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Literature Review of the Relationship between Non-Economic Factors and Individual Tax Compliance

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Abstract

Tax compliance is crucial for effective fiscal systems, directly impacting governments' capacity to fund public services and implement socio-economic policies. While traditional models emphasize economic factors like tax rates and penalties, recent research underscores the importance of non-economic factors. This paper reviews six key determinants of individual tax compliance: tax morale, perceptions of fairness, social norms, tax knowledge, tax complexity, and the perceived authority of tax administration. Findings show that higher tax morale, fairness perceptions, supportive social norms, better tax knowledge, reduced complexity, and a service-oriented tax authority enhance compliance. In contrast, perceived injustice and excessive complexity undermine it. The paper concludes with policy recommendations, advocating for the integration of behavioral insights into tax policies, especially in emerging economies like Vietnam, to foster sustainable compliance.

Keywords: Individual Tax Compliance; Non-Economic Factors; Tax Compliance

JEL code: H24, H26.

1. Introduction

Taxation is essential for generating public revenue, financing socio-economic development, and delivering public services (Torgler, 2003). It embodies both a financial obligation and a civic duty, vital for a fair society (Torgler, 2003). Personal income tax (PIT) serves as a stable revenue source, reflecting individuals' capacity to pay and promoting equity (Alm & Torgler, 2006). In Vietnam, taxes account for 70–80% of the state budget, with PIT contributing about 6–9% of total tax revenue (IMF, 2019, 2021, 2023), highlighting its importance in funding infrastructure, education, healthcare, and social welfare programs.

Traditional economic models conceptualize tax compliance as a result of a cost–benefit analysis wherein taxpayers weigh the expected advantages of evasion against the anticipated costs, which are shaped by tax rates, audit probabilities, and penalties (Becker, 1968; Allingham & Sandmo, 1972). Within these frameworks, economic incentives are considered the primary drivers of compliance. However, empirical evidence reveals that many taxpayers exhibit compliance levels that exceed those predicted by straightforward deterrence models (Kirchler, 2007; Pope & McKerchar, 2011). This phenomenon, known as the "compliance puzzle," underscores the importance of non-economic and behavioral factors. A substantial body of research highlights the influence of tax morale, ethics, perceptions of fairness, social norms and peer pressure, tax knowledge and awareness, tax complexity, as well as perceived authority and enforcement mechanisms in shaping compliance behavior and the perceived legitimacy of the tax system (Torgler, 2003; Alm & Torgler, 2006; Kirchler, 2007; Torgler & Schneider, 2009; Oktaviani et al., 2019; Perveen & Ahmad, 2022; Alamsyah et al., 2024). As a result, the Allingham–Sandmo framework has been gradually enhanced by insights from economic psychology, sociology, and public administration to encompass moral norms, fairness perceptions, social interactions, and institutional trust (Kirchler, 2007; Torgler, 2007).

Since the mid-2010s, Viet Nam has accelerated the digitalization of tax administration. Decree No. 123/2020/NĐ-CP and Circular No. 78/2021/TT-BTC enabled nationwide adoption of e-invoices from 2022; more recent rules extend this regime by requiring high-revenue household businesses in selected sectors to issue e-invoices via cash registers directly connected to the tax authority from 2025 (Government of Viet Nam, 2020; Ministry of Finance, 2021; General Department of Taxation, 2024; Vietnam News, 2025). Despite these advances, international assessments continue to highlight gaps in public-financial transparency and public investment management (International Monetary Fund, 2024). As of the end of end-2024, approximately 3.6 million household businesses were under tax administration, with about 2 million still paying under the lump-sum regime; the cash-register e-invoice requirement aims to improve accuracy and equity in this segment (Vietnam News, 2025). Taken together with continued growth and deeper integration, these developments underscore the need to strengthen individual taxpayer-compliance management.

In a context marked by diverse income sources, a significant informal sector, and varied population groups, gaining a better understanding of the non-economic factors influencing compliance is crucial for improving revenue collection, fostering social cohesion, and building trust in the tax system. Research indicates that when taxpayers perceive public spending as effective and view taxes as contributing to societal development, they are more willing to comply. Conversely, perceptions of opacity, waste, or corruption in the use of tax revenues can undermine trust and compliance, thereby encouraging tax evasion (Alm et al., 1993; Torgler & Schneider, 2009).

