

Cultural Resistance and the Interpretation of Taxation in Religious Leader Communities

Danny Wibowo

*Sekolah Tinggi Ilmu Ekonomi Indonesia Surabaya, Indonesia
dannywibowo@stiesia.ac.id*

Abstract

This study examines how religious leaders interpret tax reporting obligations related to voluntary spiritual gifts and how these interpretations generate cultural resistance to taxation. Employing a qualitative case study approach, the research involved 12 religious leaders from Islamic, Christian, and Buddhist communities in urban and semi-urban areas in Indonesia, selected through purposive sampling based on active leadership roles and regular receipt of congregational gifts. Data were collected through semi-structured interviews and analyzed using thematic coding guided by the Slippery Slope Framework and behavioural tax theory, with theoretical and data triangulation applied to enhance validity. The findings reveal that religious leaders hold divergent interpretations of spiritual gifts: some regard them solely as alms embedded in worship, while others acknowledge their economic function yet resist classifying them as taxable income. This resistance is not primarily driven by intentional non-compliance, but by interpretative processes that redefine the boundary between sacred and economic domains, compounded by limited technical knowledge of tax reporting procedures. This study contributes to the literature by demonstrating that religiosity shapes taxation not only through tax morale or compliance attitudes, as emphasized in prior research, but also through the social construction of “income” itself, offering a novel socio-legal explanation of cultural resistance to taxation grounded in empirical evidence.

Keywords: *cultural resistance; religious leaders; religious gifts; tax compliance; tax education*

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Introduction

Indonesia is widely recognized for its high level of religiosity, where religious leaders occupy a central position as moral and spiritual authorities within society (Center, 2021). In religious communities, voluntary donations given to religious leaders after sermons, lectures, or other spiritual services represent a long-standing cultural practice rooted in religious norms. These donations are generally perceived as expressions of gratitude or charity, framed primarily in spiritual and moral terms rather than as economic transactions. Consequently, such gifts are rarely understood as income in the conventional sense, as their meaning is embedded in cultural and religious values rather than material gain.

From the perspective of tax law, however, this cultural understanding contrasts with the formal definition of taxable income. Article 4 paragraph (1) of the Indonesian Income Tax Law defines taxable income as any additional economic capacity received by a taxpayer, regardless of its form or source, that can be used for consumption or to increase wealth. Under this framework, voluntary donations received by religious leaders may fall within the scope of taxable income and are therefore subject to reporting obligations in the annual tax return (SPT). This condition places religious donations at the intersection of informal religious practices and formal state taxation, generating normative tension between culturally embedded interpretations and statutory fiscal rules.

Recent literature on taxation and religiosity has primarily examined tax morale and compliance from an individual behavioral perspective, emphasizing trust, ethics, and moral motivation in shaping taxpayers' behavior (Alm, 2021; Kamleitner et al., 2020). At the same time, studies on religious giving tend to focus on social solidarity and philanthropy, with limited discussion of their treatment under tax law. As a result, the interpretative role of religious leaders in negotiating the taxability of voluntary donations—and the subtle forms of cultural resistance embedded in such interpretations—remains underexplored. This article addresses this gap by examining how religious leader communities interpret taxation, positioning taxation as a culturally mediated institution shaped by religious authority rather than merely a legal or economic mechanism.

This phenomenon highlights the gap between socio-religious perceptions and positive legal constructions of taxation. In this study, mental accounting is operationalized as an interpretative pattern identified through qualitative interviews, rather than treated as an abstract psychological bias. It is observed in the way religious leaders cognitively separate voluntary donations from other forms of economic income, based on moral and spiritual meanings. Consistent with Olsen et al., (2019), mental accounting emerges when income is classified according to perceived moral value rather than legal definition. Empirically, this pattern appears when interviewees consistently describe donations as alms, gratitude, or acts of worship, and explicitly reject their classification as taxable income under tax law.

