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Digital Tax Systems, Tax Literacy, and Trust: A Systematic Review of Taxpayer Compliance.

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Systematic Review

Keywords: Digital tax compliance, digital tax literacy, institutional trust, Coretax, e-invoicing, MSMEs, Capability-Legitimacy-Technology (CLT) Framework, voluntary compliance, systematic literature review, Somalia

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Abstract

This study examines the relationship between digital tax systems, digital tax literacy, and institutional trust in shaping taxpayer compliance in the digital era, with particular attention to a fragile and highly informal context such as Somalia. Using a systematic literature review approach guided by the PRISMA 2020 framework, the study synthesizes empirical evidence from 19 peer-reviewed studies published between 2022 and 2026, drawn from an initial pool of 50 articles identified across Scopus, Web of Science, Google Scholar, and ScienceDirect. After applying exclusion criteria—conditional access (n = 6), language barriers (n = 9), inaccessibility (n = 9), and studies under peer review (n = 7)—a total of 31 articles was excluded, leaving 19 empirical studies for thematic synthesis. The reviewed sample comprised 10 quantitative empirical studies (55.6%), 5 conceptual/review studies (27.8%), 2 systematic literature reviews (11.1%), and 1 literature review (5.6%), with Indonesia dominating the geographical distribution (9 studies, 50%), followed by global context (5 studies, 27.8%), and EU/OECD, Nigeria, Somalia, and the UAE each contributing 1 study (5.6% each). The synthesis confirms the existence of a significant paradox: while digital tax systems enhance compliance by reducing administrative costs and improving transaction transparency, they simultaneously create unintended barriers—particularly for Micro, Small, and Medium Enterprises (MSMEs), Generation Z taxpayers, and elderly citizens—when system complexity exceeds users' digital capabilities. Digital tax literacy emerges as a critical mediating factor, with evidence showing that even well-designed e-tax systems fail to translate into improved compliance when taxpayers lack the digital skills to use them effectively. Institutional trust—rooted in perceived fairness, transparency, and governmental competency—is also found to be a fundamental determinant of voluntary compliance, while enforcement mechanisms such as audits and penalties are effective only for imposed compliance and cannot substitute for trust and legitimacy. When these technological, cognitive, and institutional dimensions are misaligned—as evidenced in developing contexts like Somalia and Nigeria—compliance deteriorates significantly. This study contributes to the literature by integrating the Technology Acceptance Model (TAM), Theory of Planned Behavior (TPB), and Slippery Slope Framework (SSF) into a unified Capability-Legitimacy-Technology (CLT) Framework, and by isolating digital tax literacy and institutional trust as mediating mechanisms in a systematic, evidence-based synthesis rather than treating them as isolated variables. From a policy perspective, the findings suggest that Somalia and other developing economies should strengthen policies that facilitate digital tax literacy among MSMEs and vulnerable groups, invest in user-centered system design with intuitive interfaces and localized language support, and complement enforcement

mechanisms with trust-building initiatives, including transparency in revenue expenditure and fairness in system design, as part of a broader strategy for achieving sustainable, voluntary, and equitable tax compliance in the digital age.

Keyword: Digital tax compliance; digital tax literacy; institutional trust; Coretax; e-invoicing; MSMEs; Capability-Legitimacy-Technology (CLT) Framework; voluntary compliance; systematic literature review; Somalia

1.Introduction

In the modern digital time, tax compliance is not merely direct administrative duty but a complex behavioral impact controlled by technological and institutional constraints. To establish a strong base, it is important to define the main concepts of this study. Tax compliance refers to the rate of taxpayers ready to accomplish their tax regulations and obligations correctly in following requirements and the deadline of the paying period without using any coercive enforcement [4]. Digital tax administration involves the combination of Information and Communication technologies, “like the e-filling, e-invoicing and systems like cortex” to simplify and rationalize tax systems and decline administrative dependency [7]. Digital tax literacy develops after basic tax knowledge, it is a practical ability that enables the tax payers to interpret, apply digital tax programs effectively [23]. About trust in government is related to the “tax payers’ level of confidence in the fairness, transparency, and competency of tax authorities in handling public finances” [11].

The modern empirical analysis offers mixed and sometimes conflicting results relating to the impact of digitization on the tax compliance. Form one point view studies targeting the technological revolution such as “such as the implementation of Indonesia's Coretax system”, resulting that positive client experience and system dependability significantly ensure free compliance by declining procedural conflicts [9]. Simultaneously, digital transformation is established to ensure compliance form allowing and deterrence mechanisms [18]. on another side behavioral and institutional analysis contend that technology is only is not enough. For example, study shows that digital tax literacy and trust in the government as playing important role mediating factors, without insufficient literacy, taxpayers are challenging to regulate complex digital procedures, and without trust they stay unwilling to comply freely and voluntary even though the system is efficient [5, 20]. However, some studies shows that even the digital systems improve formal compliance, they can establish other obstacles for particular groups, such as “Generation Z and MSMEs” if their digital capabilities are inefficient assisted [16].

