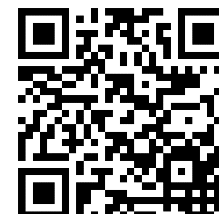# Belief in Karma Phala as a Moderator of Machiavellian Traits and Love of Money on Tax Evasion Perceptions

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ABSTRACT: Tax compliance remains a critical issue globally, affecting economic stability and public trust. This study examines the impact of machiavellian traits and love of money on tax evasion perceptions among tax consultants in Bali, Indonesia, moderated by belief in karma phala. Using attribution theory, the research explores how internal traits and belief systems influence ethical behavior. Data from 340 tax consultants reveal that high machiavellian traits and love of money significantly increase tax evasion perceptions, while belief in karma phala mitigates these effects. The findings highlight the importance of ethical training programs and promoting cultural beliefs like karma phala in professional settings. Tax consulting firms are advised to use personality assessments during recruitment, develop strict ethical guidelines, and integrate cultural values to foster integrity. Future research should explore other cultural and psychological factors in tax compliance and assess the long-term effectiveness of ethical training programs across different contexts.

KEYWORDS: Attribution Theory, Tax Evasion, Machiavellian Traits, Love of Money, Belief in Karma Phala.

I. INTRODUCTION

Tax is a mandatory contribution from both corporate taxpayers and individual taxpayers, regulated by law (Halim, 2020). It is enforced without direct compensation and is intended to be used as much as possible for the needs of the state to promote the prosperity of the people.. Table 1 shows that the target for tax revenue has not been fully achieved. This suggests noncompliance in tax payments, primarily due to the persistently low awareness and willingness to pay taxes (Zainuddin et al., 2021). According to (Chaironisyah, 2018), behavior that leads to tax evasion is classified as behavior that violates tax rules and laws.

Table 1. Tax Revenue Realization in Indonesia for the Years 2019-2022

Year	Tax Revenue Value (trillion)
2019	1.332,7
2020	1.072,1
2021	1.278,6
2022	1.716.8

Source: www.kemenkeu.go.id

The lack of information about taxation and the public's perception of taxes as something frightening and burdensome, result in low taxpayer awareness of fulfilling tax obligations. Therefore, the importance of tax knowledge, service quality, and technology also influence the public's views on taxes (Masari & Suartana, 2019). The role of Tax Consultants is highly valued by the public to help fulfill the tax rights and obligations of taxpayers. As professionals, tax consultants provide understanding, guidance, and thorough planning to ensure that tax obligations can be properly carried out. The results of a study by Nugraheni et al., (2021) indicate that tax consultants play a role in influencing compliant behavior among taxpayers and assisting them in fulfilling their tax obligations (Wirasanti, 2020).

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The phenomenon of bribery cases involving taxpayers, tax officials, and Tiga tax consultants in the case of the commissioner of PT Wahana Auto Ekamarga (WAE), an official distributor of premium vehicles, who bribed the head of the foreign investment tax office (KPP PMA) with $131,200 to obtain a tax refund. This bribery was related to the 2015 audit when PT WAE applied for a refund from KPP PMA Tiga for an overpayment of corporate income tax (SPT PPh 1771) in 2015 amounting to IDR 5.03 billion. Additionally, the phenomenon of bribery by tax consultants also occurred in Denpasar, Bali, Indonesia where they intentionally submitted VAT returns or statements that were incorrect or incomplete and deliberately did not remit the VAT that had been deducted or collected from January 2015 to March 31, 2016. This caused a loss of state revenue of at least IDR 1.09 billion.

Indonesia Corruption Watch (ICW) recorded that between 2005 and 2019, there were at least 13 tax corruption cases indicating collusion between government and private sector parties. In all these cases, 24 tax employees were involved. The common modus operandi in tax corruption practices is bribery. The total value of bribes from all these cases reached IDR 160 billion. This figure does not yet account for the state losses due to reduced tax payments by corporate taxpayers. On April 5, 2021, it was stated that tax evasion is difficult for tax authorities to detect because of its secretive nature and the involvement of professionals such as tax consultants (kontan.co.id, 2021). Most violations committed by some tax consultants occur because they do not adhere to the code of ethics for tax consultants regarding their relationship with taxpayers. Accepting bribes related to tax evasion by tax consultants obviously violates ethical principles such as honesty, fairness, objectivity, and legality. The numerous cases of tax evasion and the persistent negative stigma surrounding taxes have led to a public perception that tax evasion is an ethical action.