This paper systematically reviews non-economic factors influencing individual tax compliance, focusing on six key determinants: tax morale and ethics, perceptions of fairness, social norms, tax knowledge, tax complexity, and perceived authority and enforcement. It draws on international and Vietnamese studies to make three main contributions. *First,* it presents an integrated conceptual framework organizing these factors. *Second,* it synthesizes empirical findings to highlight similarities and differences across various contexts. *Third,* it offers policy implications for tax administration reforms in Vietnam and similar emerging economies, stressing the need for behavioral insights in tax policy design. The paper is structured as follows: Section 2 discusses the conceptual framework and research methodology; Section 3 examines the relationships between the non-economic factors and tax compliance, supported by evidence from Vietnam; and Section 4 concludes with policy implications and suggestions for future research.

2. Conceptual Framework and Research Method

2.1. Definition of tax compliance

According to Allingham and Sandmo (1972), the behavioral economics model of tax evasion conceptualizes tax compliance as a decision that balances the benefits of concealing income with the associated costs. These costs encompass both financial and non-financial factors, such as the risk of detection and the potential imposition of fines. This model highlights how economic variables—such as tax rates, the probability of detection, and the severity of penalties—influence an individual's decision to adhere to tax obligations. Similarly, Becker (1968) views tax evasion as a rational response to the anticipated costs and benefits involved.

Kirchler (2007) defines tax compliance as the degree to which taxpayers adhere to tax laws, which encompasses the accurate reporting of income, the timely and complete payment of taxes, and the observance of tax-related procedures and obligations. Notably, Kirchler (2007) broadens the concept of tax compliance by highlighting that it is significantly influenced not only by economic incentives but also by non-economic factors, including perceptions of fairness, morality, and trust in the tax system. Tax morale is described as the extent to which individuals feel morally and socially obligated to pay taxes (Torgler & Schneider, 2009). When taxpayers perceive fairness in the tax system and trust how the government uses tax revenue, they are more likely to comply willingly with their tax obligations (Alm & Torgler, 2006).

Torgler (2003) defines tax compliance as the behavior of fully and accurately adhering to tax regulations, including the accurate reporting of income and the timely payment of taxes. He emphasizes that tax compliance is not merely a legal obligation but also a reflection of civic responsibility and community involvement. According to Torgler and Schneider (2009), the level of tax compliance is influenced by the quality and transparency of institutional arrangements within tax administration. A well-managed, transparent, and equitable tax system fosters citizens' trust in the government and encourages voluntary tax compliance. In summary, tax compliance is a multifaceted concept shaped by economic, social, and psychological factors; it reflects taxpayers' readiness to meet their legal obligations and their satisfaction with the tax system and public institutions (Kirchler, 2007; Torgler, 2007).

2.2. Non-economic determinants of individual tax compliance

In traditional economic models, tax compliance behavior is predominantly explained by economic factors, including tax rates, detection probabilities, and penalties (Allingham &

Sandmo, 1972; Becker, 1968). However, empirical evidence indicates that taxpayers often exhibit higher compliance levels than those predicted by these standard models (Kirchler, 2007; Pope & McKerchar, 2011). To address this discrepancy, researchers have expanded the model to incorporate non-economic determinants, such as intrinsic motivations, social influences, and institutional conditions (Kirchler, 2007; Torgler, 2007).

The literature increasingly identifies six primary groups of non-economic factors that influence tax compliance among individual taxpayers. The first group concerns tax morale and ethics, encompassing attitudes and beliefs about the legitimacy of taxation and the willingness to contribute to society's common good (Torgler, 2007; Nichita & Batrâncea, 2012). The second group concerns perceptions of fairness, often conceptualized in terms of Rawls' (1971) theory of justice. This includes distributive fairness, which focuses on equity in the distribution of tax burdens and public benefits, and procedural fairness, which emphasizes transparency, consistency, and impartiality in tax administration (Murphy, 2005; Alm & Torgler, 2006; Torgler & Schneider, 2009). The third group concerns social norms and peer influence, encompassing informal rules and expectations regarding acceptable tax behavior within reference groups, as well as pressure to conform to group values (Wenzel, 2004; Kirchler, 2007; Alm et al., 2019).