1.1Problem Statement

Despite the huge global investment in digital tax administration, tax authorities still ongoing problems in achieving the prefect voluntary compliance rates. Those changes to digital programs

like cortex have introduced a paradox, while these systems are formed to facilitate processes, they frequently make accidental barriers like the technical complexity and accessibility problems. Many developing and under counties, a significant part of tax payers - specific junior or young taxpayers and small businesses- faced challenge to match to these new systems due to inadequate digital literacy. The study takes some the problem evidences from Sub-Saharan African they faced more problems regarding the technology even though are developing and under developed countries, indicating that digital tax amends, including mobile money taxes, frequently annoy the public the react to the negative consequences and resistance because the taxpayers perceive them as unclear and unfairly designed, and finally this weakening the intended fiscal benefit [6]. In a weak and highly informal context, like the Somalia, study shows technical expertise in tax systems significantly disheartening compliance, specifically among small and medium enterprises SMEs that absent the technical capabilities to manage complex regulations [3]. In the same way, in Nigeria, studies validate that the compliance ensuring effect of easy-to-use e-tax programs seriously possible upon taxpayer's digital literacy, without efficiency digital techniques, still well-designed systems fail to translate into enhanced compliance behavior [17]. these various countries results strengthen essential information; technology only is not enough. These finding echoes what [14] pointed out voluntary compliance ultimately comes down to trust in authorities. Their Slippery Slope Framework makes the case that even the most well-designed systems will struggle to sustain compliance when trust is missing, since taxpayers then see enforcement as coercion rather than a legitimate exercise of authority. The strength of digital administration relies on the simultaneous development of easy-to-use programs, taxpayer capabilities, and institutional trust. So, the major problem is that digitization is frequently involved as a simply technical solution, ignoring the interlinked behavioral and psychological mechanisms particularly digital literacy and institutional trust that are important for sustainable compliance.

1.2Objective of the study

According to the identified problem, this systematic review has two basic objectives: -

1. examine merged effects of digital tax accessibility, digital literacy and trust in government on taxpayer compliance manner.

2 .to develop a combined conceptual framework that elucidates how technological cognitive, and institutional factors collaborate to promote sustainable voluntary tax compliance in the digital age.

1.3 Synthesis and Research Gap

While earlier literature has widely investigated the direct impact digital tax procedures on compliance, three major gaps stay. First, major empirical studies address technology adoption "eg. e-filling", and behavioral factors (eg. Tax morale, trust, perception of the taxpayers) as individual variables instead of analyzing them within an integrated, interactive model. Second

gap, there is existence of limited systematic research that particularly focusing how digital tax literacy mediates the relationship between complicated systems like Coretax and compliance, in particular among young taxpayers (Generation Z) and MSMEs. Third, the presence literature lacks complete process that combined the slippery slope framework (trust and power) with the Technology Acceptance Model and Capability-Legitimacy-Technology (CLT) framework to describe compliance digital age. However, this study deals with these gaps by systematically reviewing last empirical evidence to connect the separate between technological implementation and behavioral compliance.

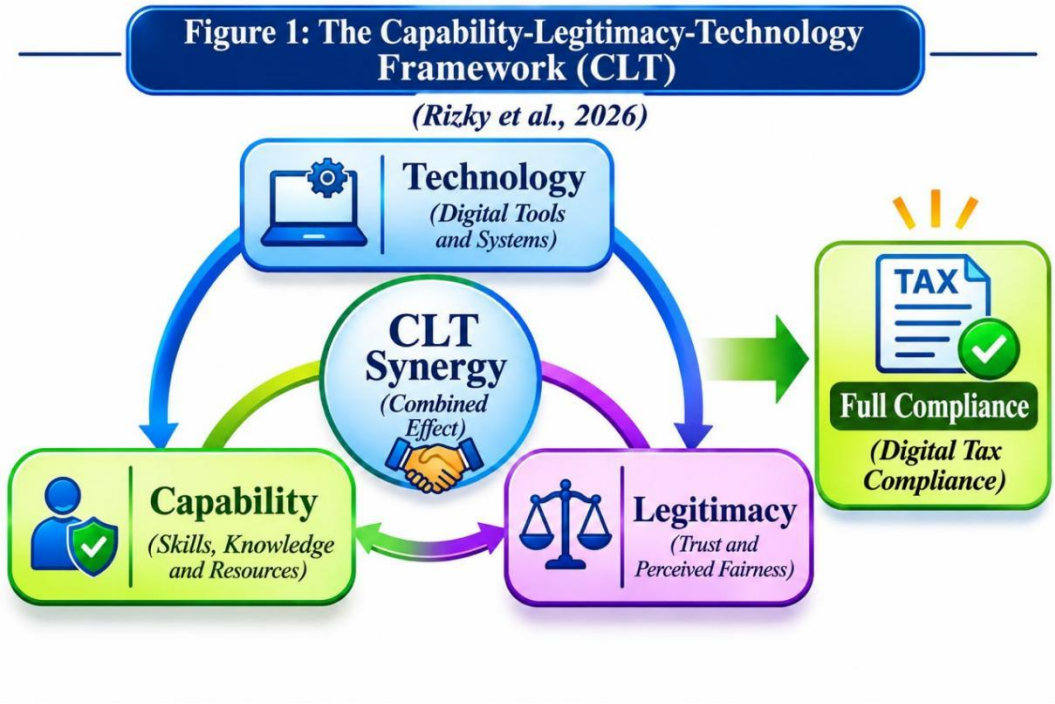


Figure 1.