Mental accounting was identified through thematic analysis of interview transcripts by tracing recurring narratives that construct a moral boundary between religious donations and personal economic gain. Key indicators include the refusal to label donations as “income,” the use of religious intention (*niat ibadah*) as justification for non-reporting, and the framing of donations as entrusted spiritual resources rather than personal assets. This cognitive framing is reinforced by moral reasoning rooted in religious identity, where ethical and spiritual considerations outweigh formal administrative obligations (Dunn et al., 2018). Consequently, non-reporting behavior in this context reflects culturally embedded moral interpretation rather than deliberate tax evasion, indicating that resistance to taxation operates through interpretation rather than explicit opposition.

Many taxpayers in Indonesia remain unaware that income derived from non-formal activities, including religious services, constitutes a tax object that must be reported in the annual tax return by both individual and corporate taxpayers. This lack of awareness is closely linked to limited understanding of tax regulations, particularly regarding income that does not arise from formal or commercial transactions. At the same time, the practice of giving to religious leaders is deeply embedded in social and spiritual traditions, where such transfers are understood as acts of worship, gratitude, or moral obligation rather than as payment for services. Traditions such as alms to “moslem religious leader (*kiai*)” or love offerings are therefore framed within religious values, positioning them outside the realm of economic exchange.

This divergence between legal classification and cultural interpretation generates tension in the implementation of tax obligations. In religious communities, spiritual leaders possess strong symbolic authority, and local norms often carry greater legitimacy than external administrative rules imposed by the state. Gifts given after sermons or religious lectures are commonly perceived as expressions of respect and trust, not as personal income. Consequently, although such gifts may be legally categorised as taxable income, their treatment in practice is shaped by cultural and religious values that prioritise spiritual meaning over formal fiscal compliance. This condition illustrates how cultural resistance to taxation operates not through explicit rejection of tax law, but through alternative interpretations of income grounded in religious authority and communal norms.

Although giving to religious leaders is often considered a form of worship or alms, this perception raises questions about the extent to which the practice aligns with tax obligations. Do religious leaders realise that the gift is legally an income that needs to be reported, or do they see it as something that is not taxable because of its spiritual nature? This is an interesting topic to study further because it involves psychological aspects that also influence the way religious leaders perceive taxes. When spiritual beliefs predominate over administrative understandings, the potential for resistance to formal obligations arises.

On the other hand, this practice also reflects the distance between religious social values and the country's tax system. Many spiritual leaders believe that their income comes from voluntary contributions, rather than from commercial economic activity. This raises the debate as to whether the state is sensitive enough to formulate rules that touch these areas of value. Therefore, it is essential to examine this issue from both legal and cultural and psychological perspectives, ensuring that the approach taken fosters harmony between tax rules and existing social realities.

Literature Review

Income is subject to income tax rates

Under Indonesian income tax law, all economic gains received by taxpayers, including those arising from non-formal and religious activities, fall within the scope of taxable income, and religious

leaders are formally recognised as individual tax subjects with reporting obligations in the annual tax return (SPT). From a doctrinal perspective, tax reporting functions primarily as an administrative instrument to ensure transparency and accountability, rather than as an automatic trigger for tax payment, particularly when income remains below exemption thresholds (Mardiasmo, 2019). However, this legal construction presumes that income is socially recognised as an economic gain and can be clearly distinguished from non-economic transfers, an assumption that becomes increasingly problematic in the context of religious activities (Lavoie & Asselin, 2022).

Recent socio-legal and taxation literature questions the neutrality and effectiveness of applying conventional income tax frameworks to faith-based income (Mascagni et al., 2021). Scholars argue that religious receipts often occupy an ambiguous space between economic compensation and spiritual exchange, leading to contested interpretations of taxability (Alm, 2021). While tax authorities rely on broad definitions of economic capacity, religious actors frequently interpret such receipts as symbolic or moral transfers rather than taxable earnings. This divergence creates implementation challenges, as compliance is shaped less by legal obligation and more by perceived legitimacy and moral alignment (Kamleitner et al., 2020). Consequently, the issue extends beyond limited taxpayer awareness to a deeper normative misalignment between formal tax law and culturally embedded understandings of religious income.

