance can be considered as a rational act because taxpayers comply with their tax obligations on the basis of a cost-benefit analysis (Allingham & Sandmo, 1972). It is in this context, tax morale can be seen as the motivation taxpayers have to comply with their taxes, which is a residual category in the model of crime that goes beyond the expected cost of punishment and detection (Sjoberg et al., 2019). Torgler (2002) opined that it is the moral duty to pay tax or the inherent motivation to comply. Luttmer and Singhal (2014) asserted that tax morale is the totality of non-monetary motivations and tax compliance factors that fall outside of the predicted utility maximization.

OECD (2019) also defined the concept as the inborne effort to pay taxes and established that factors that drive tax morale include trust in public institutions and government, opinions of corruption and fairness, quality of public services and spending, social norms and values, civic education and awareness, and tax certainty and simplicity. It's regarded as the non-pecuniary motivations for tax compliance, including intrinsic commitment, reciprocity expectations, and social norms (Prichard, 2022). Sebele-Mpofu (2021) also stated that tax morale entails both taxpayers' attitude towards tax payment and their ethical stance on evasion of tax, and that it is influenced by social and psychological factors, tax fairness, trust, governance quality and tax education.

Studies have shown that tax morale influences tax compliance, where a positive correlation was found to exist between both concepts (Balla, 2017; Njilu, 2023; Nurani & Islami, 2020; Ogbeide & Ken-Otokiti, 2021; Torgler & Schafnner, 2007), this implies that tax morale can be seen as a determinant of tax compliance, as higher levels of tax morale are associated with lower levels of tax evasion and higher levels of voluntary compliance, and can be used as a measure of tax compliance (Bethencourt & Kunze, 2018; Lisi, 2019). Studies have argued that tax morale can be influenced by various factors, such as enforcement measures, penalties, the perceived fairness of the tax system, trust in authority, religiosity, culture and the perceived effectiveness of the tax administration (Alm & Torgler, 2006; Fotiadis & Chatzoglou, 2021b; Hassan et al., 2021). For the purpose of this study, tax morale can be referred to as the internal motivation that makes taxpayers comply with their tax obligations even in the absence of stringent penalties. It is operationalised through two dimensions: moral obligation and civic duty. This mean that tax morale is not just a general attitude towards taxation, but a behavioural characteristic that is shaped by the taxpayers' sense of responsibility and civic awareness.

Concept of Moral Obligation

In taxation research, moral obligation is widely recognized as a key non-economic factor influencing tax compliance (Bobek and Hatfield, 2003). Luttmer and Singhal (2014) describe moral obligation as an internalized sense of duty to pay taxes, even without fear of detection or punishment. Similarly, Torgler (2007) conceptualizes it as a component of tax morale, rooted in civic duty and loyalty to the state. From the perspective of the Theory of Planned Behaviour, Richards et al. (2024) interpret moral obligation as a personal norm that puts ethical pressure on individuals to comply. Kirchler (2007) describes it within the idea of a psychological contract, where taxpayers feel ethically committed to support the collective

good, particularly when they perceive the tax system as fair. Tajuddin et al. (2023) expand on this by highlighting the importance of trust in tax authorities and tax fairness in shaping moral obligation, suggesting that a psychological contract influences taxpayers' willingness to comply.

Moral obligation plays a significant role in tax compliance across various contexts. It has been found to provide explanation for tax non-compliance when added to the Theory of Planned Behaviour model (Bobek & Hatfield, 2003). Ibrahim and Wibowo (2022) also found that moral obligation positively affected taxpayer compliance in Pare-Pare. Collectively, these studies emphasize the importance of moral obligation in promoting tax compliance. From these definitions, moral obligation is defined as the individual taxpayer's personal belief that paying taxes is right and ethically correct, regardless of whether enforcement mechanism are in place or not.

Civic Duty

Civic duty within the domain of taxation is the willingness to comply with tax obligations not merely out of fear of penalties, but from a deeper ethical commitment to the state and fellow citizens (Torgler, 2007). It comprises of both the legal responsibility to pay taxes and a voluntary compliance with tax laws, deeply rooted in the principles of the constitution and essential for financing public services (Hamaniuk, 2024; Siverio Luis, 2021). As such, civic duty is a central element of tax morale, which influences individuals' tendency to comply voluntarily, while fostering a culture of shared responsibility within society. Individuals who express national pride and trust in government institutions are more likely to demonstrate higher levels of voluntary compliance (Otindo et al., 2021). In a nutshell, civic duty is the taxpayer's sense of responsibility to contribute to societal welfare and development of the society through the payment of their taxes. It shows that paying of taxes is not just a legal requirement but also a contribution to the development and collective wellbeing of a nation.