To filling this gap, the study suggests the capability Legitimacy Technology (CLT) Framework, as demonstrated in figure 1 This model illustrates sustainable compliance needs the collaboration of digital capabilities, institutional legitimacy and technological infrastructures.

2.Literature Review: -

This section reviews the present literature on digital tax administration and taxpayers. To offer a formal analysis, the review is spilt on three major bases: (1) the technological dimension, (2) the cognitive dimension, and (3) the institutional dimension. Ultimately, the theoretical basses of the study are discussed.

2.1 The Technological Dimension: Digital Tax Systems and Compliance

The performance of digital tax administration -ordering form e-filling and e-invoicing to combined programs like Indonesia's Coretax and the UAE's e-invoicing authorized- has been

universally recognized as the fundamental reform. The literature suggests that digitization promotes compliance across the two major techniques, Facilitation (decreasing compliance costs) and deterrence (ensuring the discover of the capabilities). For instance, [9] discovered that positive client experience and system availability significantly increase voluntary compliance among generation Z taxpayers. Also, the [18] showed that the dashboard software systems directly enhance voluntary compliance by decreasing the information caused ambiguity and imbalance. In addition, the initial of e-invoicing in different countries such as (UAE, and Latin America) has demonstrate to significantly reduce Vat gaps and enhance transaction clarity [10]. In another side [14] draw a clear line between two kinds of compliance: enforced compliance, which comes from power and deterrence, and voluntary compliance, which grows out of trust. There is also growing evidence that omnichannel taxation-bringing tax services together across web portals, mobile apps, physical offices, and telephone lines-can strongly drive digital transformation and, in turn, boost voluntary compliance. [19] found that when taxpayers can access services through multiple, well-integrated channels, they tend to see the system as convenient and trustworthy, which encourages them to comply willingly. At the same time, they noted that the perceived probability of an audit still has a powerful effect on enforced compliance. This suggests that voluntary and enforced compliance are not competing forces but complementary ones in the digital tax environment. That distinction matters even more today. Digital systems give authorities far greater power to monitor and track taxpayers, but whether those systems actually work still depends on one thing whether taxpayers trust the people behind them However, rest studies dispute that technology only is insufficient. [16] indicated that while digital systems assist processes, they can also make extra barriers for particular groups such as small businesses (MSMEs), if the system very complex. Therefore, system practically is critical factor, but it is should be assisted by other elements.

2.2 Cognitive Dimension: - Digital tax literacy

Tax literacy has developed from fundamental tax knowledge to a more functional capability called digital literacy. This concept refers to a taxpayer’s capability to entrance, interpret and using digital tax programs effectively. The last studies highlights that digital literacy is primary key that deciding of the compliance in the digital age. For instance, [5] and [22] argue that lack of enough digital literacy, taxpayers challenging for guided complex digital procedures resulting in unplanned non-compliance. Study by [2] in Nigeria confirms also well-designed e-tax systems fails to enhance compliance if the tax payer lack of digital techniques to use them. In the same way, [1] establish that digital literacy and tax knowledge act as completing capabilities, their merged presence outputs the highest compliance rates, particularly among MSMEs. the more taxpayers know and understand the tax rules, the more they tend to trust the authorities—and that trust, in turn, encourages voluntary compliance. This tells us something important: digital tax literacy is more than just a technical skill. It is a cognitive ability that helps taxpayers see digital systems as fair and legitimate, which in turn builds trust in the authorities [14]. This especially

appropriate for vulnerable groups such as Generation Z and Junior taxpayers, who may need targeted education and assist to take to recent digital system [15].

2.3. The Institutional Dimension: Trust, Fairness, and Enforcement: -

While technology and literacy are important, the literature constantly demonstrates the function of institutional trust and implementation. As stated in the slippery slope framework, voluntary compliance is powerfully by determined in authorities [14]. Game theory offers another useful lens for understanding the interaction between taxpayers and tax authorities. [19] applied this framework to show how taxpayers and authorities make strategic decisions by weighing audit probabilities, penalties, and the benefits of using digital channels. They found that omnichannel taxation creates a Nash equilibrium in which both sides benefit turning compliance into a voluntary outcome rather than a forced one. In the digital background,[20] found that digital modification moderates the relationship between trust and compliance, augmenting the positive effect of trust.

Similarly, [23] showed that trust in government arbitrates relationship between tax understanding and compliance. Furthermore, institutional trust only is not efficient. [11] highlighted that tax Law enforcing (audits and penalties) significantly enhances relationship between tax awareness and compliance. In weak background like Somalia, [3] found that while tax audits and social norms positively affect compliance, formal complexity significantly disheartens SME compliance. However, in Nigeri [2] demonstrated that absence of trust in government and awareness of unfairness stay main hinders to digital tax adoption.

2.4. Theoretical Framework

To determine these complex correlations, this study combines three main theoretical aspects that control the reviewed literature:

1. The Technology Acceptance Model (TAM): describes that view usability and noticed advantage drive the adoption of digital tax systems [8]. This theory is obvious and useful in studies focusing on Coretax user experience and e-tax system adoption [9-3].

2.The Theory of Planned Behavior (TPB):

Assumes that behavioral in purpose is controlled by attitudes, social norms, and perceived behavioral control [4]. In this concept digital tax literacy enhances perceived behavioral control, enabling taxpayers to carry out their obligations independently [15, 3].