The fourth category pertains to tax knowledge and awareness, which encompasses taxpayers' understanding of tax laws, calculation methods, and procedures for declaration and payment, along with their rights and obligations (Kirchler, 2007; Evans, 2003; Devos, 2014). The fifth category addresses tax complexity, which stems from overlapping regulations, frequent changes, and intricate procedures that elevate compliance costs and may encourage both unintentional and intentional non-compliance (Slemrod, 1989; Evans, 2003; Oliver & Bartley, 2005; Gambo et al., 2014; Borrego, 2015). Lastly, perceived authority and enforcement approaches pertain to how taxpayers perceive the power, legitimacy, and behavior of tax administrations. The "slippery slope framework" (Kirchler et al., 2008) highlights the interplay between trust and power: a combination of high trust and high power fosters optimal compliance, whereas approaches that are either purely coercive or excessively lenient may prove less effective (Braithwaite, 2003; Murphy, 2005; Harinurdin, 2021).

The six groups of factors are interconnected and collectively influence tax compliance. For instance, perceptions of fairness and the perceived quality of public spending shape tax morale; tax knowledge affects perceptions of complexity; social norms interact with enforcement strategies; and the quality of institutions underlies trust and perceptions of authority (Torgler, 2007; Kirchler, 2007; Pope & McKerchar, 2011).

2.3. Research methodology and synthesis approach

This study employs a systematic literature review to examine non-economic factors influencing tax compliance among personal income taxpayers, adhering to social sciences evidence synthesis guidelines (e.g., Tranfield et al., 2003; Petticrew & Roberts, 2006). Google Scholar served as the primary database for sourcing relevant academic materials, complemented by manual searches of Vietnamese journals. The search strategy used keywords such as "tax morale," "fairness perception," "social norms," and "tax knowledge" in relation to "tax compliance" or "personal income tax," focusing mainly on English-language sources, with some queries in Vietnamese. The review includes studies published through early 2025, with emphasis on research from the early 2000s onward, when behavioral and institutional approaches to tax compliance emerged (Kirchler, 2007; Torgler, 2007).

Studies were included if they examined at least one non-economic determinant related to individual or Personal Income Tax (PIT) compliance, whether as empirical or theoretical contributions published in peer-reviewed journals, books, conference proceedings, or institutional working papers in English or Vietnamese. Exclusion criteria encompassed a lack of direct relevance to non-economic determinants or individual/PIT compliance, non-academic commentaries or news articles, duplicate records, and studies with inadequate methodological information.

Screening was conducted in two stages: first, titles and abstracts were reviewed to eliminate clearly irrelevant items (for instance, studies focusing solely on corporate tax planning or macro-level tax policy without behavioral content). This was followed by a full-text screening of studies deemed potentially relevant, to confirm that they addressed at least one of six focal dimensions: tax morale and ethics, fairness perception, social norms and peer influence, tax knowledge and awareness, tax complexity, and perceived authority and enforcement approach (Torgler, 2003; Alm & Torgler, 2006; Kirchler, 2007; Torgler & Schneider, 2009).

For each included study, information on the authors, year of publication, objectives, methods, non-economic factors analyzed, key findings, and conclusions was extracted and organized by factor and by country or region. As a single author conducted the screening, no inter-rater reliability statistics were calculated; any borderline cases were conservatively retained, a limitation acknowledged.

Due to the variety of designs, measures, and contexts, a quantitative meta-analysis is not feasible; thus, this review uses a qualitative narrative synthesis with thematic analysis. For each of the six dimensions, the synthesis explores how each factor is conceptualized, which theoretical frameworks are employed—such as fiscal exchange theory (Alm et al., 1993; Torgler, 2003), fairness theory (Rawls, 1971; Murphy, 2005), social norms theory (Wenzel, 2004), legitimacy theory (Murphy, 2005), and the slippery slope framework (Kirchler et al., 2008)—and the empirical relationships identified between each factor and tax compliance. Within each dimension, findings are organized around recurring themes (e.g., the role of institutional trust in tax morale, the distinction between distributive and procedural fairness, the operation of descriptive and injunctive social norms, the dual role of tax knowledge, and the mechanisms through which complexity affects compliance), with contradictory or mixed results examined in the context of methodological and situational differences.