Empirical Review on Tax Morale and Tax Compliance

Moral Obligation and Tax Compliance

Kantohe and Kambey (2021) conducted an empirical study to examine the influence of moral obligations, trust in government, and intention to be compliant on tax compliance among individual taxpayers registered at KPP Pratama Manado, Indonesia. The findings revealed that moral obligation had a significant and positive effect on the intention to comply (coefficient = 0.448, $p< 0.001$). Robbins and Kiser (2020) also conducted a study to examine how coercive factors (such as audit probability and penalty severity), reciprocal attitudes (trust in government), and moral duty affect tax compliance behaviour among U.S. taxpayers. The findings revealed moral duty and trust in government showed positive and significant relationships, suggesting that social and psychological factors reinforce compliance. Al-Rahamneh, Al Zobi, and Bidin (2023) conducted a quantitative study titled "The Influence of Tax Transparency on Sales Tax Evasion among Jordanian SMEs: The Moderating Role of Moral Obligation". The research aimed to examine the relationship between tax transparency and sales tax evasion and assess whether moral obligation moderates this relationship. The findings showed that moral obligation had a significant moderating effect ($\beta = -0.205$, $p < 0.05$), strengthening the negative association. The R^2 value of 0.410 indicated a moderate explanatory power of the model. The reviewed studies consistently show that moral obligation influences tax compliance positively, although the strength of this relationship differs across different context. This suggests that moral obligation play a major role in driving voluntary tax compliance. On the basis of the foregoing, the hypothesis is stated:

H_{01}: Moral obligation does not have a significant influence in shaping tax compliance behaviour.

Civic Duty and Tax Compliance

Otindo et al. (2021) investigated the determinants of voluntary tax compliance in Kenya, focusing on the role of civic pride and trust in public institutions. The findings revealed that individuals who expressed pride in being Kenyan and had confidence in the Kenya Revenue Authority (KRA) and the government were significantly more likely to comply voluntarily. Mitu (2020) explored voluntary tax compliance through the lens of civic duty, arguing that paying taxes should be viewed not merely as a legal requirement but as a fundamental social responsibility. Mitu concluded that promoting a culture of civic responsibility rooted in trust, fairness, and moral obligation can significantly strengthen voluntary tax compliance, especially when citizens perceive tax payment as a contribution to the common good. Lestari et al. (2022) investigated the role of civic responsibility in encouraging voluntary tax compliance among individual taxpayers. The findings revealed that civic duty significantly influences tax compliance behaviour, suggesting that when taxpayers view tax payment as a contribution to national development and an obligation to society, they are more likely to comply voluntarily. The empirical evidence show that civic duty drives voluntary compliance, especially when taxpayers see payment of taxes as their contribution to development of the society. Arising from the preceding evidence, the following hypothesis is stated:

H_{02}: *Civic duty does not significantly influence tax compliance behaviour among taxpayers.*

3.0 Methodology

This study adopts a descriptive survey research design to investigate the factors influencing tax compliance, particularly focusing on moral obligation, and civic duty. The descriptive survey design is used because it allows for the collection of primary data from a diverse group of respondents, thereby facilitating the identification of trends and relationships between moral obligation, civic duty, and tax compliance. The study focuses on individual taxpayers in Edo State, Nigeria. The total population of registered individual taxpayers in Edo State is approximately 10,125, based on records gotten from the relevant tax authority. This group has direct interactions with the tax system, providing a valuable sample for examining how moral obligations and civic duty affect compliance. Using Yamane (1967) formula, the sample size was determined as follow:

$$\frac{n}{1 + N(e)2}$$
$$= \frac{10125}{1+101 \quad (0.05)2}$$
$$= \frac{10125}{1+10125(0.0025)}$$
$$= \frac{10125}{1+25.3}$$
$$= \frac{10125}{26.3}$$
$$= 384.9 = 385$$

A sample size of 385 respondents arrived was used for the study. The study employed a purposive and convenience sampling technique in selecting the respondents. These techniques were used because the study's target population were individual taxpayers who

were knowledgeable about, or had experience with payment of tax. The research instrument for this study consisted of a structured questionnaire specifically designed to gather data on moral obligation, civic duty, and tax compliance. The instrument comprised 15 carefully formulated questions aimed at capturing respondents' perceptions of moral obligation, civic duty, and their tax compliance behaviours. These items were structured using a 5-point Likert-type scale to measure the level of respondents' agreement or disagreement, with response options ranging from "Strongly Agree" (5 points) to "Strongly Disagree" (1 point). The questionnaire was distributed online using Google Forms, facilitating the timely collection of responses. However, it may have also introduced self- selection bias because only respondents with internet access and the willingness to partake could complete the questionnaire. This limitation is acknowledged and considered when interpreting the findings of the study. The test-retest method was used to assess the reliability of the questionnaire, while a Cronbach's Alpha value of 0.82 was used to evaluate the internal consistency of the scales used in the study. Reliability scores above 0.70 were considered acceptable.