3.Slippery Slope Framework (SSF):

SSF highlights that compliance is as result of trust in authorities and the power of enforcement [14]. This framework is important for understanding the rationale behind the trust in government and enforcement mechanisms mediate the relationship between digitalization and compliance [20, 11].

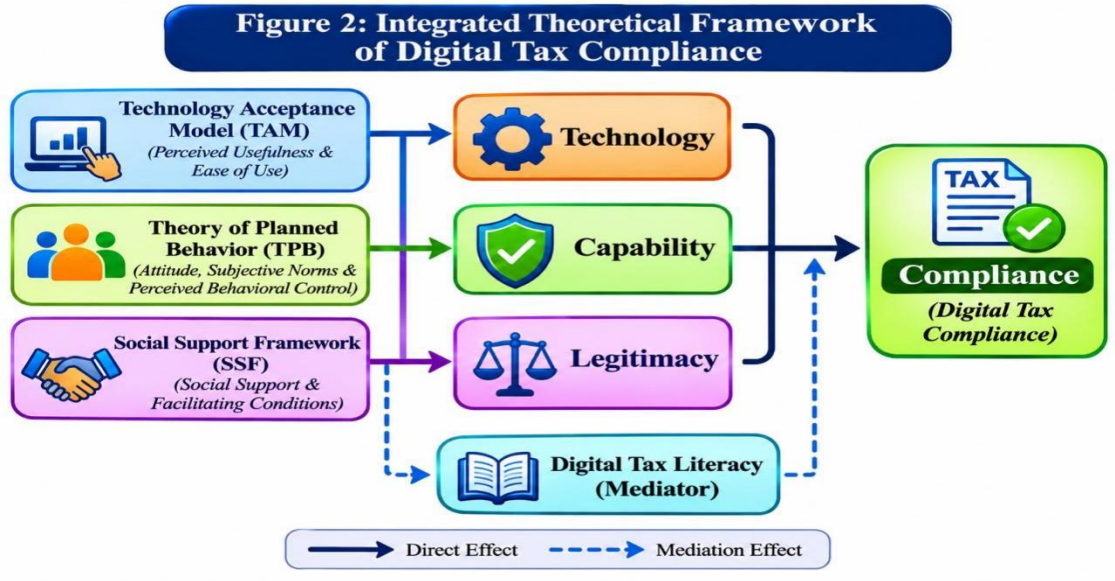


Figure 2.

As demonstrated in Figure 2, this study combines TAM, TPB and Slippery Slope framework to shows how technological, cognitive and institutional factors together influence voluntary tax compliance.

3. Methodology

This study uses a systematic literature review (SLR) approach, following to the PRISMA 2020 instructions, to combine existing empirical evidence on digital tax compliance. The methodology will be designed to improve transparency, repeatability and a comprehensive combination of the literature. The process will perform through four separate phases: - identification, Screening, Eligibility, and inclusion.

3.1 Search strategy and study selection: -

The literature search was carried out employing key terms such as "Digital Tax Compliance," "Coretax," "Tax Literacy," and "Trust in Government" across major academic databases (e.g., Scopus, Web of Science, Google Scholar, and ScienceDirect). The initial identification phase outlined a total of 50 articles.

In order to check that the methodology accuracy, significance and validity of the review, numerous exclusion criteria were employed within the screening phase. A total 31 articles were excluded for the following criteria: -

Conditional Access (n=6): - six studies need direct contact with the authors or institutional access, even though sending requests, no responses were received.

Language obstacle (n=9): - nine articles were excluded because they were not written in English, which is based on the standard language for this international review

Inaccessible (n=9): - nine articles were not publicly accessible (e.g., restricted access, unpublished institutional reports, or missing full texts).

Under peer review (n=7): - nine were at present under peer review and this review not employed any study not directly published

