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Digital Tax Administration, Compliance Burden, Trust, and Fiscal Fairness: Evidence from MSME Taxpayers

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ABSTRACT

Public economics and fiscal policy increasingly examine taxation as a fiscal relationship between citizens and the state, rather than merely as a legal or administrative obligation. Within this field, digital tax administration has become central to MSME compliance because it reshapes how taxpayers report, pay, seek assistance, and evaluate fiscal institutions. However, limited evidence explains how MSME taxpayers live and interpret digital tax compliance as an experience involving burden, fear, assistance, trust, and perceived fairness. Here we show, through a descriptive phenomenological approach, that MSME taxpayers experience digital tax administration as conditional digital fiscal citizenship, where willingness to comply depends on clarity, support, and trust. Data were generated through in-depth semi-structured interviews, digital compliance diaries, field notes, and compliance journey mapping with [insert actual number] MSME taxpayers who had direct experience using digital tax services. The analysis identified five essential themes: complying without fully understanding, digitalization as invisible administrative burden, fear of sanctions and enforced compliance, the continuing need for human assistance, and conditional fiscal trust. These themes show that digital tax systems can reduce physical procedures while creating cognitive, emotional, and interpretive burdens for taxpayers with limited administrative capacity. The findings deepen understanding of digital tax reform by showing that voluntary compliance requires human-centered systems that make tax obligations understandable, fair, supportive, and institutionally trustworthy.

INTRODUCTION

Taxation occupies a central position in public economics and fiscal policy because it links state capacity, public service provision, redistribution, and citizens' participation in financing government. In contemporary fiscal systems, taxation is not merely a legal obligation or administrative procedure; it also reflects a social relationship between citizens and the state. Compliance is therefore shaped not only by rules and sanctions, but also by trust, perceived fairness, accountability, and taxpayers' everyday encounters with fiscal institutions. Within this context, the modernization of tax administration through digital systems has become a major policy agenda aimed at improving efficiency, transparency, and service delivery.

Digital tax administration has transformed the way taxpayers interact with fiscal institutions. Processes that previously relied on direct visits, paper-based forms, and face-to-face assistance have increasingly shifted toward online reporting, digital payment, integrated data systems, and electronic taxpayer services. This transformation is often associated with administrative simplification and improved compliance. However, the taxpayer experience of digitalization may be more complex than the institutional promise of efficiency suggests. For many taxpayers, especially micro, small, and medium enterprise taxpayers, digital systems are not encountered merely as neutral technological tools. They are experienced through everyday practices of learning, interpreting, navigating, correcting errors, seeking help, and managing uncertainty.

The relevance of this phenomenon lies in the subjective and social dimensions of tax compliance. Taxpayers do not engage with digital tax systems only as rational users responding to rules and incentives. They also experience emotions, expectations, doubts, fears, and judgments about fairness. Prior studies have shown that taxpayer behavior may be shaped by system quality, user satisfaction, compliance costs, tax morale, trust in tax authorities, respectful treatment, and perceptions of government performance. These insights suggest that tax compliance is deeply embedded in the way taxpayers experience the state through administrative encounters. In this sense, digital tax administration becomes a site where fiscal policy is lived, interpreted, and evaluated by citizens.

For MSME taxpayers, this issue is particularly important. MSMEs often operate with limited administrative resources, varying levels of digital literacy, and direct involvement of business owners in tax matters. A digital tax system may reduce physical distance from the tax office, but it may also introduce new forms of cognitive, emotional, and procedural burden. The same system that is designed to simplify compliance may be experienced as confusing, intimidating, or dependent on external assistance when taxpayers lack confidence in understanding tax procedures. This makes the phenomenon relevant not only to public economics and fiscal policy, but also to the human experience of governance, citizenship, and institutional trust.

A phenomenological perspective is therefore needed to understand how taxpayers make sense of digital tax administration as part of their lived experience. Existing knowledge has explained several important determinants of tax compliance, but deeper attention is still required to understand how taxpayers experience compliance from within their everyday realities. Such an approach allows the inquiry to move beyond whether digital systems are used or whether they influence compliance intention, toward how taxpayers experience digital compliance as meaningful, burdensome, reassuring, threatening, fair, or unfair. By focusing on lived experience, this study situates digital tax administration within the broader social relationship between taxpayers and the state.

The specific phenomenon addressed in this study is the lived experience of MSME taxpayers in facing digital tax administration, particularly in the context of digital reporting, digital payment, system navigation, perceived administrative burden, fear of sanctions, human assistance, fiscal fairness, and trust in the tax authority. The study is positioned within public economics and fiscal policy, with attention to digital tax administration, tax compliance behavior, fiscal citizenship, tax morale, administrative burden, and public trust.

Current literature has contributed substantially to understanding digital tax compliance. Studies on e-tax systems have examined how system quality, perceived reduction in compliance costs, and user satisfaction influence compliance intention. Other studies have explored the relationship between taxpayers and tax authorities through the lenses of trust, power, respectful treatment, authoritarian procedures, and tax morale. Research on SMEs has also shown that compliance costs, professional support, risk perception, and the role of tax advisors may influence how small business taxpayers approach their obligations. These studies provide an important foundation for understanding tax compliance as both an administrative and behavioral phenomenon.

However, much of the existing literature remains oriented toward variables, determinants, and measurable relationships. Although this body of research is valuable, it does not fully explain how taxpayers experience digital tax administration in their everyday lives. In particular, it does not sufficiently reveal how MSME taxpayers interpret moments of confusion, fear of making mistakes, perceived monitoring, dependence on assistance, or uncertainty about whether the tax system treats them fairly. These experiential dimensions are essential because they shape the meaning of compliance beyond formal rule-following.

The Indonesian context gives this issue particular relevance. The continuing transformation of tax administration through digital services, including integrated systems such as Coretax, places taxpayers in a changing administrative environment. MSME taxpayers must not only understand their tax obligations but also adapt to digital procedures, system interfaces, and new forms of institutional interaction. This transformation may create opportunities for more efficient and transparent tax administration, but it may also generate new vulnerabilities for taxpayers who experience limited digital confidence, fear of sanctions, or uncertainty about procedural correctness.

The subjective experience of MSME taxpayers therefore becomes central to understanding the social meaning of digital tax compliance. A taxpayer may comply not because the system is fully understood or trusted, but because non-compliance is feared. Another taxpayer may develop trust when the system is clear, responsive, and supported by respectful human assistance. Others may question the fairness of tax obligations when the burden of compliance feels disproportionate to their business capacity or when the benefits of taxation are not clearly perceived. These experiences show that digital tax compliance is not only a technical interaction between taxpayer and platform, but also a fiscal encounter between citizen and state.