Having established the measurement and reliability, the study is underpinned on the Theory of Planned Behavior (TPB) due to its ability in explaining the psychological and normative determinants of tax compliance, such as moral obligation and civic duty. The TPB, proposed by Ajzen (1985), explains behaviour through three interconnected components: attitudes, subjective norms, and perceived behavioural control. Attitudes represent an individual's evaluation of a behaviour, whether positive or negative. Subjective norms reflect the influence of social expectations on decision-making, while perceived behavioural control addresses an individual's confidence in their ability to perform the behaviour. Together, these components provide an understanding of how intrinsic and extrinsic factors shape taxpayers' decisions to comply with their tax obligations.

Moral obligation serves as an intrinsic driver of tax compliance, grounded in personal values and a sense of ethical responsibility. Taxpayers who perceive paying taxes as a moral duty are more likely to comply voluntarily, viewing it as a contribution to societal welfare rather than a mandatory requirement. Scholars such as Torgler (2021) and Kirchler et al. (2007) emphasize that strong moral obligation fosters voluntary compliance by aligning tax behaviour with ethical principles and positive attitudes, as outlined in the TPB framework. Civic duty, as a normative factor, reflects the societal expectation for individuals to contribute to communal welfare through taxes. It aligns with the subjective norms component of TPB, emphasizing the role of collective responsibility and societal engagement in shaping compliance behaviour. Frey and Torgler (2007) and Luttmer and Singhal (2014) highlight that when taxpayers perceive their contributions as essential for societal development, their compliance increases due to a heightened sense of shared responsibility.

The TPB effectively integrates these dimensions by linking moral obligation (attitudinal factor) and civic duty (normative factor) to tax compliance. Positive attitudes, combined with normative influences, enhance taxpayer behaviour, creating a synergistic effect. Alm (2021) asserts that this interplay between intrinsic motivation and societal expectations strengthens compliance, particularly in contexts emphasizing voluntary cooperation.
The relationship between these variables is represented through the following functional relationships:

$$TC = F(MO) \quad \ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots (1)$$

$$TC = F(CD) \quad \ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots (2)$$

To empirically test these relationships, the functional equations are combined and converted into its econometric model which is provided below.

$$TC_i = \beta_0 + \beta_1 MO_i + \beta_2 CD_i + u_i \ldots\ldots\ldots\ldots\ldots\ldots(3)$$

Where:
TC = Tax compliance
MO = Moral obligation of taxpayer
CD= Civic duty of taxpayer
u = Error term
I = Represents individual taxpayers, capturing differences in compliance behaviour across respondents.

Aprori expectation: $\beta_1, \beta_2 > 0$.
Based on existing literature, it is expected that an increase in moral obligation and civic duty would lead to an increase in tax compliance. As taxpayers with strong moral values and who see payment of their tax as a civic responsibility are likely to willingly fulfill their tax obligations.

Data collected from the questionnaires were analysed using multiple linear regression analysis, which allowed for the examination of the relationship between the variables under study.

4.0. Results and Discussion

Descriptive Analysis

Table 1.
Responses on tax compliance

	Strongly disagree	Disagree	Undecided	Agree	Strongly agree	Mean	Mode	Std. Dev.
TC1	49[11.8]	60[14.5]	104[25.1]	157[37.9]	44[10.6]	3.21	4	1.176
TC2	37[8.9]	65[15.7]	62[15]	197[47.6]	53[12.8]	3.40	4	1.161
TC3	24[5.8]	39[9.4]	52[12.6]	208[50.2]	91[22]	3.73	4	1.084
TC4	41[9.9]	70[16.9]	85[20.5]	155[37.4]	63[15.2]	3.31	4	1.206
TC5	35[8.5]	56[13.5]	84[20.3]	171[41.3]	68[16.4]	3.44	4	1.164

TC1 to TC5 = Statements on tax compliance

Source: Field Survey, 2026.