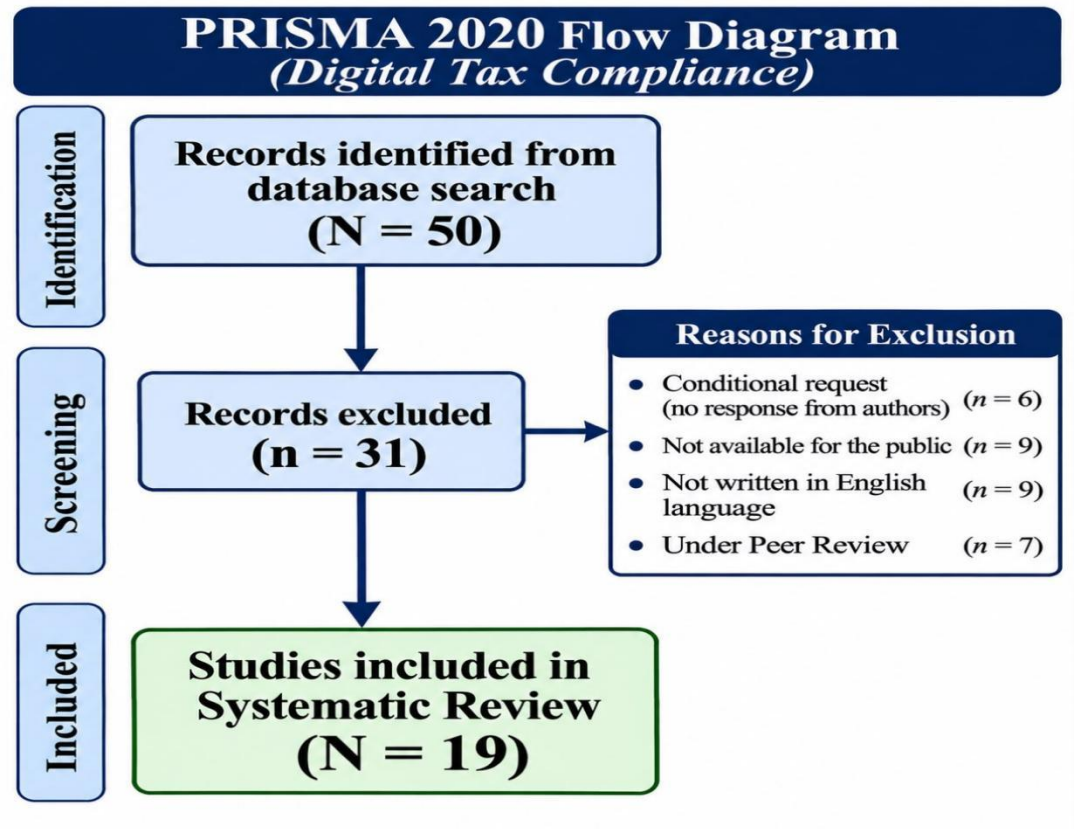


Figure 3.

Therefore, 19 empirical studies fill all the inclusion conditions and were synthesized for this review. A PRISMA flow diagram (see Figure 3) visually summarizes this selection process.

3.2. Data Extraction and Thematic Synthesis

Data from the 19 included studies were extracted using a standardized matrix, encompassing author(s), year of publication, country of focus, research methodology, and key findings. A thematic synthesis approach was employed to identify patterns, consistencies, and contradictions across the literature. The extracted data were categorized into three main dimensions:

Technological (System Usability), Cognitive (Digital Tax Literacy), and Institutional (Trust and Enforcement).

4.Results: -

The combination of the 19 reviewed studies shows three important bases that define the present context of digital tax compliance.

Table1- Review studies

No	Author(s) & Year	Context	Methodology	Key Findings
1	[1]	Indonesia	Quantitative	Digital literacy and tax knowledge act as complementary capabilities; their combined presence yields the highest compliance rates, especially among MSMEs.
2	[2]	Nigeria	Quantitative	Lack of trust in government and perceived unfairness remain major barriers to digital tax adoption among individual taxpayers
3	[19]	Nigeria	Quantitative	Even well-designed e-tax systems fail to enhance compliance when taxpayers lack the digital skills to use them effectively.
4	[3]	Somalia	Quantitative (TPB)	Tax audits and social norms positively affect compliance, but formal procedural complexity significantly discourages SME compliance in Mogadishu
5	[5]	Indonesia	Quantitative	Digital tax literacy and trust in government serve as important mediating factors; insufficient literacy leads to unintended non-compliance.
6	[7]	Global (Conceptual)	Systematic Review	Proposed a conceptual framework for digital tax administration; digital systems can create inequalities among demographic groups if not properly designed.

7	[9]	Indonesia	Quantitative	Positive user experience and system reliability with Coretax significantly increase voluntary compliance among Generation Z taxpayers.
8	[10]	UAE	Qualitative/Review	E-invoicing implementation significantly reduced VAT gaps and enhanced transaction clarity.
9	[13]	Indonesia	Quantitative	Tax service quality, tax literacy, and payment motivation significantly influence individual taxpayer compliance.
10	[15]	Indonesia	Quantitative	Digital tax education and tax literacy positively influence behavioral compliance following Coretax implementation; targeted education interventions are needed.
11	[16]	Indonesia	Quantitative	While digital systems assist processes, they create extra barriers for MSMEs when the system is too complex; digital literacy is a key determining factor.
12	[17]	Nigeria	Quantitative	Financial service digitalization positively impacts SME businesses, but digital tools must be accessible and usable for taxpayers.
13	[18]	Global (Cross-country)	Quantitative/Review	Dashboard software systems and real-time reporting reforms directly enhance voluntary compliance by reducing information ambiguity.
14	[11]	Indonesia	Quantitative	Tax law enforcement (audits and penalties) significantly enhances the relationship between tax awareness and compliance, but cannot substitute for trust.
15	[20]	Indonesia	Quantitative	Digital transformation moderates the relationship between trust and compliance, augmenting the positive

				effect of trust on voluntary compliance.
16	[22]	Indonesia	Conceptual/Review	Sharpened the concept of tax literacy as a functional capability that enables taxpayers to interpret and apply digital tax programs effectively.
17	[23]	Indonesia	Quantitative	Trust in government mediates the relationship between tax knowledge and compliance; knowledge alone is insufficient if taxpayers distrust government expenditure.
18	[21]	Global	Systematic Literature Review	Identified tax literacy, perceived tax fairness, and digital tax systems as key determinants of tax compliance in the digital era
19	[12]	Indonesia	Quantitative	Tax service digitalization and tax administration effectiveness significantly improve taxpayer compliance in Indonesia (2009–2023).

This Bar chart indicates the methodological approaches employed in the included articles.