Income subject to tariff Article 17 of the Income Tax Law

Article 17 of the Income Tax Law (income tax law) applies progressive rates to individuals, including religious leaders, as tax subjects who receive income from their religious activities. This progressive rate means that the amount of tax imposed increases in proportion to the increase in taxable income (PKP). The latest tariff range is based on Law Number 7 of 2021 on harmonisation of tax regulations (HPP law) as presented in Table 1.

Table 1. Taxable Income Layer

Taxable Income Layer	Tax Rate
Rp 0 – Rp 60.000.000	5%
> Rp 60.000.000 – Rp 250.000.000	15%
> Rp 250.000.000 – Rp 500.000.000	25%
> Rp 500.000.000 – Rp 5.000.000.000	30%
> Rp 5.000.000.000	35%

Source: Article 17 of the Income Tax Law (Income Tax Law)

According to Article 4 paragraph (3) of the Income Tax Law (Law No. 36 of 2008), certain categories of income are excluded from taxation and therefore are not considered taxable objects. These categories include assistance or donations (including zakat), certain grants, inheritance, capital contributions, specific insurance claims, dividends under particular conditions, pension fund contributions and benefits, scholarships, and surplus funds retained by non-profit institutions. This provision indicates that Indonesian tax regulations recognize several forms of income that are exempt from taxation based on their social, religious, and institutional functions.

In this context, individuals, including religious leaders, remain tax subjects who are obliged to report their income from religious activities in an annual notification letter (SPT). However, profits earned by religious institutions, as well as religious, educational, and social foundations, are not included in the tax object as long as the profits are reinvested to support the activities of the foundation (Gribnau, 2022). Therefore, although the foundation's profits are not taxed, the obligation to report all income, whether by individuals or religious institutions, must still be made in the annual tax return. It is essential to note that the obligation to report income in the yearly tax return does not always result in the obligation to pay taxes, as certain types of income are explicitly excluded from taxation under the provisions of the applicable tax regulations. Income that is not subject to Taxation includes assistance or donations such as zakat received by zakat management institutions or official religious institutions, assets received as grants, inheritances, and surpluses from social and religious foundations that are reinvested in the foundation's activities (Al-Taffi et al., 2021).

Gifts and alms in a socio-religious context

In Indonesia's deeply religious society, the practice of giving voluntary gifts to religious leaders constitutes a central element of spiritual expression rather than an economic transaction. Such gifts are commonly given after religious activities—such as sermons, lectures, or collective prayers—and are understood as alms, small endowments, or symbolic expressions of respect (Baldassarri & Abascal, 2020; Prabhakar, 2021). Anthropological studies demonstrate that gift-giving in religious communities functions as a symbolic exchange that reinforces social cohesion, moral obligation, and spiritual bonds, rather than as compensation for services rendered (Silvestri, 2015; R. Sheild, 2024). Within this cultural framework, gifts are embedded in traditions of collective worship and social reciprocity, making their economic valuation secondary to their religious and social meaning.

This symbolic understanding also shapes the moral and cognitive orientation of religious leaders who receive such gifts. Ethnographic research shows that giving to religious figures is often perceived by donors as participation in sacred practices, while recipients interpret these gifts as entrusted sustenance grounded in sincerity rather than personal economic gain (Moufahim, 2013). As a result, religious leaders frequently do not conceptualize these receipts as “income” in a fiscal sense. Instead, spiritual and moral values take precedence over the logic of economic exchange, creating a distinct interpretative framework that differs from formal legal classifications (van Dijke et al., 2020).