Previous research by Dwitia et al., (2020) indicates that if a person has moderate machiavellian traits, their level of taxpayer knowledge is already sufficient regarding the consequences they will face if they manipulate their tax filings to commit tax evasion. Additionally, research by Arrazaqu Arestanti et al., (2016) suggests that higher levels of machiavellian traits lead individuals to engage in unethical behavior. Conversely, if the tendency for machiavellian traits is low, a person will likely behave ethically. Individuals with high machiavellian traits tend to exploit situations for personal gain and have a greater inclination to disobey rules. Made Trisna Savitri et al., (2022) found that love of money has a negative impact on auditors' ethical decisions. Purnamasari et al., (2021) revealed that love of money negatively affects auditor performance in Public Accounting Firms in Bali, while Farhan et al., (2019) found that love of money negatively influences the perception of tax evasion. However, a different result by Purnamasari et al., (2021) indicated that love of money positively affects the perception of tax evasion. T. L.-P. Tang & Chiu, (2003) stated that love of money is a characteristic of a person who worships or idolizes money/materials above all else. Tang & Chen, (2008) found that employees in Hong Kong with high love of money perform less satisfactorily compared to their peers, which can lead to unethical behavior. Widyaningrum, (2013) found that the love of money among accounting students significantly and positively affects their ethical perceptions. Further, research by Elias & Farag (2010), showed that the level of love of money among accounting students influences their ethical perceptions.

Based on the description of the empirical research results above, it is evident that the effects of machiavellian traits and love of money on the perception of tax evasion are varied/inconsistent or still controversial. This inconsistency is believed to be influenced by other factors that affect the relationship between the independent variables and the dependent variable. This study uses belief in karma phala as a moderating variable because the logical consequence of the ethical belief in karma is to behave responsibly. Tax evasion remains a persistent challenge for governments worldwide, impacting economic stability and public trust. The behavior of individuals regarding tax compliance is influenced by various psychological and socio-cultural factors. Among these, the interplay between machiavellian traits, the love of money, and cultural beliefs such as karma phala presents a unique area of study.

Machiavellianism, characterized by manipulation and a lack of moral principles, often correlates with unethical behavior, including tax evasion. Similarly, an excessive love of money can drive individuals to prioritize personal gain over legal and ethical standards. However, in the context of Bali, the belief in karma phala, the concept that one's actions in this life will influence their fate in future lives – adds a layer of moral and ethical consideration that could potentially moderate these traits.

This study aims to explore how the belief in karma phala moderates the influence of machiavellian traits and the love of money on perceptions of tax evasion. By understanding these dynamics, the research seeks to provide insights into how cultural and psychological factors intersect to influence tax compliance behavior, offering potential pathways for more effective tax policy and enforcement strategies in culturally diverse societies. Figure 1 shows the proposed research model in this study.

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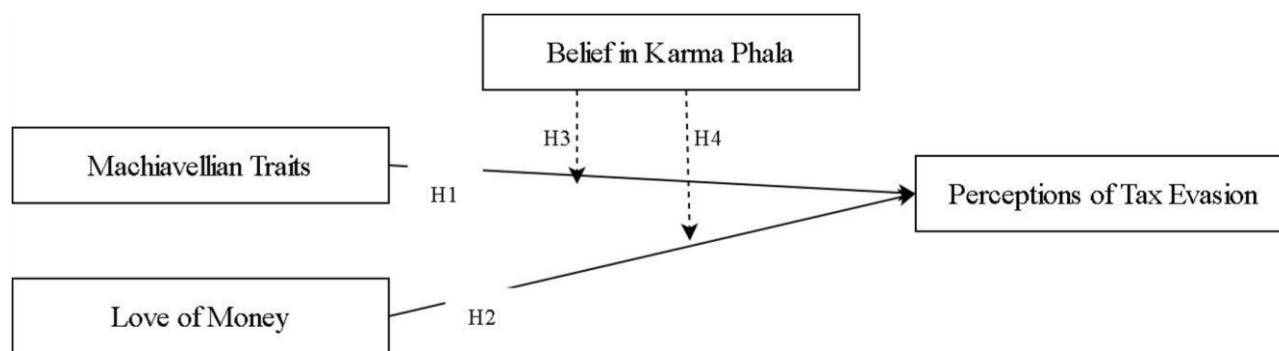

Figure 1. Research Model

II. LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

II.1 Attribution Theory

The foundation of this research is attribution theory, which examines how individuals interpret events, and the reasons or causes behind their behavior. Developed by Fritz Heider in 1958 , attribution theory asserts that a person's behavior is influenced by a combination of internal forces (factors originating from within the individual) and external forces (factors originating from the external environment) (Manusov & Spitzberg, 2008). According to Robbins, (1996), attribution theory suggests that when an individual observes someone's behavior, they try to determine whether the behavior is caused internally or externally. Samsuar, (2019) states that behavior caused internally is influenced by factors within the individual, whereas behavior caused externally is influenced by factors outside the individual. This means that a person behaves not because of their own desire, but due to pressure or circumstances that are beyond their control.