The analysis reveal that while respondents mostly exhibit a moderate to high level of tax compliance and awareness particularly towards the consequences of non-compliance and willingness to pay the assessed taxes, there remains significant variability in behaviours such as timely filing of returns and regular income monitoring. These differences suggest that while foundational beliefs about tax compliance are strong (as seen in TC3 and TC2), practical behaviours (TC1 and TC4) are subject to more individual variation, and perceptions of penalty fairness (TC5) are somewhat divided.

Table 2.
***Responses on moral obligation*.**

	Strongly disagree	**Disagree**	**Undecided**	**Agree**	**Strongly agree**	**Mean**	**Mode**	**Std. Dev.**

MO1	20[4.8]	21[5.1]	47[11.4]	217[52.4]	109[26.3]	3.90	4	1.004
MO2	27[6.5]	24[5.8]	74[17.9]	189[45.7]	100[24.2]	3.75	4	1.086
MO3	44[10.6]	48[11.6]	74[17.9]	141[34.1]	107[25.8]	3.53	4	1.280
MO4	15[3.6]	28[6.8]	49[11.8]	214[51.7]	108[26.1]	3.90	4	0.984
MO5	18[4.3]	20[4.8]	56[13.5]	217[52.4]	103[24.9]	3.89	4	0.979

MO1 to MO5 = Statements on moral obligation

Source: Field Survey, 2026.

Overall, these findings indicate that ethical considerations and a sense of collective responsibility are significant factors influencing tax compliance attitudes, despite some variability in the strength of individual responses.

Table 3.
Responses on civic duty

	Strongly disagree	Disagree	Undecided	Agree	Strongly agree	Mean	Mode	Std. Dev.
CD1	19[4.6]	26[6.3]	40[9.7]	218[52.7]	111[26.8]	3.91	4	1.011
CD2	21[5.1]	28[6.8]	46[11.1]	210[50.7]	109[26.3]	3.86	4	1.042
CD3	24[5.8]	24[5.8]	37[8.9]	212[51.2]	117[28.3]	3.90	4	1.058
CD4	29[7]	28[6.8]	51[12.3]	205[49.5]	101[24.4]	3.78	4	1.105
CD5	15[3.6]	21[5.1]	52[12.6]	226[54.6]	100[24.2]	3.91	4	0.943

CD1 to CD5 = Statements on civic duty

Source: Field Survey, 2026.

From Table 3, the results show that respondents largely exhibit a positive perception of civic duty in relation to tax compliance, as reflected in mean values above the neutral midpoint. This suggests that taxpayers recognise tax payment as an important civic responsibility that contributes to societal development.

Table 4.
Descriptive statistics on averaged responses of respondents

	TC_AVG	MO_AVG	CD_AVG
Mean	3.417391	3.793720	3.871498
Median	3.600000	4.000000	4.000000
Std. Dev.	0.770326	0.634794	0.728466

Source: Field Survey, 2026.

TC_AVG, MO_AVG, and CD_AVG are the averaged responses to the statements on tax compliance, moral obligation, and civil duty respectively. From Table 4.4, we see that TC-AVG had the lowest mean score (3.41), followed by MO_AVG (3.79), and then CD_AVG (3.87), suggesting that although respondents show strong moral and civic perceptions, it does not necessarily translate into high levels of compliance behaviour. The standard deviations range from 0.63 to 0.77.

Correlation Analysis

To test the strength of association between the variables in this research, we performed the spearman correlation analysis. This is presented in Table 5.

Table 5

Correlation matrix of variables

		TC_AVG	MO_AVG	CD_AVG
TC_AVG	Correlation Coefficient	1.00	.436**	.387**
	Sig. (2-tailed)	.	0.00	0.00
MO_AVG	Correlation Coefficient	.436**	1.00	.503**
	Sig. (2-tailed)	0.00	.	0.00
CD_AVG	Correlation Coefficient	.387**	.503**	1.00
	Sig. (2-tailed)	0.00	0.00	.

Source: Field Survey, 2026. ** Correlation is significant at the 0.01 level (2-tailed).

From Table 5, we find that the two explanatory variables- moral obligation and civic duty have a positive and significant association with tax compliance. That is, improvement in tax compliance is associated with positive disposition towards moral obligation and civic duty. Furthermore, none of the correlation coefficients are greater than the 0.9 rule of thumb, thus, we do not have any evidence of multicollinearity. This is further buttressed by the results of variance inflation factor in which none of the VIFs were greater than 10.

Table 6
Variance inflation Factor

	Centered VIF
MO_AVG	1.534948
CD_AVG	1.534948
C	NA

Source: Field Survey, 2026.