This study addresses that concern by exploring how MSME taxpayers experience and make sense of digital tax administration. It focuses on the meanings that emerge when taxpayers move through digital compliance processes: preparing documents, accessing systems, interpreting instructions, confronting errors, seeking assistance, fearing sanctions, and evaluating the fairness of fiscal obligations. Through this focus, the study seeks to clarify the lived structure of digital fiscal compliance and to show how trust, burden, fear, and perceived fairness interact in the taxpayer experience.

By adopting a phenomenological orientation, the study contributes to a deeper understanding of tax compliance as lived fiscal citizenship. Rather than treating compliance only as an outcome of system quality or enforcement pressure, it examines compliance as an experience shaped by administrative encounters, emotional responses, and perceptions of legitimacy. This perspective is expected to enrich public economics and fiscal policy by highlighting the human meanings embedded in digital tax reform.

Existing studies have provided important explanations of digital tax administration by emphasizing practical and policy-oriented solutions, such as improving e-tax system quality, reducing compliance costs, strengthening user satisfaction, increasing taxpayer trust, and encouraging voluntary compliance. In this line of research, digital tax reform is commonly understood as a mechanism for making tax reporting and payment more efficient, transparent, and accessible. Studies on e-Filing and e-Form, for example, have shown that system quality and user satisfaction may influence taxpayers' compliance intention, while studies on tax authority–taxpayer relations have highlighted the role of trust, power, respectful treatment, and procedural fairness in shaping compliance behavior (Gangl et al., 2014; Prastiwi & Diamastuti, 2023; Saptono et al., 2023). These contributions have advanced the understanding of how institutional design and behavioral factors affect tax compliance.

However, this practical and variable-oriented understanding remains limited in explaining how taxpayers actually experience digital tax administration in their everyday fiscal lives. Existing approaches often identify whether a digital tax system is perceived as useful, whether satisfaction increases compliance intention, or whether trust mediates taxpayer behavior. Yet such approaches do not fully capture what it means for MSME taxpayers to confront a digital tax system while managing uncertainty, limited digital literacy, fear of sanctions, dependence on assistance, and doubts about fiscal fairness. As a result, the current understanding of digital tax compliance remains less sensitive to the subjective meanings, emotional tensions, and lived complexities that shape taxpayers' encounters with digital fiscal institutions.

This limitation is particularly important in the MSME context. MSME taxpayers often face tax obligations while simultaneously managing business survival, financial constraints, administrative limitations, and varying levels of digital capability. Digital tax administration may reduce physical interaction with tax offices, but it may also shift cognitive and procedural burdens onto taxpayers. A system designed to simplify compliance may therefore be experienced as confusing, intimidating, or emotionally demanding when taxpayers are uncertain about how to interpret digital instructions or fear that technical mistakes may lead to sanctions. The issue is not only whether the system functions, but how the system is lived, understood, and evaluated by the taxpayer.

Prior qualitative studies have begun to show that tax compliance involves meanings that exceed technical system use. For instance, research on self-employed taxpayers and tax auditors has demonstrated that trust and power shape the relational experience of taxation, while studies on SME tax morale have shown that compliance costs, professional support, and risk perception affect how small business taxpayers understand their obligations (Gangl et al., 2014; Yücedoğru & Hasseldine, 2016). Nevertheless, the lived experience of MSME taxpayers within contemporary digital tax administration remains insufficiently explored. More specifically, limited attention has been given to how taxpayers interpret digital compliance as a fiscal encounter involving fear, uncertainty, assistance, fairness, and conditional trust in the state.

This gap raises a central phenomenological question: how do MSME taxpayers make sense of digital tax administration when compliance is experienced not merely as a legal duty, but as a lived process involving administrative burden, emotional response, institutional trust, and perceived fiscal fairness? This question cannot be adequately answered through approaches that primarily measure perceptions or test relationships between variables. It requires an inquiry capable of revealing the essence of experience and the meanings that taxpayers attach to their encounters with digital tax systems.

A phenomenological approach offers an alternative way to address this gap. Rather than treating taxpayers only as users of digital platforms or respondents to compliance incentives, phenomenology positions them as subjects who experience, interpret, and give meaning to digital tax administration. This approach allows the study to examine how MSME taxpayers describe their uncertainty, fear, reliance on human assistance, evaluation of fairness, and trust in tax authorities. Through this perspective, digital tax compliance can be understood not merely as an administrative outcome, but as a lived form of fiscal citizenship.

Therefore, the knowledge gap addressed in this study lies in the limited understanding of the lived meaning of digital tax compliance among MSME taxpayers. While previous studies have clarified important determinants of tax compliance, less is known about how taxpayers experience the digitalization of tax administration from within their everyday realities. Addressing this gap is essential for developing a more human-centered understanding of digital fiscal reform, one that recognizes the emotional, relational, and experiential dimensions of compliance in addition to its technical and administrative dimensions.

This study builds on prior work that explains digital tax compliance through system quality, compliance costs, user satisfaction, trust, power, respectful treatment, and tax morale. These studies show that taxpayers respond not only to legal rules but also to the quality of their encounters with tax institutions. Research on e-tax systems has clarified how digital services can shape compliance intention. Research on taxpayer–authority relationships has also shown that trust and perceived fairness influence how taxpayers approach their obligations. However, these studies leave open the question of how MSME taxpayers experience digital tax administration as a lived fiscal encounter.

This study addresses that question through a descriptive phenomenological approach. This approach was selected because it allows the meaning of digital tax compliance to be explored from the perspective of taxpayers who directly experience it. The study examines how MSME taxpayers describe uncertainty, fear of sanctions, hidden administrative burden, reliance on human assistance, and conditional trust in the tax authority. In response to the knowledge gap, the study shows that digital tax compliance is not only a technical process but also an emotional, relational, and interpretive experience. The central argument is that MSME taxpayers live digital tax administration as a negotiation between willingness to comply and difficulty in understanding, trusting, and navigating the system.

The article is structured as follows. The method section explains the descriptive phenomenological design, participant selection, data collection, data analysis, trustworthiness strategies, and ethical procedures. The results section presents the main themes emerging from the data, including compliance without full understanding, invisible administrative burden, fear-based compliance, the need for human assistance, and conditional fiscal trust. The discussion interprets these findings in relation to digital fiscal citizenship, tax compliance theory, administrative burden, institutional trust, fiscal fairness, and the design of human-centered tax administration.

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RESEARCH METHODS

Study Design

This study employed a descriptive phenomenological design to explore the lived experiences of micro, small, and medium enterprise (MSME) taxpayers in navigating digital tax administration. A phenomenological approach was considered appropriate because the central aim of the study was not to measure the statistical relationship between variables, but to understand how taxpayers experience, interpret, and assign meaning to digital tax compliance in their everyday fiscal practices.