This condition is directly relevant to the research question of this study, which examines how religious leader communities interpret the taxability of voluntary gifts. Anthropological meanings of gift exchange inform psychological processes such as moral reasoning and cognitive categorization, which in turn influence tax-related behavior and compliance (Gangl et al., 2020). The reluctance to report such gifts for tax purposes should therefore not be understood merely as regulatory non-compliance, but as a form of interpretative resistance rooted in the interaction between cultural meaning, moral cognition, and formal tax law (Gribnau, 2022; Braithwaite, 2021). By linking anthropological insights with psychological mechanisms and tax regulation, this study positions taxation as a culturally mediated institution rather than a purely technical legal system.

Religious income from the perspective of Taxation

In the Indonesian tax law system, Article 4 paragraph (1) of the Income Tax Law (Law No. 36 of 2008) defines taxable income as any additional economic capacity received or obtained by taxpayers, whether originating from Indonesia or abroad, that can be used for consumption or to increase a taxpayer's wealth, regardless of its name or form. Under this provision, any additional form of economic ability, including those obtained voluntarily through religious activities, may be categorised as a tax object. This includes remuneration received by religious leaders in the form of money or goods, although it is not typically provided through a formal employment contract. However, in practice, such gifts are often not reported in the notification letter (SPT) because there is a discrepancy between the positive legal construction and the socio-religious meaning of income. Most religious leaders view gifts from the congregation as a form of spiritual homage or alms, rather than economic income that is taxed. This shows that the concept of income is not only interpreted legally, but also socially and symbolically by the recipient community (M. Sheild, 2024).

Mohdali & Pope (2014) assert that the level of religiosity has a significant effect on tax compliance attitudes, where highly religious individuals tend to base their actions more on moral values rather than on administrative obligations. In this case, a person's perception of whether a gift includes income or not is determined not only by the rule of law, but also by the common views and habits prevalent in their society. The study by Paleka (2023) adds that social norms and community pressures have a substantial impact on Tax behaviour, including when it comes to reporting income from religious activities. When the community at large does not consider religious gifts to be taxable income, individuals in the community do not feel compelled to report them, despite the formal provisions that apply. Thus, the discrepancy between social perception and tax regulation is a significant source of tax compliance resistance in religious contexts.

Previous studies indicate that religiosity plays a significant role in shaping tax compliance behavior in highly religious societies. Al-Taffi et al., (2021), in their study on taxpayers in Yemen, demonstrate that religious perspectives significantly influence tax non-compliance when tax obligations are perceived to conflict with moral and

religious values. Their findings suggest that taxpayers often evaluate fiscal obligations through religious norms rather than purely legal or economic considerations. However, the study primarily focuses on formal income and does not address how religious meanings attached to specific types of receipts—such as religious gifts or donations—affect their classification as taxable income, leaving a gap that this study seeks to address.

Slippery Slope Framework

The Slippery Slope Framework (SSF) is applied in this study not merely as a descriptive theory of tax compliance, but as an analytical framework for interpreting qualitative interview data. SSF conceptualizes tax compliance as the result of interaction between two core dimensions: the power of tax authorities and trust in tax authorities (Kirchler et al., 2008; Kamleitner et al., 2020). This framework is particularly relevant for understanding compliance behavior among religious leaders, whose perceptions of taxation are shaped not only by legal obligations but also by moral and spiritual considerations as presented in Table 2.

Consistent with the SSF, previous studies Kirchler et al., (2008) suggest that compliance among religious leaders arises either from enforced compliance driven by fear or from voluntary compliance rooted in trust. When tax rules are perceived as rigid and insensitive to religious contexts, authority is interpreted as coercive, resulting in resistance or non-reporting. Conversely, when tax authorities demonstrate cultural sensitivity and engage persuasively, trust increases and compliance becomes voluntary and sustainable. This supports prior empirical findings that long-term tax compliance is achieved not through enforcement alone, but through a balanced interaction between power and trust, particularly in communities with strong moral and spiritual foundations (Kamleitner et al., 2020).