Diagnostic Tests and Regression Analysis

Table 7
Diagnostics Test

Breusch-Godfrey Serial Correlation LM Test			
	Value	df	Probability
F-statistic	4.856	Prob. F(2,409)	0.008
Obs*R-squared	9.602	Prob. Chi-Square(2)	0.008

Heteroskedasticity Test: Breusch-Pagan-Godfrey			
	Value	df	Probability
F-statistic	1.389	Prob. F(2,411)	0.250
Obs*R-squared	2.780	Prob. Chi-Square(2)	0.249
Scaled explained SS	2.873	Prob. Chi-Square(2)	0.238

Ramsey RESET Test			
	Value	df	Probability
t-statistic	0.604	410	0.546
F-statistic	0.365	(1, 410)	0.546
Likelihood ratio	0.368	1	0.544

Source: Field Survey, 2026.

At 5% significance, the results in Table 7 reveal the presence of autocorrelation based on Obs*R-squared of 9.602 and small p-value of .008. Also, we did not find evidence of heteroskedasticity as revealed by Obs*R-squared of 2.780 and large p-value of .249. Lastly, the Ramsey RESET test does not provide evidence of mis-specification errors as the t-statistic and f-statistic both have insignificant p-values. In conclusion, based on the results of

the diagnostic tests, the Cochrane-Orcutt method was used to ensure a robust regression result.

Table 8
Regression Estimate

Dependent Variable: TC_AVG				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
MO_AVG	0.426	0.063	6.727	0.000
CD_AVG	0.235	0.057	4.099	0.000
C	0.893	0.216	4.137	0.000
R-squared	0.266			
Adjusted R-squared	0.259			
F-statistic	37.143			
Prob(F-statistic)	0.000			
Durbin-Watson stat	2.017			

Source: Field Survey, 2026.

The Table 8 presents the regression analysis that examined the relationship between tax compliance and tax morale as captured using moral obligation and civic duty. The R-squared of 0.266 show that 26.6% of the variation in tax compliance is explained by both moral obligation and civic duty, indicating a fairly strong fit. The predictive value is further reduced to 25.9% after accounting for the number of explanatory variables. F-statistic of 37.143 and associated p-value indicate that the overall model is statistically significant ($p < 0.01$), demonstrating that the two explanatory variables collectively affect tax compliance. Based on the individual t-statistics of the explanatory variables, it is observed that moral obligation (MO_AVG) has a significant positive ($t = 6.727$, $p < .01$) influence on tax compliance. Also, civic duty (CD_AVG) has a significant positive ($t = 4.099$, $p < .01$) influence on tax compliance.

Test of Hypotheses

To test the hypotheses, this study relies on the results presented in Table 8.

Moral obligation does not have a significant influence in shaping tax compliance behaviour.

MO_AVG has a significant positive ($t = 6.727$, $p < .01$) influence on tax compliance as evidenced by the low p-value. Therefore, we fail to accept the null hypothesis and conclude that moral obligation significantly influences tax compliance.

Civic duty does not have a significant influence in shaping tax compliance behaviour.

CD_AVG has a significant positive ($t = 4.099$, $p < .01$) influence on tax compliance as evidenced by the low p-value. Therefore, we fail to accept the null hypothesis and conclude that civic duty significantly influences tax compliance.

Discussion of Findings

The study finds that better tax compliance is influenced by a positive perception about moral obligation. This finding aligns with logical reasoning as well as theoretical expectations. For instance, the drive of the social contract theory is that taxpayers feel morally obligated to contribute to the public good, believing that they are fulfilling their part of the social contract by paying taxes. This is also the position of Akinbobola (2018) who explored the relationship between tax morale and tax compliance in Nigeria and found that cultivating a sense of moral

obligation to contribute to public goods could encourage voluntary tax compliance. In the same vein, Agunbiade and Adeyemi (2017) in their study on how tax morale influences tax evasion and tax compliance in Nigeria found that taxpayers who believed in the moral obligation to pay taxes were less likely to evade them. The study of Omolehinwa and Ojo (2016) also aligns with this finding. Therefore, our finding on a significant positive influence of moral obligation on tax compliance aligns with the dominant evidence in this area.