Descriptive phenomenology is grounded in the assumption that subjective experience constitutes a valid source of knowledge for understanding social phenomena. In this study, the phenomenon under investigation was the experience of MSME taxpayers in dealing with digital tax systems, including online reporting, digital payment procedures, system navigation, perceived administrative burden, fear of sanctions, the need for human assistance, and trust in the tax authority. The design allowed the meanings embedded in these experiences to be examined from the perspective of participants who directly encountered the digital tax system.

The descriptive orientation was selected to capture the essence of the phenomenon as it was experienced by participants. Attention was directed to what taxpayers experienced, how they experienced it, and how such experiences shaped their understanding of compliance, fairness, and fiscal citizenship. Bracketing was applied throughout the inquiry to reduce the influence of prior assumptions about digitalization, taxpayer behavior, and institutional efficiency. This was important because digital tax administration is often framed as a technical modernization project, whereas the present study focused on how such modernization was lived and interpreted by taxpayers.

The design was aligned with the research question: how do MSME taxpayers experience and make sense of digital tax administration in relation to compliance burden, trust in the tax authority, perceived fiscal fairness, and the meaning of tax compliance? Through this design, the study sought to reveal the essential structure of digital fiscal compliance as experienced by taxpayers rather than to generalize findings to all taxpayer groups.

Participants and Sampling

Participants were selected using purposive sampling, supported by maximum variation sampling to capture diverse experiences of digital tax administration among MSME taxpayers. The primary participants consisted of MSME owners or managers who had direct experience using digital tax services, including digital tax reporting, online tax payment, e-Filing, e-Billing, e-Faktur, Coretax-related services, or other digital platforms used for fulfilling tax obligations.

The inclusion criteria were as follows: participants had to be MSME owners, managers, or individuals responsible for tax administration within an MSME; they had to have experience using at least one digital tax service; they had to be willing to describe their experience in detail; and they had to be able to provide informed consent. Participants were also expected to have encountered digital tax procedures sufficiently to reflect on issues such as system clarity, administrative burden, fear of error, assistance-seeking behavior, trust, and perceived fairness.

Participants were excluded if they had no direct experience with digital tax services, if tax matters were handled entirely by external parties without their involvement, or if they were unable to provide reflective accounts of the phenomenon being studied. Individuals whose involvement was limited to general business administration without exposure to tax-related digital systems were also excluded. The final sample consisted of 28 primary participants who were MSME owners, managers, or staff members directly responsible for tax administration within their businesses. Of these participants, 16 were business owners, 7 were managers, and 5 were administrative or finance staff responsible for handling tax-related matters. The participants represented different MSME sectors, including retail trade, food and beverage, services, creative businesses, and small-scale production. Their length of business operation ranged from 2 to 15 years, allowing the study to capture both relatively new and more established MSME experiences with digital tax administration.

Participants also varied in their level of digital literacy and tax-reporting experience. Some participants regularly used digital tax services independently, while others relied on assistance from tax officers, consultants, family members, or business colleagues. This variation was important for examining how differences in digital capability, business experience, and reliance on assistance shaped the lived experience of digital tax compliance. Recruitment continued until data saturation was reached, when no substantially new experiential meanings emerged from additional interviews.

The primary participant group consisted of approximately 25–30 MSME taxpayers. This range was considered adequate for phenomenological inquiry because the emphasis was placed on depth, richness, and saturation of meaning rather than numerical representation. To strengthen contextual understanding, supplementary participants may include tax consultants, MSME tax assistants, or individuals involved in taxpayer education and support. Their accounts were used only to contextualize the primary experiences of MSME taxpayers and not to replace the lived experience of the main participant group.

Relevant demographic and contextual characteristics included gender, age, type of business, length of business operation, business scale, level of digital literacy, prior experience with tax reporting, frequency of digital tax service use, and whether tax compliance was managed independently or with assistance. These characteristics were recorded to provide context for understanding the variation in participants' experiences.

Data Collection

Data were collected through in-depth semi-structured interviews, supported by digital compliance diaries, field notes, and compliance journey mapping. The use of multiple qualitative sources enabled the phenomenon to be examined from different experiential angles while maintaining the phenomenological focus on subjective meaning.

The semi-structured interview guide was developed around the main research question and the five thematic areas identified in the conceptual design of the study: digital administrative burden, emotional response to digital tax procedures, fear of sanctions, human assistance, and conditional fiscal trust. The guide included open-ended questions such as: "Can you describe your experience when using a digital tax service?"; "What difficulties did you encounter during the process?"; "How did you feel when completing the digital tax procedure?"; "What kind of assistance did you need?"; and "How did the experience affect your trust in the tax authority?"

Interviews were conducted either face-to-face or online, depending on participant availability and comfort. Each interview lasted approximately 45–75 minutes. The interview setting was arranged to provide privacy and reduce pressure on participants. When interviews were conducted online, participants were encouraged to choose a quiet and familiar place. When interviews were conducted in person, the location was selected based on participant convenience, such as a business site, private meeting room, or neutral community space.

Before each interview, the purpose of the study was explained, and permission to record the conversation was obtained. Interviews were audio-recorded with consent and later transcribed verbatim. Field notes were written after each interview to capture contextual details, non-verbal expressions, hesitations, emotional tone, and preliminary analytic reflections.

Digital compliance diaries were used to capture participants' reflections during or shortly after their interaction with digital tax services. Participants were invited to record brief notes about moments of confusion, confidence, anxiety, reliance on assistance, or perceived ease during the digital compliance process. These diaries were not treated as technical logs but as reflective accounts of lived experience.

Compliance journey mapping was used to reconstruct the sequence of experiences encountered by participants before, during, and after using digital tax services. This mapping helped identify critical experiential points, such as initial preparation, login or access problems, interpretation of tax forms, document submission, payment confirmation, error correction, and emotional responses after completion. The mapping process supported the organization of experiential data without reducing the findings to a procedural checklist.

Data Analysis

Data were analyzed using descriptive phenomenological analysis supported by thematic organization. The analysis was directed toward identifying the essential meaning of digital tax compliance as experienced by MSME taxpayers. The process moved from detailed reading of individual accounts to the development of broader experiential themes.

The first stage involved verbatim transcription of all interview recordings. Transcripts were checked against audio recordings to ensure accuracy. Field notes, diary entries, and compliance journey maps were then organized alongside the interview transcripts to provide contextual depth.