3. Findings from the Literature and Discussion

This section reviews the relationship between each group of non-economic factors and individual tax compliance, drawing on international and domestic studies. It also discusses how these findings can be interpreted in the context of Vietnam.

3.1. Tax morale and ethics

Tax morale refers to the intrinsic motivation to comply with tax obligations and embodies psychological and social attitudes towards the legitimacy of taxation and contributions to the common good (Torgler, 2007; Nichita & Batrâncea, 2012). Closely associated with this concept is tax ethics, which encompasses the ethical standards that govern compliance with tax laws. Individuals who possess high tax morale and strong tax ethics generally view paying taxes as a fair and essential contribution to security and social welfare, rather than merely a response to audits and penalties (Kirchler, 2007; Alm & Torgler, 2006).

Within the framework of fiscal exchange theory, taxation is viewed as an implicit "exchange" between citizens and the state. When taxpayers believe that public services and benefits align with their contributions, their tax morale and willingness to comply tend to increase; conversely, perceptions of waste or corruption can undermine tax morale and may even validate tax evasion in the minds of taxpayers (Alm et al., 1993; Torgler, 2003; Torgler & Schneider, 2009). Empirical evidence suggests that attitudes, beliefs, and tax ethics play a significant role in explaining why compliance often surpasses levels predicted by standard deterrence models focused solely on expected costs and benefits (Allingham & Sandmo, 1972; Becker, 1968; Pope & McKerchar, 2011). Utilizing data from the World Values Survey and the European Values Survey, Torgler (2007) finds a strong correlation between trust in public authorities and both higher tax morale and greater compliance. Additionally, Alm and Torgler (2006) demonstrate that transparency and efficient spending contribute to a more robust "culture of compliance" in the United States compared to several European countries. Experimental evidence further indicates that fair, transparent procedures and respectful interactions with tax authorities can enhance compliance, even when the risk of detection is low (Kirchler, 2007).

Cross-country studies have documented that political instability, corruption, and weak institutions diminish trust, lower tax morale, and expand the shadow economy (Torgler, 2003; Torgler & Schneider, 2009). Consequently, several researchers argue that understanding the determinants of tax morale is essential to developing effective strategies to enhance voluntary compliance and curb informal economic activities (Pope & McKerchar, 2011; Nichita & Batrâncea, 2012; Luttmer & Singhal, 2014). In Vietnam, the limited available evidence indicates that tax morale is influenced by perceptions of corruption, the quality of public services, and overall government effectiveness. Taxpayers who believe that tax revenues are used transparently for infrastructure, education, and social welfare are more inclined to view tax payments as a civic duty. In contrast, perceptions of wastefulness or unfairness tend to weaken tax morale and hinder compliance. This observation suggests a promising avenue for further empirical research in the Vietnamese context.

3.2. Fairness perception

Perceptions of fairness serve as a crucial non-economic factor influencing individual tax compliance. Drawing from fairness theory (Rawls, 1971) and its relevance to taxation (Alm & Torgler, 2006), taxpayers assess the balance between their tax contributions and the benefits they receive in return. Tax fairness is typically categorized into two types: distributive fairness, which concerns the perceived equity of tax and benefit distribution, and procedural fairness, which concerns the perceived fairness of the processes involved in tax decision-making and enforcement (Murphy, 2005; Alm & Torgler, 2006).

Distributive fairness concerns the equitable allocation of tax burdens and public benefits across income groups and social categories. When taxpayers perceive that high-income groups are shouldering a larger share of the tax burden and that vulnerable populations are receiving adequate support, they are generally more inclined to comply with tax obligations, even if this means higher rates. In contrast, perceived unfairness in the distribution of burden can erode confidence in the system and diminish compliance (Murphy, 2005; Alm & Torgler, 2006; Torgler & Schneider, 2009).

Procedural fairness focuses on the transparency, consistency, and impartiality in tax administration, encompassing aspects such as audits and penalties. Evidence suggests that respectful treatment and the equitable application of rules cultivate goodwill and voluntary cooperation (Torgler, 2003; Kirchler, 2007). Wenzel (2004) indicates that transparent inspection and sanction processes enhance compliance by influencing social norms and reputational considerations. Moreover, Murphy (2005) and Kirchler (2007) show that even stringent policies can encourage cooperation when procedures are perceived as fair; conversely, perceptions of favoritism or arbitrary audits may lead to “retaliatory” tax evasion.