This theory explains the surrounding factors that cause a person's behavior in social perception, known as dispositional attributions and situational attributions. Dispositional attributions refer to internal causes, which relate to individual behavioral aspects inherent in a person, such as personality, self-perception, ability, and motivation. On the other hand, situational attributions refer to external causes, which concern the surrounding environment that can influence behavior, such as social conditions, social values, and societal views (Samsuar, 2019). This research uses attribution theory to explain and predict the influence of machiavellian traits and love of money on perceptions of tax evasion ethics.

II.2 Perception of Tax Evasion

Hartanto & Susanto, (2021) explain that tax evasion is an active effort by taxpayers to reduce, eliminate, or illegally manipulate their tax liabilities, or to avoid paying taxes that are legally due according to legislation. Palowa et al., (2018) describe three perspectives on tax evasion. The first perspective views tax evasion as behavior that is never ethical, one reason supporting this conclusion is the strong emphasis in Jewish literature that there is an obligation not to undermine other Jews. If a Jewish person engages in tax evasion, it makes all Jews look bad. The second perspective views tax evasion as behavior that is always ethical, based on the widespread belief that there is no obligation to pay taxes to a corrupt government. The third perspective sees tax evasion as behavior that is sometimes ethical. This view is supported by the belief that there is no moral obligation to pay taxes to the state if those taxes result in higher prices for consumers, such as Value-Added Tax (VAT).

Putra et al., (2017) state that tax evasion by taxpayers is related to ethical perceptions regarding tax rates, a fair tax system, and how the government uses the taxes that have been paid, which are also influenced by the demographic characteristics of the taxpayers. (Dwitra et al., 2019) reveal that some of the most common reasons given to morally justify tax evasion are the inability to pay, government corruption, excessively high tax rates, or not receiving many benefits from tax payments.

II.3 Machiavellian Traits

The personality trait of machiavellianism derives from the name Niccolo Machiavelli, a 16th-century writer who described how manipulators gain greater rewards when they manipulate others, while those who do not manipulate receive less, at least in the short term (Machiavelli, 1979). Manipulators obtain more rewards than they would without manipulating others. Made Trisna Savitri et al., (2022) describe the personality of Machiavellian traits as lacking affection in personal relationships, disregarding conventional morality, and displaying low ideological commitment, thereby showing a tendency to manipulate others.

Attribution theory explains how individuals attribute their own behavior to internal factors. In this context, the Machiavellian trait can influence perceptions of tax evasion. Machiavellian individuals tend to rationalize or justify lying for personal gain, which can affect ethical behavior. Individuals with high Machiavellian traits are more likely to lie frequently and are more inclined to engage in unethical actions compared to those with low machiavellian traits. The higher the machiavellian behavior, the stronger

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the perception of tax evasion, making them more likely to commit tax evasion. This statement is also supported by previous research, which suggests that machiavellianism positively influences tax evasion and has a positive relationship with the ethical perceptions of tax evasion (Shafer & Wang, 2018; Stevany Matitaputty & Adi, 2021). Pertiwi & Aulia, (2021) stated that machiavellianism and religiosity have a significant partial influence on the ethical perceptions of accounting students. Purnami et al. (2021) revealed that intrinsic and extrinsic religiosity can moderate the effects of love of money, Machiavellianism, and equity sensitivity on perceptions of tax evasion. Based on the above discussion, the proposed hypothesis is:

H1. Machiavellian traits have a positive influence on perceptions of tax evasion.