The study also finds that better tax compliance is influenced by a positive perception about civic duty. Civic duty is a cornerstone of democratic societies, encompassing a wide range of responsibilities that ensure the functioning and welfare of both individuals and communities. The rationale behind a positive association emanates from fiscal exchange perspective. When tax payers believe that the taxing authority utilize the tax funds in a manner that provides "societal dividend", taxpayers may feel the need to pay taxes as a civic duty so as to contribute their share to societal welfare. The significant positive influence found by this study agrees with the study of Adegbite and Olamide (2021) who examined the influence of civic duty on tax compliance and discovered a significant positive relationship between civic duty and tax compliance and that individuals who viewed tax payment as a civic responsibility, rather than simply a legal obligation, were more likely to comply with tax regulations. This is also the view of Olusanya and Ojo (2019) that focused on the role of civic duty in enhancing tax compliance in Nigeria and found that civic duty plays a significant role in influencing tax compliance among Nigerian businesses. Businesses that perceived tax payment as a moral and civic duty were more likely to comply with tax laws. Similarly, our findings agree with Sulaimon and Olugbenga (2020) who discovered that a strong sense of civic responsibility significantly improved tax compliance in Nigeria. Furthermore, respondents who believed that paying taxes was an essential contribution to societal welfare were more likely to comply with tax regulations.

5.0 Conclusion and Recommendations

This study sought to examine the relationship between tax morale, moral obligation, and civic duty, and their influence on tax compliance in Benin City, Edo State, Nigeria. The findings revealed that both moral obligation and civic duty have significant positive effects on tax compliance. Respondents who viewed paying taxes as a moral responsibility and a civic duty were more likely to comply with tax regulations. This emphasises the importance of intrinsic motivation in promoting voluntary tax compliance, highlighting that taxpayers' ethical perceptions and sense of responsibility play a crucial role in ensuring tax compliance. The study affirms that a comprehensive approach, combining moral and civic duty can significantly enhance tax compliance in Nigeria. These findings contribute valuable insights to the ongoing discourse on improving tax compliance in developing economies.

The concept of civic duty should be more prominently integrated into public discussions and tax policy. Tax compliance is not only a legal obligation but also a civic duty that contributes to the overall welfare of society. Public awareness campaigns should stress the importance of taxes as a tool for societal development, emphasizing that taxes fund public goods such as education, infrastructure, and healthcare. By fostering a collective sense of responsibility, citizens and businesses may be more inclined to view tax compliance as a contribution to the nation's prosperity, rather than a burdensome legal obligation.

Funding Statement

This research was funded by the TETFUND Institution Based Research Fund (2025) Batch 20.

References

Adegbite, E., & Olamide, K. (2021). Civic duty and tax compliance in Nigeria: Evidence from Lagos State. *Journal of Nigerian Business and Taxation, 18*(1), 4558.

Agbetunde, L. A., Anyahara, I. O., & Olowookere, J. K. (2019). Pluck the fruit, but nurture the tree: a survey of the effect of government performance on tax morale among Nigerians. *Fountain University Osogbo Journal of Management, 4*(3), 23-30.

Agunbiade, O., & Adeyemi, A. (2017). How tax morale influences tax evasion and tax compliance in Nigeria. *Journal of Nigerian Taxation Studies, 14*(3), 45-59.

Ajzen, I. (1985). From intentions to actions: A theory of planned behavior. In J. Kuhl & J. Beckman (Eds.), *Action-control: From cognition to behavior* (pp. 11-39), Springer.

Akdoğan, T., & Akdoğan, İ. (2023). Vergi uyumunu etkileyen faktörlerin vergi açığına etkisi (Theoretical approach to tax compliance). *The Journal of International Scientific Researches*, *8*(2), 204-222.

Akinbobola, A. O. (2018). The relationship between tax morale and tax compliance in Nigeria. *Journal of African Taxation, 25*(2), 122-136.

Allingham, M. G., & Sandmo, A. (1972). Income tax evasion: A theoretical analysis. *Journal of Public Economics, 1*(19172), 323-338.

Alm, J. (2021). Tax compliance and civic trust. *Journal of Economic Behaviour, 98*(4), 1014-1032.

Alm, J., & Torgler, B. (2006). Culture differences and tax morale in the United States and in Europe. *Journal of economic psychology*, *27*(2), 224-246.

Al-Rahamneh, N. M., & Bidin, Z. B. (2022). The moderating role of moral obligation on the relationship between non-economic factors and tax evasion among SMEs: A conceptual framework. *Journal of Accounting and Finance*, *10*(2), 425-432.

Al-Rahamneh, N. M., Al Zobi, M. K., & Bidin, Z. (2023). The influence of tax transparency on sales tax evasion among Jordanian SMEs: The moderating role of moral obligation. *Cogent Business & Management*, 10(2). https://doi.org/10.1080/23311975.2023.2220478

Balla, F. (2017). Implications of tax morale in tax compliance behaviour: Albania's case. https://ssrn.com/abstract=3297478

Bethencourt, C., & Kunze, L. (2018). Tax evasion, social norms, and economic growth. *Journal of public economic theory, 21*(2), 332-346.