Braithwaite (2003) highlights that excessively punitive measures, which view taxpayers merely as targets for repression, undermine trust and escalate enforcement costs. Empirical studies conducted in Pakistan, Nigeria, and Malaysia reveal a positive correlation between perceptions of fairness and tax compliance (Gberegbe & Umoren, 2017; Perveen & Ahmad, 2022). Furthermore, Nam and Minh (2021) establish a significant connection between perceived fairness and compliance among business households in Ho Chi Minh City. The literature emphasizes that both distributive and procedural fairness are essential for personal income tax compliance. Attributes such as transparent and consistent administration, respectful treatment of taxpayers, and an equitable distribution of the tax burden encourage voluntary compliance and lessen the need for coercive enforcement. In Vietnam, reforms aimed at enhancing the progressivity of personal income tax, ensuring equal treatment across different taxpayer groups, and improving transparency in public spending are likely to bolster perceptions of fairness and, consequently, tax compliance.

3.3. Social norms and peer influence

Social norms and peer influence significantly impact tax compliance by shaping concerns about reputation and the desire to align with shared values and group identities, as noted in social identity and social norms theory (Wenzel, 2004; Demin, 2023). Social norms serve as informal expectations regarding appropriate behavior and, within the context of taxes, encompass prevailing attitudes toward the necessity of tax payment, the seriousness of tax evasion, and the stigma associated with violators (Wenzel, 2004). Peer influence refers to the effects exerted by friends, family, colleagues, and local communities. When the majority of group members comply with tax obligations, individuals often experience social pressure to do the same in order to maintain relationships and avoid negative judgments (Kirchler, 2007).

Empirical evidence indicates that taxpayers often look to the behavior of prominent reference groups to determine what is deemed "acceptable." Communities that promote tax compliance and denounce evasion tend to encourage adherence to tax norms, whereas environments that tolerate evasion can cultivate a "culture of non-compliance" (Wenzel, 2004). Experimental research supports the notion that knowledge of others' behaviors and norm-based messages influences reporting decisions (Alm et al., 1993; Wartick & Rupert, 2010; Alm et al., 2019). Consistent with social learning theory, Kirchler (2007) highlights that witnessing honest reporting by peers—such as colleagues in the same field or neighbors—can strengthen compliance, whereas observing widespread evasion may undermine it.

In Vietnam, social norms and peer influence play a significant role among household businesses and self-employed individuals. In these contexts, tightly-knit local networks and informal information channels heavily influence tax registration and reporting practices. When non-compliance is viewed as widespread or implicitly tolerated, enhancing compliance may require not only stricter enforcement but also initiatives to change local norms. This could involve public campaigns that spotlight compliant taxpayers and emphasize the societal importance of contributing to public finances.

3.4. Tax knowledge and awareness

Tax knowledge and awareness encompass taxpayers' understanding of tax laws, calculation methods, filing and payment procedures, as well as their rights, obligations, and incentives (Evans, 2003; Devos, 2014; Kirchler, 2007). This includes familiarity with applicable rates and deadlines, proficiency in the declaration and settlement processes, and awareness of exemptions and preferential regimes designated for specific groups or sectors (Evans, 2003; Devos, 2014).

Research in public economics and economic psychology indicates that tax knowledge and awareness are crucial factors influencing personal income tax compliance, alongside penalty levels, detection probabilities, and attitudes toward taxation (Kirchler, 2007; Torgler, 2007). A lack of understanding of tax regulations creates confusion and discouragement, increasing the likelihood of errors, delays, and unintentional non-compliance. Conversely, taxpayers with a solid grasp of the tax system exhibit greater confidence in their filings and are more inclined to cooperate with tax authorities (Kirchler, 2007). From a compliance cost perspective, studies by Evans (2003) and Devos (2014) emphasize that insufficient tax knowledge can increase the time, effort, and financial costs associated with compliance—often requiring professional assistance. In contrast, better-informed taxpayers can navigate these processes more efficiently and with fewer errors.