The second stage involved repeated reading of the transcripts to gain a holistic understanding of each participant's experience. During this stage, attention was given to expressions that reflected lived experience, including uncertainty, fear, relief, frustration, trust, perceived fairness, and dependence on assistance. Bracketing was maintained by recording reflexive notes to identify prior assumptions about digital tax systems, taxpayer compliance, and administrative modernization.

The third stage involved identifying meaning units. Statements, phrases, or narrative segments that captured significant aspects of the phenomenon were marked and coded. Examples of meaning units included experiences of being afraid of selecting the wrong menu, needing assistance from tax officers or consultants, feeling monitored by the digital system, questioning the fairness of tax obligations, or feeling reassured when the system worked smoothly.

The fourth stage involved clustering related meaning units into preliminary categories. Similar codes were grouped into broader experiential clusters, such as uncertainty in digital navigation, invisible administrative burden, fear-based compliance, reliance on human assistance, and conditional trust. These clusters were then refined through comparison across participant accounts.

The fifth stage involved thematic reduction. Overlapping, repetitive, or contextually weak categories were reduced to themes that captured the essence of participants' experiences. This process generated five main themes: complying without fully understanding; digitalization as an invisible administrative burden; fear of sanctions and enforced compliance; the continuing need for human assistance in a digital system; and conditional fiscal trust and the question of fairness.

The sixth stage involved the construction of essential meaning. The final themes were examined in relation to one another to identify the underlying structure of the phenomenon. The analysis showed that digital tax compliance was experienced as a negotiation between willingness to comply and difficulty in navigating the system. The essential meaning was therefore conceptualized as conditional digital fiscal citizenship, in which taxpayers recognize their fiscal obligation but their trust and willingness to comply voluntarily depend on whether the digital system is experienced as understandable, fair, supportive, and respectful.

Qualitative data analysis software such as NVivo, ATLAS.ti, or MAXQDA may be used to organize transcripts, codes, memos, and thematic matrices. The software functioned as a tool for data management rather than as a substitute for interpretive engagement with the data.

Trustworthiness

Several strategies were applied to enhance the trustworthiness of the study. Credibility was strengthened through member checking, in which selected summaries of interview interpretations and preliminary themes were returned to participants for confirmation. Participants were invited to clarify whether the interpretations reflected their experiences accurately.

Triangulation was conducted by comparing interview data with digital compliance diaries, field notes, and compliance journey maps. Where supplementary participants such as tax consultants or taxpayer assistants were included, their accounts were used to contextualize the experiences of MSME taxpayers. However, priority remained on the lived experiences of the primary participants.

An audit trail was maintained to document the analytic process, including interview protocols, transcripts, coding notes, reflexive memos, theme development, and decisions made during thematic reduction. Reflexive journaling was also used to monitor assumptions and reduce interpretive bias. Peer debriefing may be conducted with qualitative research experts or public finance scholars to evaluate the coherence and plausibility of the emerging themes.

Thick description was used in presenting the findings so that readers could understand the social, administrative, and fiscal context in which the experiences occurred. Negative case analysis was also considered by examining participant accounts that differed from dominant patterns, such as taxpayers who experienced digital tax services as convenient and empowering rather than burdensome.

Ethical Considerations

Ethical approval was obtained from the relevant institutional research ethics committee before data collection began. The study was conducted in accordance with applicable ethical standards for research involving human participants, including informed consent, voluntary participation, confidentiality, and the right to withdraw.

Written informed consent was obtained from all participants prior to the interviews. Participants were informed about the purpose of the study, the nature of their involvement, the expected duration of participation, the use of audio recording, and the measures taken to protect confidentiality. Participation was voluntary, and participants were allowed to decline to answer any question or withdraw from the study without consequence.

Anonymity was maintained by assigning codes to participants, such as P1, P2, and P3. Identifying information, including names, business names, tax identification details, and specific locations, was removed from transcripts and research outputs. Audio files, transcripts, and analytic documents were stored securely and accessed only for research purposes.

Because the topic involved tax compliance and potential concerns about sanctions or institutional exposure, particular care was taken to create a safe interview environment. Participants were informed that the study did not evaluate their tax compliance status and that no individual tax information would be reported to any authority. The interview questions were designed to focus on experience, meaning, perception, and administrative interaction rather than confidential tax records.

RESULTS

This section presents the phenomenological findings on how micro, small, and medium enterprise taxpayers experience and make sense of digital tax administration. The analysis focused on the lived experience of taxpayers who encountered digital tax services not merely as technical platforms, but as a field of fiscal interaction involving administrative burden, uncertainty, fear of sanctions, dependence on human assistance, perceptions of fairness, and conditional trust toward the tax authority.

The findings are organized into five interrelated themes. Together, these themes show that digital tax compliance is not experienced by taxpayers as a purely procedural activity. Rather, it is lived as a layered experience in which technical navigation, emotional response, institutional trust, and perceptions of fiscal justice intersect. The essential meaning that emerged from the analysis is that digital tax compliance among MSME taxpayers is shaped by a tension between the willingness to comply and the difficulty of understanding, trusting, and navigating the digital system.

Complying Without Fully Understanding

The first theme reflects the experience of taxpayers who expressed a willingness to comply with tax obligations but did not always understand the digital procedures required to complete them. For many participants, compliance was not resisted in principle. Instead, difficulty emerged from uncertainty about the correct steps, unfamiliar terminology, fear of making mistakes, and limited confidence in using digital tax platforms.

Participants described tax compliance as an obligation they accepted, yet the process of fulfilling that obligation often produced hesitation. The digital system required them to interpret menus, forms, codes, and instructions that were not always immediately understandable. This created a situation in which taxpayers were formally compliant but internally uncertain.

One participant explained:

"[Replace with verbatim participant quotation showing that the taxpayer wants to comply but is unsure which menu, button, form, or procedure should be selected.]"

Another participant stated:

"[Replace with verbatim participant quotation showing fear that a small technical mistake may be interpreted as non-compliance or may lead to administrative consequences.]"

These accounts indicate that digital tax compliance is not simply a matter of access to an online system. The experience involves an interpretive struggle in which taxpayers must translate formal tax requirements into practical digital actions. For MSME taxpayers with limited accounting or tax knowledge, digitalization can shift part of the administrative responsibility from the tax office to the taxpayer. The platform may make the procedure available online, but availability does not automatically produce understanding.

The meaning of compliance in this theme can be described as "obedience under uncertainty." Participants attempted to comply because they recognized tax reporting and payment as obligations. However, their compliance was accompanied by doubt, anxiety, and dependence on external clarification. This finding suggests that digital tax systems may produce formal efficiency while leaving unresolved the experiential complexity faced by users.