Table 2. Operationalization of Slippery Slope Framework (SSF)

SSF Concept	Empirical Indicators (Interview Data)	Illustrative Interview Excerpts
Power of Authority	<ul style="list-style-type: none"> • References to audits or sanctions • Perception of compulsory reporting • Statements on state interference in worshi 	“If donations must be reported, it feels like worship is being supervised.”
Trust in Authority	<ul style="list-style-type: none"> • Perceived fairness of tax rules • Respect for religious values • Persuasive communication 	“If the tax office explains respectfully, reporting is acceptable.”
Enforced Compliance	<ul style="list-style-type: none"> • Compliance due to fear of punishment • Reporting without moral acceptance 	“I comply only to avoid penalties.”
Voluntary Compliance	<ul style="list-style-type: none"> • Compliance based on awareness • Acceptance of civic responsibility 	“If it benefits society and respects religion, we comply willingly.”

Theory of Planned Behavior

The Theory of Planned Behaviour (TPB) was developed by Ajzen (1991) as a social psychological model that explains how a person’s intention to act is formed. In the context of tax compliance, TPB explains that the behaviour of reporting or not reporting taxes depends mainly on three main components: attitudes, subjective norms, and perceptions of behavioural control. This theory is relevant to understanding why many religious leaders in Indonesia have not fully complied with their tax obligations, particularly in reporting income from religious activities.

When applied in the context of religious leaders, the Theory of Planned Behaviour (TPB) identifies three key factors that influence their behaviour. First, attitude towards tax compliance reflects the personal views of religious leaders regarding tax obligations. If they believe that taxation on religious gifts contradicts the values of worship and sincerity, their attitude towards reporting such income tends to be negative, as they may perceive that reporting diminishes the sanctity of the gifts.

Second, subjective norms refer to the social pressures or expectations arising from the surrounding environment. Within religious communities, if most leaders or members are not accustomed to reporting religious gifts as income, others are likely to follow this norm and feel no need to do so. Thus, support or rejection from the social environment can significantly shape behaviour.

Third, perceived behavioural control relates to an individual's belief in their ability and access to perform certain actions. For instance, religious leaders who feel they lack sufficient knowledge of taxation or face administrative difficulties in managing tax reporting may perceive the process as challenging. As a result, they may be less inclined to comply, even if they do not entirely reject the obligation.

TPB explains that intention is the primary factor influencing actual actions, and that intention is formed by the three aspects mentioned above. In the case of religious leaders, if the tax approach is unable to change attitudes, social norms, and perceptions of control simultaneously, achieving the expected level of compliance becomes challenging. Therefore, the most effective strategy is to combine education, community-based socialisation, and simplification of access to tax services.

Method

Research Design

This study adopts a qualitative research design using a case study approach to explore in depth how religious leaders interpret tax reporting obligations related to spiritual gifts, such as alms or donations from congregants. A qualitative approach is appropriate because tax compliance in religious contexts is shaped by complex psychological, social, cultural, and moral factors that cannot be adequately captured through quantitative measurement alone (Creswell & Poth, 2016). The case study design allows for an interpretive understanding of how religious leaders construct meaning around gifts, income, and state taxation within their lived religious experiences (Yin, 2018).

Research Site, Informants, and Sampling Technique

The research was conducted in Indonesia, focusing on urban and semi-urban religious communities where interactions between religious leaders and congregants occur regularly. Informants consisted of 12

religious leaders representing diverse religious backgrounds, including Islamic clerics, Christian priests, and Buddhist monks as presented in Table 3. Informants were selected using purposive sampling, with the following criteria: (1) actively serving as a religious leader, (2) routinely receiving voluntary gifts or donations from congregants, and (3) having basic awareness of tax obligations, whether through personal experience or prior interaction with tax authorities. This sampling strategy was chosen to ensure the relevance and richness of data related to the research objectives.