Tax knowledge is closely tied to intrinsic motivation; individuals who understand what taxes fund and how public spending is used are more likely to perceive tax payment as a socially responsible act and to cultivate more positive attitudes toward taxation (Torgler, 2007). Recent empirical studies in both international and Vietnamese contexts generally indicate a positive correlation between tax knowledge/awareness and compliance (Oktaviani et al., 2019; Nguyen et al., 2021; Nam & Minh, 2021; Alamsyah et al., 2024; Le et al., 2024). However, some findings are mixed. For example, Kamil (2015) reports that while awareness can enhance compliance, increased technical knowledge may sometimes lead individuals to exploit legal loopholes. Overall, the literature suggests that a lack of tax knowledge can lead to unintentional tax evasion, higher compliance costs, and a deterioration of trust in the tax system. Conversely, well-designed educational and informational campaigns can promote voluntary compliance.

3.5. Tax complexity

Tax complexity arises from overlapping regulations, intricate filing procedures, inconsistent forms, and frequent legal changes. According to the standard economic model, taxpayers evaluate the expected benefits of tax evasion against the anticipated costs, such as fines and the risk of audit (Allingham & Sandmo, 1972). A complex tax system increases compliance costs, as taxpayers are compelled to invest more time and resources, or seek professional advice, to ensure accurate filing. This heightened complexity consequently raises the likelihood of errors and non-compliance (Slemrod, 1989; Evans, 2003; Oliver & Bartley, 2005; Gambo et al., 2014; Borrego, 2015).

Moreover, such complexity creates opportunities for deliberate avoidance and evasion, particularly for individuals with specialized knowledge or access to legal expertise. Conversely, less informed taxpayers may unintentionally file late or under-report their income, concluding that the perceived benefits of evasion surpass its costs (Slemrod & Yitzhaki, 2002; Borrego, 2015). From an economic-psychology standpoint, an opaque and inconsistent tax system obscures taxpayers' obligations and can lead to "unintentional evasion," where individuals miscalculate their taxable income or deductions due to confusion (Kirchler, 2007; Devos, 2014).

Overall, the literature suggests that tax complexity negatively impacts personal income tax compliance by increasing compliance costs, creating loopholes, and eroding trust in the tax system. Therefore, simplification and digital modernization—through more explicit rules, simpler forms, and user-friendly electronic tools—are vital for fostering sustainable compliance and perceived equity (Slemrod, 1989; Evans, 2003; Devos, 2014).

3.6. Perceived authority and enforcement approach

Perceived authority refers to the level of trust, respect, and legitimacy that taxpayers associate with the tax administration. Empirical research indicates that perceptions of authority, alongside enforcement strategies, significantly influence personal income tax compliance. This is in addition to factors such as penalties, audit probabilities, and tax attitudes (Braithwaite, 2003; Murphy, 2005; Kirchler, 2007; Kirchler et al., 2008; Harinurdin, 2021). Drawing upon legitimacy and procedural justice theory, Murphy (2005) demonstrates that taxpayers are more inclined to regard the tax authority as legitimate—and to engage cooperatively—when audits and sanctions are conducted transparently, consistently, and with respect for fundamental rights. Conversely, coercive and heavy-handed practices may incite resistance and evasion. Similarly, Kirchler (2007) highlights that taxpayers respond not only to tax rates and audit risks but also to the fairness, competence, and demeanor of tax officials; perceptions of arbitrariness or harshness can lead to concealment and non-compliance.

The “slippery slope framework” differentiates between an authority’s power—its ability to monitor and impose sanctions—and taxpayers’ trust, which encompasses perceived fairness and service orientation. It posits that optimal compliance occurs when both elements are elevated (Kirchler et al., 2008). Harinurdin (2021) corroborates this trust–power dynamic within the Indonesian banking sector, a context that shares institutional similarities with Vietnam. Comparative studies indicate that an effective combination of credible enforcement and a taxpayer-service orientation—through the provision of information, guidance, and support—results in higher compliance rates than a model focused solely on punitive measures (Alm & Torgler, 2006; Braithwaite, 2003). In Vietnam, tax authorities are progressively adopting a taxpayer-centred, service-oriented model, particularly through digital platforms and online support services (e.g., General Department of Taxation, 2024). Consistent with the slippery slope framework, taxpayers’ perceptions of transparency, consistency, and professionalism are crucial: when the authority is regarded as legitimate and supportive, trust and voluntary compliance increase, whereas perceptions of arbitrariness or selective enforcement tend to erode trust and foster evasion (Kirchler et al., 2008).