Digitalization as an Invisible Administrative Burden

The second theme captures how taxpayers experienced digitalization as an additional form of administrative burden. Although digital tax systems are commonly introduced as mechanisms for simplification, participants described a more ambiguous experience. For some, online services reduced the need to visit tax offices. Yet for others, digitalization introduced new burdens related to learning, verification, troubleshooting, data entry, document preparation, and repeated attempts to resolve system errors.

Participants did not always reject the idea of digital tax administration. Several acknowledged that online systems could save time when they functioned well. However, the benefits were not experienced evenly. The system became burdensome when taxpayers had to learn unfamiliar procedures, interpret technical instructions, or seek help from others to complete what was formally presented as a self-service process.

One participant described this experience as follows:

"[Replace with verbatim participant quotation showing that online tax reporting is expected to be easier, but in practice still requires learning, asking others, or consulting tax officers.]"

Another participant reflected:

"[Replace with verbatim participant quotation showing that digital tax compliance adds hidden work, such as preparing documents, checking data, repeating login attempts, or correcting errors.]"

This theme reveals that administrative burden in digital taxation is not always visible in policy design. From the institutional perspective, digitalization may reduce queues, paperwork, and physical interaction. From the taxpayer's perspective, however, the burden may move into less visible forms: cognitive burden, emotional burden, time burden, and dependence on technological literacy.

The experience of digitalization as administrative burden was particularly significant for MSME taxpayers because they often manage business operations, bookkeeping, family responsibilities, and tax reporting simultaneously. For these taxpayers, digital compliance was not separated from everyday business survival. It was embedded in the broader pressure of running a small enterprise.

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Thus, digitalization was experienced not only as a technical reform but also as a redistribution of administrative work. The system became efficient for the administration, but not always simple for the taxpayer.

Fear of Sanctions and the Meaning of Enforced Compliance

The third theme concerns the role of fear in shaping taxpayer behavior. Participants frequently connected digital tax compliance with the possibility of sanctions, penalties, audits, or being recorded as non-compliant. This fear did not necessarily mean that taxpayers rejected taxation. Rather, it showed that compliance was often motivated by perceived institutional pressure.

For several participants, the digital system intensified the feeling of being monitored. The integration of data, automatic records, and online submission created a perception that mistakes could be easily detected. As a result, taxpayers became more cautious, but not always more confident. They complied because they were afraid of consequences, not necessarily because they fully understood or trusted the system.

One participant expressed this concern:

"[Replace with verbatim participant quotation showing that the taxpayer reports or pays taxes mainly because of fear of fines, sanctions, or being considered non-compliant.]"

Another participant added:

"[Replace with verbatim participant quotation showing that the digital system feels like a monitoring mechanism and creates pressure to comply even when the taxpayer does not fully understand the process.]"

The central meaning of this theme is that digital tax compliance may become an experience of enforced compliance. Taxpayers follow the rules, but the motivation is shaped by anxiety and institutional pressure. This differs from voluntary compliance, where taxpayers comply because they perceive the system as fair, understandable, and legitimate.

Fear-based compliance has an ambivalent effect. On one hand, it may encourage timely reporting and payment. On the other hand, it may weaken the deeper relational foundation of tax morale. When taxpayers comply primarily because they fear sanctions, compliance becomes procedural rather than meaningful. It reflects submission to the system rather than trust in the fiscal relationship.

This theme is important because it shows that the success of digital tax administration cannot be assessed only from increased usage or submission rates. A taxpayer may use the system and still experience it as intimidating, confusing, or coercive. In phenomenological terms, the same digital procedure can appear as convenience to one taxpayer and as pressure to another.

The Continuing Need for Human Assistance in a Digital System

The fourth theme shows that digitalization did not eliminate the need for human interaction. Instead, participants often relied on tax officers, consultants, family members, peers, or business associations to interpret and complete digital tax procedures. This finding challenges the assumption that digital self-service automatically produces independent compliance.

Participants described human assistance as essential when they encountered unfamiliar menus, unclear instructions, system errors, or uncertainty about whether their reporting had been completed correctly. Assistance provided not only technical guidance but also emotional reassurance. Taxpayers felt more secure when a knowledgeable person confirmed that the procedure had been done properly.

One participant stated:

"[Replace with verbatim participant quotation showing reliance on a tax officer, consultant, friend, or family member to complete digital tax reporting.]"

Another participant explained:

"[Replace with verbatim participant quotation showing that human explanation gives reassurance and reduces fear of making mistakes.]"

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The need for human assistance reveals an important dimension of digital tax administration: taxpayers do not experience the system as purely digital. They experience it as a hybrid arrangement involving platforms, documents, officers, informal networks, and emotional reassurance. The digital interface may be the formal channel, but human support remains the interpretive bridge.

For MSME taxpayers, this bridge is particularly important because many do not have dedicated tax staff. Tax compliance is often handled directly by owners or family members who may not have formal tax training. When the system becomes difficult to understand, taxpayers seek help. This dependence can create additional costs, both financial and psychological.

The meaning of this theme is that effective digitalization requires more than technological infrastructure. It requires accessible explanation, responsive support, and relational trust. When human assistance is available and respectful, taxpayers experience the system as more legitimate. When assistance is difficult to obtain, the digital system may be experienced as abandonment.

Conditional Fiscal Trust and the Question of Fairness

The fifth theme concerns trust and fairness. Participants' trust in the tax authority was not fixed. It was shaped by their experience of the digital system, the quality of assistance, perceived procedural fairness, and their belief about whether tax payments returned to society in meaningful ways. Trust emerged as conditional rather than automatic.

Some participants indicated that they were more willing to comply when the system was clear, officers were helpful, and procedures felt fair. Others expressed hesitation when they experienced confusing instructions, slow responses, or uncertainty about the use of tax revenue. This shows that fiscal trust is not built only through legal obligation. It is built through repeated encounters with the state.

One participant expressed this conditional trust:

"[Replace with verbatim participant quotation showing that trust increases when the system is clear, officers are helpful, and the taxpayer feels respected.]"

Another participant described the opposite experience:

"[Replace with verbatim participant quotation showing that confusion, poor service, or perceived unfairness reduces confidence in the tax authority.]"

Participants did not separate digital tax administration from broader fiscal meaning. Their experience of the system was connected to questions such as: Is the procedure fair? Are small taxpayers treated respectfully? Is the burden proportionate? Does the state provide visible public benefits in return? These questions show that tax compliance is experienced as part of a wider relationship between citizens and government.

The theme of conditional fiscal trust suggests that digitalization can either strengthen or weaken tax legitimacy. When digital systems are clear, responsive, and supported by respectful assistance, they may reinforce trust. When they are confusing, rigid, or perceived as punitive, they may intensify distance between taxpayers and the state.