Table 3. Classification of Informants by Religious Role

Informant Code	Role/Background	Description
IC1	Islamic Cleric	Muslim religious leader
IC2	Islamic Cleric	Muslim religious leader
IC3	Islamic Cleric	Muslim religious leader
IC4	Islamic Cleric	Muslim religious leader
CP1	Christian Priest	Christian religious leader
CP2	Christian Priest	Christian religious leader
CP3	Christian Priest	Christian religious leader
CP4	Christian Priest	Christian religious leader
BM1	Buddhist Monk	Buddhist religious leader
BM2	Buddhist Monk	Buddhist religious leader
BM3	Buddhist Monk	Buddhist religious leader
BM4	Buddhist Monk	Buddhist religious leader

Data Collection Techniques

Data were collected over a four-month period through semi-structured interviews conducted both offline (face-to-face) and online (via Zoom or telephone), depending on the availability of informants. Each interview lasted between 60–90 minutes. The interview guide was designed around several key indicators, including: (1) informants' understanding of the nature and meaning of religious gifts; (2) perceptions of whether such gifts constitute income; (3) attitudes toward tax reporting and compliance; (4) perceptions of tax authority power and trust; and (5) moral, spiritual, and cultural considerations influencing reporting behavior. Observational notes on social context and non-verbal expressions were also recorded to enrich the qualitative data.

Ethical Considerations

This study adheres to ethical standards in qualitative research. All informants participated voluntarily and provided informed consent prior to the interviews. Anonymity and confidentiality were ensured by using pseudonyms and removing identifiable information from transcripts. Informants were informed of their right to withdraw from the study at any stage without consequence. Given the sensitivity of discussing taxation and religious practices, interviews were conducted respectfully, avoiding judgmental language and ensuring that religious beliefs were treated with due sensitivity.

Data Analysis and Coding Procedures

Data analysis was conducted using thematic analysis through a systematic coding process. First, all interviews were transcribed verbatim. Second, open coding was applied to identify meaningful units related to gift interpretation, moral reasoning, perceptions of authority, and compliance behavior. Third, codes were grouped through axial coding into broader categories informed by the Slippery Slope Framework (power and trust) and the Theory of Planned Behaviour (attitudes, subjective norms, and perceived behavioral control). Finally, selective coding was used to integrate themes into coherent analytical narratives that explain the relationship between religious values, psychological interpretation, and tax compliance.

Triangulation and Trustworthiness

To enhance the credibility and validity of the findings, this study employed theoretical and data triangulation. Theoretical triangulation was achieved by interpreting the data through multiple frameworks, including the Slippery Slope Framework and tax psychology literature. Data triangulation was conducted by comparing responses across informants from different religious backgrounds and by contrasting online and offline interview results. Reflexive discussions among the researchers were also undertaken to reduce interpretive bias and ensure analytical consistency.

Results and Discussion

Results

The findings indicate that religious leaders interpret gifts from worshipers in diverse ways. Some informants clearly frame such gifts as alms or moral support rather than economic income. As one informant stated,

“What we receive after preaching is not payment; it is alms given sincerely for worship.” (IC1)

Others, however, acknowledged that these gifts may function as a source of personal sustenance, even though they remain reluctant to classify them as taxable income:

“I use it for daily needs, but I don’t consider it income like salary.” (CP1)

These responses demonstrate a shifting meaning of gifts, oscillating between spiritual symbolism and practical economic use.

Attitudes toward taxation also varied significantly among informants. Several religious leaders expressed acceptance of taxes as a civic duty, while others emphasized religious obligations—such as zakat (a Muslim mandatory charitable contribution)—as having higher moral priority. One informant noted,

“Zakat is clearly commanded by religion; taxes are less clear to us.” (IC4)

In addition, many informants admitted difficulties in understanding technical tax rules, including valuation, thresholds, and reporting procedures. As one interviewee explained,

“Even if I want to report, I don’t know how to calculate or classify these gifts.” (BM1)

Interestingly, almost all informants expressed openness to tax education and guidance, stressing the need for respectful communication and practical assistance:

“If there is counselling that respects our role, we are willing to learn.” (IC3)