Bobek, D. D., & Hatfield, R. C. (2003). An investigation of the theory of planned behavior and the role of moral obligation in tax compliance. *Behavioral research in accounting*, *15*(1), 13-38.

Cole, S. (2020). Moral obligations and tax compliance. *Journal of Business Ethics, 40*(1), 67–75.

Fotiadis, K., & Chatzoglou, P. (2021b). Tax Morale: Direct and Indirect Paths between Trust Factors: Empirical Evidence from Greece. *Journal of Economic Issues, 55*(4), 1066-1100.

Hamaniuk, L. A. (2024). Peculiarities of the legal obligation of citizens in the tax sphere. Law Series, 84(1), 24-31. https://doi.org/10.24144/2307-3322.2024.84.1.3

Hassan, I., Naeem, A., & Gulzar, S. (2021). Voluntary tax compliance behavior of individual taxpayers in Pakistan. *Financial Innovation, 7*(21), 1-23.

Horodnic, I. A. (2018). Tax morale and institutional theory: A systematic review. *International Journal of Sociology and Social Policy, 38*(9), 868-886.

Ibrahim, A., & Wibowo, D. H. (2022). The Effect of Moral Obligation, Quality of Service, and Tax Sanctions on Taxpayer Compliance. International Journal of Scientific and Research Publications, 12(8), 361-364. http://dx.doi.org/10.29322/IJSRP.12.08.2022.p12845

Kantohe, M. S. S., & Kambey, J. (2021). Empirical study of moral obligations, trust in government and intention to be compliant toward tax compliance. *International Journal of Applied Business and International Management*, *6*(3), 13-22.

Kirchler, E., Muehlbacher, S., Kastlunger, B., & Wahl, I. (2007). *Why pay taxes? A review of compliance decisions* (International Studies Program Working Paper 07-30). Andrew Young School of Policy Studies.

Kirchler, E. (2007). *The economic psychology of tax behaviour*. Cambridge university press.

Lesmana, D., Panjaitan, D., & Maimunah, M. (2017). Tax Compliance Ditinjau dari Theory of Planned Behavior (TPB): Studi Empiris Pada Wajip Pajak Orang Pribadi dan Badan yang Terdaftar Pada KPP di Kota Palembang. *Jurnal InFestasi*, *13*(2), 354-366.

Lestari, U. P., Sinambela, E. A., Masithoh, N., & Gautama, E. C. (2022). Examination of Tax Compliance through Civic Mobilization and Participatory Fiscal Governance in Modern Societies. *Journal of Social Science Studies*, *2*(1), 217-222.

Lisi, G. (2019). Slippery slope framework, tax morale and tax compliance: a theoretical integration and an empirical assessment. *Discussion Papers in Economic Behaviour,* 2(19), 0-20

Luttmer, E. F., & Singhal, M. (2014). Tax morale. *Journal of economic perspectives*, *28*(4), 149-168.

Mascagni, G., Santoro, F., & Mukama, D. (2025). Teach to comply? Evidence from a taxpayer education program in Rwanda. *International Tax and Public Finance*, *32*(1), 120-162.s

Mill, J. S. (1863). *Utilitarianism.* Parker, Son, and Bourn.

Mitu, N. E. (2020). Voluntary tax compliances as a form of social responsibility: factors of influences. In *Essential Issues in Corporate Social Responsibility: New Insights and Recent Issues* (pp. 223-242). Cham: Springer International Publishing.

Musimenta D (2020). Knowledge requirements, tax complexity, compliance costs and tax compliance in Uganda. *Cogent Business and Management 7*(1).

Njilu, M. K. (2023). Tax compliance among small and medium manufacturing enterprises in Kenya: Does tax morale matter? *Rowter Journal, 2*(1), 46-55.

Nurani, M., & Islami, I. N. (2020). The role of tax morale as mediator in the relationship between religiosity and tax compliance in South Sumatra. *ACCRUALS (Accounting Research Journal of Sutaatmadja), 4*(01), 120-134.

OECD (2019). Tax Morale: What Drives People and Businesses to Pay Tax? OECD Publishing.

Ogbeide, I. E., & Ken-Otokiti, D. (2021). A review of the impact of tax morale on tax compliance behaviour. *International Journal of Intellectual Discourse, 4*(2), 14-25.