Table 1. The non-economic factors of individual tax compliance

Theme	Representative studies
Tax morale	Torgler (2003, 2007); Alm & Torgler (2006); Torgler & Schneider (2009); Nichita & Batrâncea (2012); Luttmer & Singhal (2014); Kirchler (2007); Nguyen et al. (2021)
Fairness perception	Rawls (1971); Alm & Torgler (2006); Murphy (2005, 2007); Torgler & Schneider (2009); Gberegbe & Umoren (2017); Perveen & Ahmad (2022); Nam & Minh (2021)
Social norms	Wenzel (2004); Alm et al. (1992, 1993); Alm et al. (2019); Wartick & Rupert (2010); Kirchler (2007); Demin (2023)
Tax knowledge	Evans (2003); Devos (2014); Kirchler (2007); Kamil (2015); Oktaviani et al. (2019); Nguyen et al. (2021); Nam & Minh (2021); Le et al. (2024)
Tax complexity	Slemrod (1989); Slemrod & Yitzhaki (2002); Evans (2003); Oliver & Bartley (2005); Gambo et al. (2014); Borrego et al. (2015); Devos (2014)
Enforcement approach & perceived authority	Becker (1968); Allingham & Sandmo (1972); Braithwaite (2003); Murphy (2005, 2007); Kirchler et al. (2008); Alm & Torgler (2006); Harinurdin (2021); Nguyen et al. (2021)

Source: Author's synthesis, 2025

4. Conclusion, Policy Implications, and Future Research

Research indicates that non-economic factors significantly impact personal income tax compliance. Key influences include tax morale, ethics, perceptions of fairness, social norms, tax knowledge, complexity, and enforcement strategies. Individuals with strong moral beliefs and confidence in the tax system tend to comply voluntarily. Perceptions of fairness and social norms can either promote or hinder compliance. A better understanding of tax laws reduces errors, while complex regulations can increase costs and diminish trust. Lastly, perceived authority and enforcement methods affect the legitimacy of the tax system and the balance between enforced and voluntary compliance.

The review identifies several important policy implications. *First,* governments should enhance transparency and accountability in public finance by providing clearer disclosures of tax revenues, budgets, and project outcomes. This can help strengthen perceived fairness and improve tax morale. *Second,* simplifying and stabilizing tax regulations, streamlining declaration processes, and expanding user-friendly digital tools can reduce compliance costs and enhance taxpayer understanding. *Third,* targeted tax education and outreach that clarifies obligations, benefits, and the societal role of taxation can bolster tax morale, knowledge, and awareness. *Fourth,* enhancing the quality and visibility of public services funded by taxes can make the fiscal exchange more apparent and improve perceptions of fairness. *Finally,* addressing corruption and improving institutional quality are vital for maintaining trust in the tax system and reducing the incentives to evade taxes.

Several limitations must be acknowledged. Much of the existing evidence primarily stems from developed or transition economies, and country-specific studies focusing on Vietnam remain limited. Many contributions rely on self-reported survey data, which may be prone to reporting bias. Additionally, this review emphasizes widely recognized non-economic factors, potentially neglecting other significant influences such as cultural traditions or informal networks.

To enhance future research in Vietnam, it is essential to extend empirical work on personal income tax compliance by integrating large-scale surveys across various regions, conducting qualitative studies of social norms and networks, and evaluating recent reforms aimed at reducing compliance costs and enhancing fiscal transparency. Utilizing administrative data, together with advanced quantitative techniques such as multivariate regression or structural equation modeling, could help elucidate the causal pathways through which non-economic factors influence compliance over time.

Despite these limitations, the evidence reviewed suggests that improving PIT compliance necessitates more than mere adjustments to economic incentives. For Vietnam and similar emerging economies, it is crucial to incorporate behavioral, social, and institutional insights into tax policy and administration. This approach will help foster a cooperative, trust-based compliance environment that supports sustainable public finance and socio-economic development.

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