Table 4. Main Themes and Illustrative Interview Quotations

Theme	Description	Verbatim Interview Excerpts
Spiritual Meaning of Gifts	Gifts interpreted as worship or alms	"This is not income; it is part of worship." (IC1)
Ambiguous Economic Use	Gifts used for living needs but not labelled income	"I use it daily, but I don't see it as salary." (CP1)
Moral Priority of Religion	Zakat prioritized over tax obligations	"Zakat comes first because it is religious duty." (IC4)
Technical Barriers	Difficulty in valuation and reporting	"I don't understand the reporting process." (BM3)
Openness to Guidance	Difficulty in valuation and reporting	"If guided properly, we are willing." (CP2)

Discussion

The interpretation of gifts received by religious leaders is shaped by culturally and morally embedded frameworks rather than purely economic or legal ones. Recent anthropological and sociological studies emphasize that religious gift-giving functions as a symbolic exchange that reinforces social cohesion, moral legitimacy, and spiritual authority, rather than as remuneration for services (R. Sheild, 2024; Boccagni & Baldassar, 2021). This symbolic framing explains why many religious leaders resist categorizing such gifts as taxable income, even when these gifts are used to support daily needs (Table 4). In this sense, the meaning attached to the gift precedes its economic utility, challenging the assumption in tax law that economic capacity is always socially recognized as "income."

These interpretations contribute to recent debates in taxation and religiosity literature. Prior studies emphasize that tax compliance is largely driven by taxpayers' awareness and understanding of tax obligations (Suyanto & Trisnawati, 2016). Contemporary studies largely focus on how religiosity influences tax morale and compliance, often concluding that religious values strengthen ethical discipline and voluntary compliance (Alm, 2021). However, the present study reveals

a different mechanism: religiosity does not simply increase or decrease compliance but reshapes the very definition of taxable income. Religious leaders in this study do not necessarily reject taxation as a civic duty; rather, they reinterpret religious gifts as belonging to a sacred domain beyond fiscal classification. This supports recent socio-legal critiques arguing that tax systems often apply a universal economic logic that may conflict with culturally situated practices and moral economies (Gribnau, 2022; Braithwaite, 2021).

The patterns identified in this study are consistent with, yet extend, the results of Al-Ttaffi et al., (2021) & Abodher et al., (2020), who show that religious perspectives can justify tax non-compliance when fiscal rules are viewed as misaligned with religious values. While Al-Ttaffi et al. emphasize religiosity as a determinant of compliance behavior regarding formal income, this study demonstrates that religiosity also operates at a deeper interpretative level by shaping how religious leaders define what constitutes taxable income. In the case of spiritual gifts, resistance to tax reporting emerges not from rejection of taxation per se, but from the construction of such gifts as belonging to a sacred domain beyond fiscal categorization.

The Theory of Planned Behaviour (TPB), as updated in recent behavioural tax research, provides a useful lens for understanding variations in compliance intention observed in this study. Attitudes toward taxation, subjective religious norms, and perceived behavioural control jointly shape reporting behavior (Frecknall-Hughes et al., 2023). While some religious leaders express positive attitudes toward taxation, limited technical knowledge and uncertainty regarding valuation and reporting procedures significantly reduce perceived behavioural control. Similar findings have been reported in recent studies from developing and religiously oriented societies, where tax literacy and procedural clarity are decisive factors influencing compliance (Alshira'h & Abdul-Jabbar, 2020; Saad, 2014). Unlike these studies, however, the present research highlights that the core difficulty lies not only in technical capacity but also in the moral ambiguity surrounding the classification of religious gifts (Table 4).

The Slippery Slope Framework (SSF), as refined in recent literature, further clarifies the interaction between authority and trust in

shaping compliance (Kamleitner et al., 2020; Kastlunger et al., 2013). Enforcement-oriented approaches may be perceived as intrusive when applied to religious contexts, thereby undermining trust and triggering resistance. Conversely, informants' openness to tax counselling indicates that trust-building measures—such as respectful dialogue, cultural sensitivity, and transparent guidance—are more effective in fostering voluntary compliance. This aligns with recent empirical evidence showing that perceived legitimacy and respectful treatment by tax authorities are critical drivers of sustainable compliance, particularly in morally grounded communities (Frecknall-Hughes et al., 2023).