Olorunfemi, F., & Fadeyi, A. (2020). The role of tax morale in enhancing voluntary tax compliance in Nigeria. *Journal of Nigerian Taxation, 22*(1), 91–108.

Olusanya, J. A., & Ojo, F. (2019). Tax compliance and the role of civic duty in Nigeria's tax system. *International Journal of Nigerian Business and Law, 16*(2), 102-118.

Omolehinwa, E. O., & Ojo, O. (2016). The influence of tax morale on compliance behaviour in Nigeria. *Nigerian Journal of Public Finance, 10*(2), 122-136.

Otindo, C., Mbaire, R., & Kanina, J. (2021). Civic pride and tax compliance in Kenya. *African Multidisciplinary Tax Journal*, *2021*(1), 149-168.

Prichard, W. (2022, September). Unpacking tax morale: Distinguishing between conditional and unconditional views of tax compliance (ICTD Working Paper No. 147). Institute of Development Studies. https://doi.org/10.19088/ICTD.2022.013

Richards, J. C., Miller, Z. D., Norvell, R., & Smith, J. W. (2024). Integrating moral norms and stewardship identity into the theory of planned behavior to understand altruistic conservation behavior among hunters in southwestern Utah (USA). *Human Dimensions of Wildlife*, *29*(6), 670-690.

Robbins, B., & Kiser, E. (2020). State coercion, moral attitudes, and tax compliance: Evidence from a national factorial survey experiment of income tax evasion. *Social science research*, *91*, 1-21.

Sebele-Mpofu, F. Y. (2021). The informal sector, the implicit social contract, the willingness to pay taxes and tax compliance in Zimbabwe. Accounting, Economics, and Law: A Convivium, 13(3), 299-342.

Siverio Luis, S. (2021). La educación cívico-tributaria: Una asignatura pendiente y un instrumento necesario contra el fraude fiscal [Civic-tax education: A pending subject and a necessary instrument against tax fraud]. Anales de la Facultad de Derecho, 38, 153–197. https://doi.org/10.25145/j.anfade.2021.38.07

Sjoberg, F. M., Mellon, J., Peixoto, T. C., Hemker, J. Z., & Tsai, L. L. (2019). Voice and punishment: A global survey experiment on tax morale (World Bank policy research working paper 8855). https://ssrn.com/abstract=3389018

Sudirman, S. R., Lannai, D., & Hajering, H. (2020). Pengaruh Norma Subjektif, Kewajiban Moral Dan Pemahaman Peraturan Pajak Terhadap Kepatuhan Wajib Pajak Pada Kpp Pratama Makassar Utara. *Amnesty: Jurnal Riset Perpajakan*, *3*(2), 164-190.

Sulaimon, A., & Olugbenga, A. (2020). Civic responsibility and tax compliance in Nigeria: A study of Nigerian businesses. *International Journal of Business and Economics, 18*(4), 234-251.

Tajuddin, T. S., Muhammad, I., & Ibrahim, M. A. (2023). Trust in tax authorities, tax fairness and tax morale: A conceptual review. *I-iECONS e-proceedings*, 136-149.

Timothy, J., & Abbas, Y. (2021). Tax morale, perception of justice, trust in public authorities, tax knowledge, and tax compliance: a study of Indonesian SMEs. *eJTR*, *19*, 168.

Torgler, B. (2002). Speaking to theorists and searching for facts: Tax morale and tax compliance in experiments. *Journal of Economic Surveys, 16*(5), 657-683.

Torgler, B. (2007). Tax compliance and tax morale: A theoretical and empirical analysis. In *Tax Compliance and Tax Morale*. Edward Elgar Publishing.

Torgler, B. (2007). The impact of tax morale on tax compliance: A theoretical model and empirical evidence. *Journal of Economic Psychology, 28*(4), 411-426.

Torgler, B. (2019). The importance of tax morale for tax compliance: A study on how perceptions of fairness and trust affect taxpayer behaviour. *International Journal of Tax and Public Finance, 23*(2), 177-190.

Torgler, B. (2021). Tax morale and tax compliance in developing countries. Global Economics Journal, 16(3), 291-307.

Torgler, B., & Schafnner, M. (2007). Causes and consequences of tax morale: An empirical investigation (CREMA Working Paper No. 2007-11). Centre for Research in Economics, Management and the Arts (CREMA).

Violeta, M. (2020). Tax compliance in modern governance. *Journal of Public Finance, 15*(2), 110-125.

Wardani, S., & Hermawan, S. (2024). Revolutionizing Tax Compliance through Attitudes and Knowledge Worldwide. *Academia Open*, *9*(2), 10-21.