II.4 Love of Money

Money plays a role in everyday life, and individuals interpret it differently. T. L.-P. Tang, (1992) introduced the concept of "Love of Money." This theory is used to measure a person's subjective feelings towards money. Their findings indicate that love of money is associated with several desired organizational behaviors such as high job satisfaction and low employee turnover, as well as undesirable organizational behaviors such as accounting fraud and others. Li-Ping Tang et al., (2000) found that the mental health of a professional with a low level of love of money has low job satisfaction. The research findings of T. L.-P. Tang et al., (2006) revealed that employees in Hong Kong with a high love of money work less satisfactorily compared to their colleagues with a low love of money, which can result in unethical behavior. Consequently, T. L.-P. Tang et al., (2006) found a correlation between love of money and corruption and unethical behavior. Basri, (2015) defines love of money as an individual's attitude towards loving money. Individuals with a high love of money will prioritize money in various aspects of their lives. In terms of ethics, such individuals tend to be less sensitive, less ethical, and less aware compared to those with a low love of money.

Attribution theory explains how individuals behave based on internal factors, specifically the love of money, which can influence perceptions of tax evasion. The relationship between love of money behavior and ethical perceptions has been further studied in several countries. Research findings indicate that love of money has a significant and direct impact on unethical behavior (Asih & Dwiyanti, 2019; Nurachmi & Hidayatulloh, 2021). Love of money has a positive influence on perceptions of tax evasion (Lau et al., 2013; Purnamasari et al., 2021; Zainuddin et al., 2021). Based on these conclusions, individuals with a high love of money are likely to have a high perception of tax evasion, making them more prone to engaging in unethical behavior, such as tax evasion. Based on the above discussion, the proposed hypothesis is: **H2:** Love of Money has a positive influence on perceptions of tax evasion.

II.5 Belief in Karma Phala

Chakraborty, (2014) explains that karma phala is a fundamental doctrine in Hinduism. Karma (Sanskrit: action, performance) is a word derived from the root word "kri," which means "what is done," "what is performed," while phala means outcome or result. Therefore, karma phala means the outcome of actions that have been or will be performed. In Hindu belief, the belief in karma phala gives optimism to every human being and all living creatures to be confident that all actions will yield results. Karma is one of the important spiritual beliefs that governs our life experiences through the principle of cause and effect, action and reaction, cosmic justice, and personal responsibility. According to the Indian scriptures, karma phala can be divided into three parts:

   a. Sanchita Karma Phala is the outcome of our past actions that have not yet been fully experienced and still serve as the seeds determining our current life.
   b. Prarabdha Karma is the outcome of our actions in this life with no residue remaining.
   c. Kriyamana Karma is the result of actions that cannot be experienced in the present and must be received in future lives.

Attribution theory refers to how individuals explain the causes of their own behavior, which includes their belief in karma phala. Karma phala holds that everything done, said, or thought will produce an effect, and when the time comes, that effect will return to the individual. Research by (Purnamawati & Adnyani, 2019) as well as (Maryastini et al., 2020) found that an individual's belief in karma phala influences dishonest behavior. Thus, the belief in karma phala, along with the trait of love of money, will reduce tax evasion. Krishnan, (2013) explained that researchers have attempted to study the influence of belief in karma and its effect on behavior. He also elaborated on the cause-effect chain implied in this belief. Karma (cause-effect chain) implies a long-term orientation, establishing that no action can escape its appropriate consequences in the future. This means that over time, the focus shifts away from seeking short-term and immediate gains, toward a long-term perspective that can enhance overall well-being. Research by Made Trisna Savitri et al., (2022) explains that an individual's love of money also negatively affects the ethical decisions of auditors. This is because the concept of belief in karma phala teaches positive behavior to everyone.

H3. The belief in karma phala weakens the influence of love of money on perceptions of tax evasion.

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The belief in karma phala encourages everyone to behave positively. When individuals with strong machiavellian traits also believe in karma phala, they can better control their tendencies towards tax evasion. This statement is also supported by research from Made Trisna Savitri et al., (2022) which states that if an individual with high machiavellian traits still remembers the essence of the belief in karma, they will be discouraged from committing violations.

H4: The belief in karma phala weakens the influence of machiavellianism on perceptions tax evasion.

III. METHOD

This research was conducted on tax consultants at Tax Consultant Offices throughout Bali Province, Indonesia, that registered in the 2023 Directory of Indonesian Tax Consultant Association (IKPI). The reason for choosing Bali Province as the research location, is due to its unique demographic and cultural characteristics, which can provide deep insights into the influence of belief in karma phala. The research was carried out in 2023. The scope of this research is limited to the influence of machiavellian traits and love of money on the perception of tax evasion among tax consultants in Bali Province, with belief in karma phala as a moderating variable. Data collection was conducted using a questionnaire in the form of a Google Form, which was distributed directly to tax consultants throughout Bali Province who are listed in the 2023 Directory published by the Indonesian Tax Consultant Association (IKPI). The sampling technique used in this research is probability sampling with purposive sampling technique. The criteria for selecting sample members are as follows: (1) currently active, regardless of position, whether as Partner, Manager/Assistant Manager, Supervisor, or Junior Consultant, since tax evasion is not limited by position; (2) having at least one year of work experience and (3) having conducted tax practice in the field. Based on these criteria, a total sample of 364 was obtained.