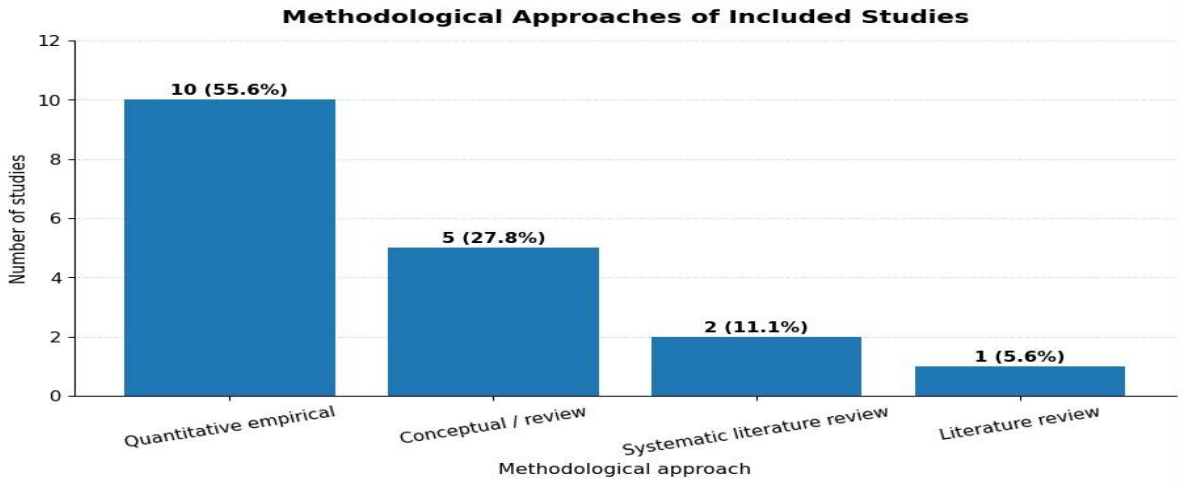


Figure 4.

Quantitative empirical is main approach, covers the more than half of the articles (10 studies, 55.6%). The following most main approach is Conceptual/review (5 studies, 27.8%). Simultaneously, systematic and standard literature reviews structure the smallest section of the sample (2 studies, 11.1% and 1 study, 5.6% respectively). However, the data shows a strong

priority for quantitative empirical analysis over review-based approaches in the selected literature.

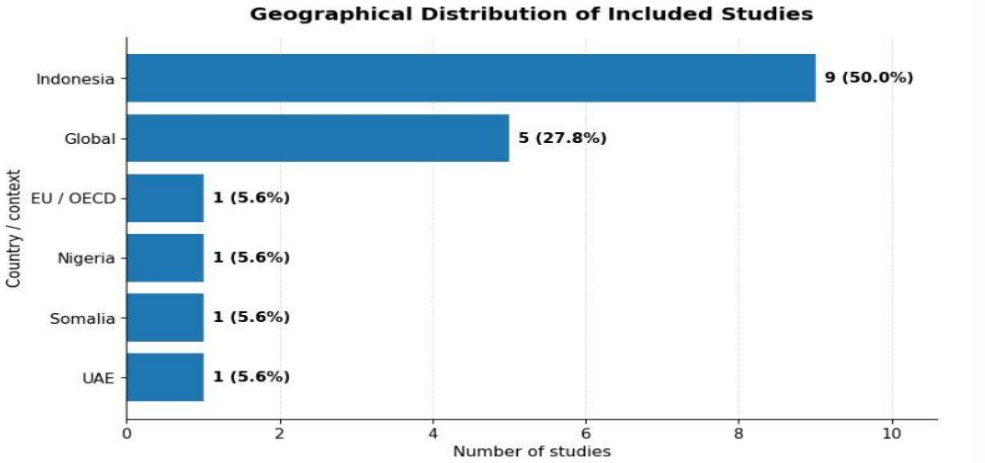


Figure 5.

This chart shows the geographical spread of the included studies. Indonesia is the most substantially studied based on the study, rating for absolutely half of the total studies (9 studies, 50%). The second category is Global context (5 studies, 27.8%). The rest studies are regularly distributed across four specific regions EU/OECD, Nigeria, Somalia, and the UAE with each contributing 1 study (5.6% each). Generally, the data indicated strengths regional focus on the Indonesia, with an important portion of the study having a global scope.

4.1. The Technological Dimension (System Usability)

The most of the reviewed studies affirms that digital tax system (eg. Coretax, e-invoicing, e-filling) positively impact compliance by declining administrative costs and increasing performance [9]. For instance, [10] indicated that the performance of e-invoicing in the UAE significantly reduced VAT gaps and ensured transaction clarity. Also, [12] found that digitalizing tax services through e-Filing, e-SPT, and e-Form had a positive and significant effect on taxpayer compliance in Indonesia. Interestingly, digitalization turned out to be a stronger driver of compliance than administrative effectiveness, with correlation values of $r = 0.847$ and $r = 0.543$, respectively. With same [9] discover that positive user experience with Indonesia's Coretax system conduct improved voluntary compliance among Generation Z taxpayers. These findings echo the work of [19], who found that omnichannel taxation significantly drives digital transformation and voluntary compliance. Their study also showed that perceived audit probability strongly influences enforced compliance, reinforcing the idea that technology and deterrence serve different but complementary roles in the digital tax system. Another side, a significant paradox appears form the literature. These findings align with [14], who argue that technology represents a form of institutional power that can enhance compliance when perceived

as legitimate. However, they caution that technology alone is insufficient; trust in authorities is equally essential for sustainable voluntary compliance. Whereas digitalization promotes compliance systems that are mired complicated or absence easy to use interfaces making new hinders, specifically for MSMEs. However, [15, 3] stated technical complexity in digital tax system significantly prevent compliance, especially for Small medium enterprises and aged taxpayers. In the situation of Somalia, [3] achieved that complex tax obligations act as obstacles that is shrinking the benefits of digitalization.