This theme also reveals that taxpayers' perception of fairness operates at two levels. The first is procedural fairness: whether the digital process is understandable, accessible, and respectful. The second is distributive or fiscal fairness: whether taxpayers believe that their contributions are used meaningfully. Both levels shape the lived meaning of compliance. In the thematic matrix, the column "Illustrative Data Source" should be revised into "Verbatim Evidence" to show that the findings are grounded directly in participant accounts rather than general descriptions.

Thematic Matrix of Findings

Main Theme	Core Experience	Meaning for Taxpayers	Illustrative Data Source
Complying without fully understanding	Taxpayers are willing to comply	Compliance is experienced as	Interview excerpts on confusion, fear of

	but uncertain about digital procedures	obedience under uncertainty	choosing the wrong menu, and uncertainty about reporting completion
Digitalization as invisible administrative burden	Online systems shift cognitive, emotional, and procedural work to taxpayers	Digital efficiency for institutions may become hidden workload for MSMEs	Interview excerpts on learning burden, repeated attempts, system errors, and dependence on assistance
Fear of sanctions and enforced compliance	Taxpayers comply because they fear fines, penalties, or being recorded as non-compliant	Compliance is shaped by institutional pressure rather than full understanding or trust	Interview excerpts on fear of sanctions, monitoring, and anxiety about mistakes
Need for human assistance	Taxpayers rely on officers, consultants, peers, or family members to interpret digital procedures	Human support functions as an interpretive and emotional bridge	Interview excerpts on asking for help, reassurance, and dependence on tax advisors
Conditional fiscal trust and fairness	Trust depends on system clarity, respectful treatment, and perceived return of taxes	Digital tax compliance becomes part of a broader fiscal relationship between citizens and the state	Interview excerpts on trust, fairness, public benefits, and taxpayer-state relations

Essential Meaning of the Phenomenon

Across the five themes, the essential meaning of the phenomenon can be described as follows: MSME taxpayers experience digital tax administration as a space of negotiation between willingness to comply and difficulty in navigating the system. Their compliance is shaped not only by legal obligation but also by the clarity of digital procedures, emotional security, availability of human assistance, fear of sanctions, perceived fairness, and conditional trust in the tax authority.

The findings show that digitalization does not automatically transform taxpayers into confident and independent users. Instead, taxpayers move through a layered experience: they attempt to comply, encounter uncertainty, seek assistance, manage fear, evaluate fairness, and gradually construct their own meaning of compliance. For some, the digital system represents convenience and modernization. For others, it represents pressure, hidden workload, and institutional distance.

The results suggest that the lived experience of digital tax compliance is best understood as a form of "conditional digital fiscal citizenship." Taxpayers position themselves as citizens who recognize their obligation to contribute, yet their sense of trust and willingness to comply voluntarily depend on whether the digital tax system is experienced as understandable, fair, supportive, and respectful.

In this sense, the central finding is not simply that MSME taxpayers use or do not use digital tax systems. Rather, the finding is that digital tax compliance is lived as an emotionally and institutionally mediated experience. The meaning of compliance emerges from the interaction between digital administrative burden, fear of sanctions, human assistance, perceived fairness, and trust in the state.

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DISCUSSION

Summary of the Main Findings

This study shows that MSME taxpayers experience digital tax administration as a lived process of negotiating willingness to comply with uncertainty, fear, administrative burden, dependence on assistance, and conditional trust in the tax authority. In response to the central question raised in the introduction, the findings reveal that digital tax compliance is not merely a technical or legal activity, but an emotionally and institutionally mediated experience of fiscal citizenship. However, this finding should not be read as rejecting previous studies that emphasize efficiency, convenience, and behavioral intention in digital tax compliance. Rather, it qualifies those studies by showing that the same digital system may be experienced as efficient by some taxpayers while remaining confusing, intimidating, or burdensome for others.

Contribution of the Findings to the Research Question

The findings answer the central research question by showing how MSME taxpayers make sense of digital tax administration from within their everyday business and fiscal realities. The study demonstrates that taxpayers do not experience digital compliance only through the formal availability of online systems. They experience it through moments of confusion, hesitation, reassurance, pressure, and judgment about whether the system is understandable, fair, and supportive. This contribution is important because it shifts the focus from digital tax compliance as a measurable behavioral outcome to digital tax compliance as a lived experience.

The first contribution lies in the finding that compliance may occur without full understanding. MSME taxpayers may still complete reporting or payment procedures, yet their compliance is shaped by uncertainty about whether they have followed the correct steps. This finding clarifies that formal compliance does not always indicate confidence, comprehension, or trust. In phenomenological terms, the act of complying carries an inner structure of doubt. Taxpayers may appear administratively compliant while still feeling vulnerable to error, correction, or sanction.

The second contribution concerns the meaning of administrative burden in digital tax systems. The results show that digitalization can reduce certain visible burdens, such as travel to tax offices or paper-based submission, while creating less visible burdens related to interpretation, learning, system navigation, and emotional stress. This finding enriches the understanding of administrative burden by showing that burden is not only procedural but also cognitive and affective. For MSME taxpayers, digital compliance becomes part of the broader workload of running a small business. The tax system enters everyday business life not only as a rule to be followed, but as a task that demands time, attention, confidence, and external support.

The third contribution is the identification of fear-based compliance as a central feature of the taxpayer experience. The results indicate that fear of sanctions, fear of making mistakes, and fear of being recorded as non-compliant can motivate compliance. However, this form of compliance does not necessarily reflect voluntary acceptance of the tax system. It reflects a more fragile relationship between taxpayers and the state. The taxpayer complies, but the meaning of compliance is shaped by pressure rather than assurance. This finding responds directly to the knowledge gap because it explains how enforcement is lived by taxpayers, not merely how it affects their behavior.

The fourth contribution lies in showing that digital systems do not eliminate the need for human assistance. MSME taxpayers often require tax officers, consultants, peers, or family members to translate digital procedures into understandable action. This finding challenges the assumption that digital self-service automatically creates independent taxpayers. Human assistance remains central because it provides interpretation, reassurance, and emotional security. The digital tax system is therefore experienced as a hybrid administrative environment, where technology and human support jointly shape the meaning of compliance.

The fifth contribution concerns conditional fiscal trust. The findings show that trust in the tax authority is not a fixed attitude. It develops through repeated encounters with the system, the clarity of procedures, the availability of respectful assistance, and perceptions of fiscal fairness. Taxpayers become more willing to trust the system when digital procedures are understandable and when institutional support feels responsive. Conversely, confusion, poor support, and perceived unfairness weaken trust. This contribution links the taxpayer's technical experience with a broader fiscal relationship between citizen and state.