IV. RESULT AND DISCUSSION

The questionnaire used is one that has been returned and fully completed by the respondents. Table 2 below presents the distribution of the questionnaires and the response rate of the questionnaires that can be processed. Based on Table 2, out of the 364 questionnaires sent, 24 questionnaires (6,6%) were not returned, likely due to the respondents' busy schedules. However, 340 questionnaires (93,4%) were successfully returned.

Table 2. Sample Data Collection

Description	Quantity	Percentage %
Total Sample	364	100
Questionnaires Sent	364	100
Questionnaires Not Returned	24	6,6
Questionnaires Returned	340	93,4
Questionnaires Not Processable	0	0
Questionnaires Processable	340	93,4

Source: Processed primary data (2024)

IV.1 Respondent Characteristics

The respondent characteristics in this study include gender, age, years of service, and practice license. The respondent characteristics in this study represent the profile of 340 tax consultants throughout Bali Province who participated in filling out the questionnaire.

Table 3. Respondent Characteristics

No	Respondent Characteristics	Quantity	Percentage (%)
A	Gender		
1	Male	194	57%
2	Female	146	43%
	Total	340	100%
B	Age		
1	< 30	30	9%

2	31-35	178	52%
3	36-40	60	18%
4	41-45	45	13%
5	> 45	28	8%
	Total	340	100%
C	**Years of Service**		
1	1-5 Years	31	9%
2	6-10 Years	196	58%
3	11-15 Years	95	28%
4	> 15 Years	18	5%
	Total	340	100%
D	**Practice License**		
1	A	179	53%
2	B	125	37%
3	C	36	11%
	Total	340	100%

Source: Processed primary data (2024)

Table 3 shows that there are 194 male tax consultants (57%) and 146 female tax consultants (43%), indicating that tax consultants in Bali Province are predominantly male. Regarding age distribution, 30 tax consultants (9%) are under the age of 30, 178 tax consultants (52%) are aged 31-35, 60 tax consultants (18%) are aged 36-40, 45 tax consultants (13%) are aged 4145, and 28 tax consultants (8%) are over the age of 45. This indicates that the majority of tax consultants in Bali Province are aged 31-35. In terms of years of service, 31 tax consultants (9%) have 1-5 years of experience, 196 tax consultants (58%) have 6-10 years of experience, 95 tax consultants (28%) have 11-15 years of experience, and 18 tax consultants (5%) have more than 15 years of experience. This indicates that most tax consultants in Bali Province have 6-10 years of service. As for practice licenses, 179 tax consultants (53%) hold Practice License A, 125 tax consultants (37%) hold Practice License B, and 36 tax consultants (11%) hold Practice License C. This indicates that the majority of tax consultants in Bali Province are licensed with Practice License A.

IV.2 Validity Test

The validity of each item is tested using item analysis, which involves correlating the score of each item or factor with the total score, which is the sum of each item score. A minimum requirement for a questionnaire to meet validity is that the correlation between the item and the total score is positive and greater than 0.30. The results of the validity test are shown in Table 4 as follows.

Table 4. Validity Test Results

Variable	Indicator	Correlation Coefficient	Remark
Machiavellian (X1)	X1.1	0.749	Valid
	X1.2	0.465	Valid
	X1.3	0.706	Valid
	X1.4	0.675	Valid
Love of Money (X2)	X2.1	0.627	Valid
	X2.2	0.689	Valid
	X2.3	0.814	Valid
	X2.4	0.417	Valid
	X2.5	0.481	Valid
	X2.6	0.689	Valid
	X2.7	0.814	Valid
	X2.8	0.441	Valid
	X2.9	0.481	Valid

	X2.10	0.386	Valid
Belief in Karma Phala (Z)	Z.1	0.748	Valid
	Z.2	0.661	Valid
	Z.3	0.597	Valid
	Z.4	0.680	Valid
	Z.5	0.558	Valid
Tax Evasion (Y)	Y1	0.622	Valid
	Y2	0.733	Valid
	Y3	0.679	Valid
	Y4	0.665	Valid

Source: Processed primary data, 2024

The validity test results in Table 4 show that all research instruments used to measure the variables machiavellian traits, love of money, belief in karma phala, and tax evasion have correlation coefficient values with the total score of all statement items greater than 0.30 with a significance of less than 0.05. This indicates that the statement items in these research instruments are valid and suitable for use as research instruments.