4.2. The Cognitive Dimension (Digital Tax Literacy)

The results regularly shows that tax system accessibility only is not enough. Digital tax literacy is a base of deciding of compliance. Studies by [5, 1] highlights that taxpayers with weak digital literacy challenged to interpret systems alerts, causing the unexpected noncompliance. [19] add another layer to this picture. They found that digital transformation mediates the link between omnichannel taxation and voluntary compliance, meaning that ease of access alone is not enough taxpayers must also be willing and able to use digital systems. This highlights that digital literacy is not just a technical skill but a key cognitive capability that shapes whether taxpayers engage with digital systems and comply voluntarily. [12] went a step further, showing that digitalization and administrative effectiveness together account for 88.2% of the variation in taxpayer compliance. This finding underscores that both technological tools and institutional factors matter greatly in shaping compliance. [1] further found that digital literacy and tax knowledge perform as complementary abilities, their mixed existence output the highest compliance rates, especially among MSMEs. when taxpayers know and understand the tax rules, they tend to trust the authorities more. In the digital context, this suggests that digital tax literacy does more than help people use the system it helps them see digital systems as fair and legitimate, which in turn strengthens trust in authorities and encourages voluntary compliance [14].Furthermore, [17] in Nigeria affirmed that even useful e-tax systems reduce to improve compliance if the taxpayers not found the digital tools to apply or use them. This finding aligns with by [15], who assert that digital tax programs should be observed not only administrative techniques but also as adapt environments that needed targeted educational interventions. Along similar lines, [13],found that tax literacy had the strongest influence on individual taxpayer compliance when compared with tax service quality and payment motivation. This suggests that cognitive capability is a key factor shaping compliance behavior

4.3. The Institutional Dimension (Trust and Enforcement)

The combination shows that voluntary compliance is well-established in institutional trust and noticed fairness. According to Slippery Slope Framework employed in several studies [20, [23], trust in the government fully refereed the relationship between tax concept and compliance. This aligns with [19], who found that perceived audit probability strengthens enforced compliance but does not significantly affect voluntary compliance. In other words, the threat of an audit may push people to comply, but it does not build the kind of trust that sustains voluntary compliance

over time. [12] also found that administrative effectiveness -measured by how well tax revenue targets are met- has a positive and significant effect on taxpayer compliance. This reinforces the idea that strong institutional performance plays a key role in shaping compliance behavior. This suggests that knowledge only is not enough if the taxpayers disbelieve the government's expenditure of tax revenues. In addition, [13] showed that when tax authorities provide better services, taxpayers tend to comply more consistently. This suggests that good service quality works hand in hand with trust to encourage compliance. These findings back up what [14] originally argued, trust in authorities predicts voluntary compliance better than enforcement mechanisms on their own. In the digital context, this suggests that digital tax systems should do more than strengthen monitoring capacity (power) they should also send a clear message of fairness, transparency, and competence (trust).

However, strengthening techniques (audits and penalties) are efficient for imposed compliance but can't substitute the role of trust and legitimacy [11]. In weak context such as Somalia, [3] argued while tax audits and social norms positively affect compliance, the absence of institutional trust and high procedural complicated significantly obstruct SME compliance. In Nigeria [2] showed that the lack of trust government understandings of unfairness stay main challenges to digital tax adaptation.

5.Discussion

5.1. Beyond the "Technology Fix" Narrative

The major discussion point climbing from the literature is refusal of the concept that digitalization is "magic bullet" for tax compliance. [19] make a similar point through their game-theoretic analysis. They show that digital transformation can shift the taxpayer–authority relationship from a zero-sum game to a positive-sum one, but only when digital systems are designed to reduce errors and build trust. In other words, technology works best when it supports cooperation rather than surveillance. While tax techniques (TAM) enhance assistance, their effectiveness is hugely caused by tax payer's ability (TPB) and the institutional environment (SSF). The 19 reviewed studies mutually indicate that highly developed digital tax system carried out in a context of low digital literacy and low trust will reduce to reach maximum compliance but was challenged by lack of trust in government institutions.

5.2. The Interplay of Capability, Legitimacy, and Technology (CLT)

The discussion matching the proposed capability -Legitimacy -Technology (CLT) framework. Technology offers the infrastructure, Capability(literacy) offers the ability to apply it, and Legitimacy (trust/fairness) offers motivation to apply it truthfully. This interplay is consistent with [19], who found that omnichannel taxation (Technology) and digital transformation (Capability) jointly enhance voluntary compliance, while perceived audit probability (Legitimacy/Power) mainly drives enforced compliance. Their findings support the idea that the three dimensions of the CLT framework-technology, capability, and legitimacy-need to work

together to produce sustainable compliance. When these three factors are irregularity, compliance drops. For instance, in weak context such Somalia, procedural complexity merged with low trust significantly challenges compliance [3]. Oppositely, in Indonesia [9], argue that when the system is available (Technology) and taxpayers are digitally literate (Capability), the compliance improves, offered there is basic trust (Legitimacy). This aligns with [12], who found that digitalization (Technology) and administrative effectiveness (Legitimacy) work together to boost compliance. Notably, digitalization had a stronger effect (β = 0.833) than administrative effectiveness (β = 0.558).