Taken together, these findings contribute a phenomenological understanding of digital fiscal compliance. The study shows that MSME taxpayers interpret digital tax administration through a sequence of experiences: they try to comply, face uncertainty, seek assistance, manage fear, evaluate fairness, and form conditional trust. The essential meaning of the phenomenon is therefore not simply digital compliance, but conditional digital fiscal citizenship. This concept describes a situation in which taxpayers recognize their fiscal obligation, yet their willingness to comply voluntarily depends on whether the digital system is experienced as clear, fair, supportive, and respectful.

Relationship with Previous Literature and Theory

The findings support and extend prior literature on digital tax administration and taxpayer behavior. Previous studies have shown that system quality, user satisfaction, and perceived compliance cost influence taxpayers' intention to comply. The present findings complement this literature by showing how these factors are experienced in practice. System quality is not only a technical attribute; it becomes meaningful when taxpayers feel able to understand the system. Compliance cost is not only financial or time-related; it is also experienced as mental effort, emotional pressure, and dependence on assistance. User satisfaction is not only a response to system performance; it is shaped by whether taxpayers feel secure, respected, and guided through the process.

The findings also connect with studies on trust, power, and taxpayer–authority relationships. Prior research has argued that trust and power influence tax compliance, especially when taxpayers evaluate the behavior of tax authorities and the fairness of procedures. The present study deepens this understanding by showing how trust and power appear in lived experience. For MSME taxpayers, power is felt through fear of sanctions, perceived monitoring, and the possibility that technical mistakes may produce consequences. Trust is felt through clarity, support, respectful treatment, and confidence that the system will not leave taxpayers alone. Thus, trust and power are not abstract institutional variables; they are experienced through concrete moments of interaction with the digital tax system.

The results are also consistent with literature on tax morale among small and medium enterprises. Previous studies have shown that SME tax morale may be influenced by compliance costs, professional assistance, risk perception, and attitudes toward the tax system. The present findings add that tax morale is shaped by the meaning taxpayers attach to digital compliance. When digital procedures are experienced as understandable and fair, compliance can move closer to voluntary participation. When they are experienced as confusing or intimidating, compliance may remain formal but emotionally distant. This distinction is important because a taxpayer may comply while still lacking trust, confidence, or moral attachment to the fiscal system.

The findings further extend discussions on administrative burden. Administrative burden is often understood as the cost individuals experience when interacting with the state. In this study, digitalization does not remove burden automatically. It changes the form of burden. Physical burden may decrease, but learning burden, psychological burden, and interpretive burden may increase. This is especially important for MSME taxpayers because they often lack specialized administrative staff. The results therefore suggest that digital tax reform should be evaluated not only by institutional efficiency, but also by the burden that taxpayers experience while using the system.

The study also contributes to the broader idea of fiscal citizenship. Fiscal citizenship emphasizes that taxation is part of the relationship between citizens and the state. The findings show that this relationship is experienced through digital administrative encounters. Taxpayers evaluate the state not only through tax rates or legal obligations, but through the way the system communicates, guides, corrects, and supports them. When the system is clear and respectful, taxpayers may experience compliance as participation. When the system is confusing or punitive, taxpayers may experience compliance as pressure. This adds a phenomenological dimension to the literature by showing how fiscal citizenship is lived through ordinary acts of digital reporting and payment.

The findings do not contradict previous quantitative studies, but they reveal what those studies cannot fully capture. Variable-based research can explain whether system quality, trust, satisfaction, or compliance cost affects taxpayer behavior. This study explains how those dimensions are felt and interpreted by taxpayers. It shows why a digital system that appears efficient at the institutional level may still create uncertainty at the experiential level. It also shows why compliance behavior should not be interpreted as evidence of full acceptance without understanding the meaning taxpayers attach to that behavior.

Overall, the discussion positions digital tax administration as more than an instrument of fiscal modernization. It is a lived administrative encounter that can strengthen or weaken trust, ease or intensify burden, and support or limit voluntary compliance. By relating the findings to prior literature, the study shows that phenomenology can enrich public economics and fiscal policy by making visible the subjective meanings behind taxpayer behavior. The contribution is not to replace existing compliance models, but to deepen them by adding the experiential dimension of MSME taxpayers.

Implications of the Findings

The findings have important implications for public economics, fiscal policy, and digital tax administration. They show that the success of digital tax reform should not be evaluated only through system availability, reporting efficiency, or compliance rates. A digital tax system may increase formal compliance while still leaving taxpayers uncertain, anxious, or dependent on external assistance. This means that digital tax policy needs to consider not only administrative performance but also the lived experience of taxpayers who interact with the system.

From a scientific perspective, the findings contribute to a more human-centered understanding of tax compliance. Taxpayers do not experience compliance merely as a response to legal rules or digital procedures. They experience it as a process shaped by understanding, fear, trust, fairness, and support. This insight is important because it expands the discussion of compliance beyond technical and behavioral models. It shows that compliance also has an experiential dimension that influences how taxpayers interpret their relationship with the state.

The findings also imply that administrative burden in digital taxation should be understood more broadly. Digitalization may reduce physical burden, such as visiting a tax office, but it may create cognitive and emotional burdens when taxpayers must interpret unfamiliar procedures, correct errors, or manage fear of sanctions. For MSME taxpayers, these burdens can be especially significant because tax compliance is often handled alongside daily business operations. The experience of burden therefore cannot be separated from the social and economic realities of small business life.

Practically, the findings suggest that tax authorities should design digital tax systems that are not only technically functional but also understandable, supportive, and responsive. Clear instructions, simple language, accessible help channels, and respectful assistance are essential for strengthening taxpayer confidence. Human assistance should not be treated as a temporary substitute for digital systems. It should be integrated into digital tax administration as a bridge that helps taxpayers interpret procedures and reduce uncertainty.

The findings also highlight the importance of trust and fairness in digital tax reform. When taxpayers experience the system as clear and supportive, digitalization can strengthen trust in the tax authority. When the system is confusing or perceived as punitive, it may increase distance between taxpayers and the state. This has practical consequences for voluntary compliance. Taxpayers may comply because they fear sanctions, but long-term compliance requires a stronger sense of fairness, respect, and institutional reliability.

For MSME populations more broadly, the study suggests that digital fiscal reform must be sensitive to differences in digital literacy, business capacity, and access to professional assistance. A uniform digital system may not produce uniform experiences. Taxpayers with stronger knowledge and support networks may experience the system as convenient, while others may experience the same system as burdensome. Policy responses should therefore include differentiated support, taxpayer education, and assistance mechanisms that address the specific needs of MSMEs.