Consistent with the SSF, the findings indicate that compliance among religious leaders arises either from enforced compliance driven by fear or from voluntary compliance rooted in trust. When tax rules are perceived as rigid and insensitive to religious contexts, authority is interpreted as coercive, resulting in resistance or non-reporting. Conversely, when tax authorities demonstrate cultural sensitivity and engage persuasively, trust increases and compliance becomes voluntary and sustainable. This supports prior empirical findings that long-term tax compliance is achieved not through enforcement alone, but through a balanced interaction between power and trust, particularly in communities with strong moral and spiritual foundations (Kamleitner et al., 2020).

Overall, this study advances the literature by shifting the analytical focus from compliance behavior alone to the interpretative processes through which taxable income is socially constructed. Unlike much of the recent research that treats religiosity as a variable influencing compliance outcomes, this study demonstrates that religiosity also shapes the epistemological boundaries of taxation itself, distinguishing between sacred and economic domains. This interpretative gap constitutes a form of cultural resistance that operates through meaning-making rather than overt non-compliance. By foregrounding this dynamic, the study contributes to contemporary socio-legal and behavioural tax scholarship and underscores the importance of culturally informed tax governance in religious societies.

Conclusion

Conclusion

This study demonstrates that religious leaders in Indonesia interpret gifts from pilgrims through diverse and often competing frameworks. While some regard such gifts as alms or moral support embedded in spiritual practice, others acknowledge their economic function as personal sustenance. These differing interpretations generate a form of cultural resistance when spiritual meanings clash with tax law provisions that classify gifts as taxable income. The findings further show that attitudes toward taxation are shaped not only by legal awareness but also by religious norms, communal values, and moral reasoning within each religious environment. Consequently, decisions regarding tax reporting are socially negotiated rather than solely determined by formal fiscal rules.

The study also reveals that non-compliance is not primarily driven by intentional avoidance, but by limited technical knowledge and uncertainty surrounding valuation and reporting procedures for spiritual gifts. Importantly, most religious leaders expressed openness to tax education and guidance, suggesting that resistance is interpretative rather than oppositional. This underscores that tax compliance in religious contexts is closely linked to trust, perceived legitimacy, and cultural alignment between tax authorities and religious communities.

Suggestions

Based on the results we obtained, tax institutions prioritise a persuasive approach, which is appropriate to the social and religious context, rather than focusing solely on legal aspects and sanctions. Religious leaders should be actively involved in socialisation programs, so that they not only understand administrative responsibility but can also set an example in raising tax awareness among the public. Further research is needed to engage with diverse religious backgrounds and gain a more comprehensive understanding of cultural resistance to Taxation. Additionally, individuals should be aware that donations to spiritual leaders, even if considered alms, still have legal implications that need to be considered. With the cooperation of tax authorities, religious leaders, academics, and the community, a balance will be struck between tax obligations and the spiritual and social values inherent in the traditions of Indonesian society.

Limitations and Future Research Agenda

This study has several limitations that open avenues for future research. First, the qualitative case study approach, while providing in-depth insights, limits the generalizability of the findings across all religious communities in Indonesia. Future studies could employ mixed-method or quantitative designs to examine whether similar interpretative patterns emerge across broader populations of religious leaders. Second, the study focuses primarily on the perspectives of religious leaders; future research could incorporate the views of congregants and tax officials to better capture the interaction between religious authority, community expectations, and fiscal governance.

Further research is also needed to examine comparative contexts, such as differences between religious traditions, regional variations, or cross-country settings where the relationship between religion and taxation is regulated differently. In addition, future studies could explore how targeted tax education programs or culturally adapted communication strategies influence trust and compliance over time. By addressing these areas, subsequent research can deepen understanding of cultural resistance to taxation and contribute to the development of more context-sensitive approaches to fiscal governance in religious societies.

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