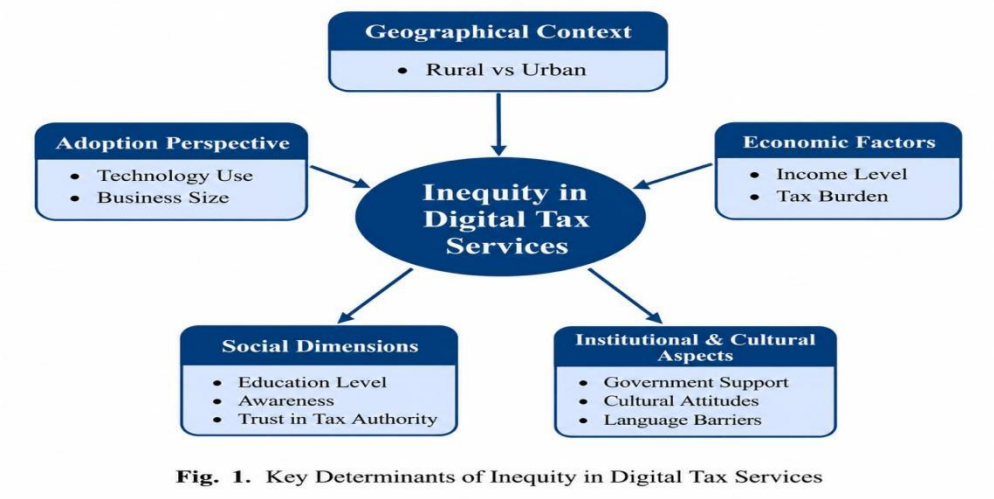


Fig. 1. Key Determinants of Inequity in Digital Tax Services

Figure 6.

As figure 6. indicated by [7], digital tax systems make inequalities among various demographic groups. This enhances the findings of this study that digital literacy is essential capability, as vulnerable categories (eg. MSMEs and old taxpayers) are more possibly to be expected if the tax system is complex.

5.3. The Mediating Role of Trust

The discussion involves that digitalization doesn't directly create trust, rather it is transparency and accuracy of the digital tax system that create trust. If the taxpayers recognize that the digital tax system fight against the corruption and simplifies processes their trust in the government increases, which in improves voluntary compliance [23,20]. Hence, system design should focus on the transparency, data security, error detection features to ensure trust.

6.1 Conclusion, limitations, and policy recommendations

This systematic review investigated the interconnected impacts of digital tax systems, digital tax literacy, and institutional trust on taxpayer compliance in the digital period, combined with evidence from 19 studies under offered Capability Legitimacy Technology (CLT) framework.

The findings shows that compliance behavior at the same time formed by the technological usability, cognitive capability, and institutional legitimacy, instead of by digitalization only. Technology offers the infrastructure for compliance, digital literacy gives the Practical capability to apply it, and trust government offers the incentive to comply voluntary. The evidence systematically states that well designed digital tax systems such as Coretax and e-invoicing can decrease administrative costs and improve compliance by ensuring system accuracy and transparency. Inversely when the digital tax systems are complex and taxpayers' absence requires literacy, accidental non-compliance shows up, especially among MSMEs and vulnerable categories as mention above Nigeria and Somalia. The review promote reveals institutional trust is not made by digitalization only, but the subjective fairness, transparency, and reliability of the digital system. These findings affirmed that the interaction of capability, technology and legitimacy, except any other factor, decides whether digitization interprets into sustainable voluntary compliance.

Despite these offers, some limitations must be examined to ensure the future researchers. The first limitation is the geographical bias most studies focus on the Indonesia this sample may cause restricts the generalizability. Additionally, there is articles excluded criteria for to English language this indicates there is existence number articles not written English language. Future research must broaden its geographical scope and incorporate non-English literature to validate these findings globally.

A policy procedure that finds the context is required to improve compliance in the digital period. Revenue authorities and ministries of finance should focus on investment digital tax literacy platforms aimed at MSMEs, a young taxpayers and vulnerable groups, because the system design only cannot make up for capability insufficiencies. Digital tax programs should be designed with user-centered simplicity, incorporating intuitive interfaces, localized language support, and error-detection features to reduce procedural complexity. Enforcement mechanisms such as audits and penalties should be complemented not substituted by trust building initiatives, including transparency in revenue expenditure, data security, and fairness in system design, to foster the legitimacy necessary for voluntary compliance. In the short to medium term, low-cost incentives to formalize businesses and phased digital transformation strategies that provide offline alternatives for those with low digital literacy should be pursued to ensure equitable access. These recommendations are achievable within the ongoing digital tax reforms in developing economies and promote sustainable, voluntary, and equitable tax compliance in the digital era.

6.2Declaration:

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