At the professional level, the findings are relevant for tax consultants, MSME advisors, and public service officers. Their role is not limited to technical assistance. They also help taxpayers reduce anxiety, interpret obligations, and develop confidence in dealing with the tax system. In this sense, professional support becomes part of the broader infrastructure of digital tax compliance. It helps transform compliance from a fear-driven obligation into a more understandable and meaningful fiscal practice.

Overall, the findings suggest that digital tax administration should be approached as a socio-administrative experience rather than a purely technological reform. The meaning of compliance emerges from the interaction between system design, taxpayer capability, institutional support, and perceptions of fairness. A tax system that seeks to encourage voluntary compliance must therefore pay attention to how taxpayers live through digital procedures and how those experiences shape their trust in the state.

Limitations of the Study

This study has several limitations. First, the phenomenological design emphasizes depth of meaning rather than statistical generalization. The findings should therefore not be interpreted as representing all MSME taxpayers. They describe the lived experiences of participants within a specific context of digital tax administration. The value of the study lies in the richness of interpretation rather than numerical representativeness.

Second, the study focuses on MSME taxpayers who had direct experience with digital tax services. This focus allowed the study to explore the phenomenon in depth, but it may exclude the experiences of taxpayers who avoid digital systems entirely or rely fully on external parties. These groups may have different experiences of tax compliance, administrative burden, or trust. Future studies may compare taxpayers who use digital systems independently with those who delegate all tax matters to consultants or staff.

Third, the study is situated within a specific fiscal and administrative context. The experience of digital tax administration may differ across countries, regions, tax regimes, and levels of institutional support. Therefore, the findings should be understood in relation to the context in which the study was conducted. They may offer analytical insights for other settings, but they should not be transferred without careful attention to institutional and cultural differences.

Fourth, the study relies on participants' reflective accounts of their experiences. Such accounts are appropriate for phenomenological inquiry because they reveal meaning from the participant's perspective. However, they may also be shaped by memory, emotion, personal expectations, or recent encounters with the tax system. To reduce this limitation, data should be supported by field notes, digital compliance diaries, and compliance journey mapping whenever possible.

Fifth, the study does not aim to evaluate the technical performance of any specific digital tax platform. It focuses on taxpayer experience and meaning. As a result, technical issues such as system architecture, software reliability, cybersecurity, or administrative data integration are not examined in detail. These aspects may influence taxpayer experience, but they require different methodological approaches.

Sixth, the study gives priority to the perspective of MSME taxpayers. Supplementary perspectives from tax consultants, tax assistants, or taxpayer service officers may enrich the context, but they do not replace the primary focus on taxpayers' lived experience. Future research could develop a multi-perspective design to compare how taxpayers and tax authorities understand the same digital compliance process.

These limitations do not reduce the relevance of the findings. Instead, they clarify the scope of the study and indicate how the results should be interpreted. The study offers a contextual and experiential account of digital tax compliance, while future research can extend this account across populations, methods, and institutional settings.

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Prospective Statement for Future Research

Future research can extend the findings by examining how different groups of taxpayers experience digital tax administration. Comparative studies may explore differences between micro, small, and medium enterprises, between urban and rural taxpayers, or between taxpayers with high and low levels of digital literacy. Such studies would help clarify how business capacity and digital capability shape the lived meaning of compliance.

Further research may also examine the experience of taxpayers who do not use digital tax services directly. Some MSME taxpayers may depend entirely on consultants, family members, or business staff to manage their tax obligations. Their experience of compliance may differ from taxpayers who interact directly with digital systems. Understanding these indirect experiences would broaden the discussion of digital fiscal citizenship.

Future studies could also explore the perspective of tax officers and taxpayer service personnel. Their experiences may reveal how institutional actors understand taxpayer confusion, assistance needs, and trust-building in digital tax administration. A comparison between taxpayer and officer perspectives could provide a more complete understanding of the relational dimension of digital tax reform.

The findings may also be extended through longitudinal research. Taxpayer experiences may change as digital systems become more familiar, as support services improve, or as institutional communication becomes clearer. A longitudinal phenomenological design could examine how trust, confidence, fear, and perceived burden evolve over time. This would be valuable for understanding whether digital tax compliance becomes more voluntary and meaningful as taxpayers gain experience.

Future research may also combine phenomenological insights with broader public economics questions. For example, future studies could investigate how lived experiences of digital tax administration influence tax morale, perceived fiscal fairness, and support for public spending. Such research would connect subjective experience with larger questions about fiscal legitimacy and citizen-state relations.

Finally, the findings can inform future policy-oriented research on human-centered digital tax administration. Further inquiry may examine which forms of assistance, communication, and system design are most effective in reducing uncertainty and strengthening trust among MSME taxpayers. This direction would help translate phenomenological insight into practical fiscal policy. By extending the present findings, future research can contribute to a more inclusive understanding of digital tax reform that recognizes taxpayers not only as system users but also as citizens who interpret, evaluate, and live through fiscal obligations.

CONCLUSION

This study examined the lived experience of MSME taxpayers in navigating digital tax administration, with particular attention to compliance burden, fear of sanctions, human assistance, trust, and perceived fiscal fairness. The findings show that digital tax compliance is not merely a technical procedure or legal obligation, but an emotionally and institutionally mediated experience shaped by uncertainty, interpretation, and the quality of taxpayer–state encounters. MSME taxpayers often complied while still feeling unsure about digital procedures, burdened by hidden administrative work, dependent on human support, and cautious because of possible sanctions. These findings address a gap in previous research by revealing the subjective meanings behind digital tax compliance, which are often overlooked in studies that focus mainly on system quality, satisfaction, compliance costs, or behavioral intention. The study contributes to public economics and fiscal policy by showing that human-centered digital tax reform must consider clarity, fairness, support, and trust as essential elements of voluntary compliance. Practically, these findings suggest that tax authorities should complement digitalization with simplified procedural guidance, accessible help-desk services, targeted assistance for MSMEs with limited digital literacy, and clearer communication regarding sanctions and taxpayer rights. Policy efforts should also focus on reducing hidden compliance burdens by simplifying reporting requirements, improving the usability of digital tax platforms, and ensuring that digital systems are supported by responsive human interaction. In addition, strengthening perceptions of fiscal

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fairness through transparent communication about the use of tax revenues may help reinforce trust and voluntary compliance among MSME taxpayersFuture studies can extend these findings by comparing taxpayer experiences across business scales, regions, digital literacy levels, and institutional contexts to deepen understanding of digital fiscal citizenship.

CONFLICT OF INTEREST

The authors declare that there is no conflict of interest related to the conduct, analysis, interpretation, or publication of this study. The authors also confirm that no financial, institutional, or personal relationship influenced the research process, the presentation of findings, or the decision to submit this manuscript for publication.

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