IV. 3 Reliability Test

Reliability is the degree of precision, accuracy, or consistency demonstrated by a measurement instrument. Its testing can be conducted internally by analyzing the consistency of the items. An instrument is considered reliable if it has a Cronbach's Alpha value greater than 0.60.

Table 5. Reliability Test Results

No.	Variable	Cronbach's Alpha	Remark
1	Machiavellian (X1)	0.752	Reliable
2	Love of Money (X2)	0.744	Reliable
3	Belief in Karma Phala (Z)	0.758	Reliable
4	Tax Evasion (Y)	0.763	Reliable

Source: Processed primary data (2024)

The reliability test results presented in Table 5 show that all research instruments have a Cronbach's Alpha coefficient greater than 0.60. Therefore, it can be stated that all variables meet the reliability requirements, making them suitable for conducting research.

IV.4 Descriptive Statistics

Descriptive statistical analysis provides an overview or description of data, considering the minimum value, maximum value, mean, and standard deviation, with N representing the number of research respondents. The results of the descriptive statistical analysis can be seen in Table 6.

Table 6. Descriptive Statistics

Variable	N	Minimum	Maximum	Mean	Std. Deviation
Machiavellian Traits	340	2.25	4.50	3.6993	0.38477
Love of Money	340	1.30	3.60	2.9035	0.28041
Tax Evasion	340	3.00	4.75	3.4787	0.27844
Belief in Karma Phala	340	2.20	3.40	2.6476	0.22881

Source: Processed primary data (2024)

Table 6 presents the descriptive statistics for various traits among tax consultants in Bali Province. The machiavellian traits (X1) shows a minimum value of 2.25, a maximum of 4.50, and a mean of 3.69, indicating that respondents generally have low Machiavellian traits, suggesting they they are less likely to perceive tax evasion favorably. The love of money traits (X2) has a

minimum value of 1.30, a maximum of 3.60, and a mean of 2.90, reflecting a similar trend where respondents exhibit low levels of Love of Money and do not perceive tax evasion in a positive light. The belief in karma phala (Z) shows a minimum value of 2.20, a maximum of 3.40, and a mean of 2.64, suggesting a strong belief in karma phala among the respondents, which correlates with a lack of perception of tax evasion. Lastly, the perception of tax evasion (Y) has a minimum value of 3.00, a maximum of 4.75, and a mean of 3.47, indicating that tax consultants in Bali Province generally have a negative perception of tax evasion, meaning they do not attempt to reduce their tax liabilities by violating tax regulations.

IV.5 Classical Assumption Tests

The classical assumption tests conducted in this study include the normality test, multicollinearity test, and heteroscedasticity test.

IV.5.1 Normality Test

To assess the normality of the data, the Kolmogorov-Smirnov test can be utilized. If the Asymp. Sig. (2-tailed) coefficient is greater than 0.05, the data is considered normally distributed. As shown in Table 7, the Kolmogorov-Smirnov (K-S) value is 1.192, and the Asymp. Sig. (2-tailed) value is 0.117. These results indicate that the regression model is normally distributed, as the Asymp. Sig. (2-tailed) value of 0.117 exceeds the alpha threshold of 0.05.

Table 7. Normality Test Results

	Unstandardized Residual
N 340	
Kolmogorov-Smirnov Z	1.192
Asymp. Sig. (2-tailed)	0.117

Source: Processed primary data (2024)

IV.5.2 Multicollinearity Test

The multicollinearity test aims to determine whether there is a correlation between the independent variables in the regression model. Multicollinearity can be identified by looking at the tolerance value or the variance inflation factor (VIF). If the tolerance value is greater than 10% or the VIF is less than 10, then it is said that there is no multicollinearity. The results of the multicollinearity test can be seen in Table 8, it can be seen that the tolerance and VIF values for all variables are greater than 10% (or 0.1) and the VIF values are less than 10. This means that the regression equation model is free from multicollinearity.

Table 8. Multicollinearity Test Results

Variable	Tolerance	VIF	Remark
Machiavellian	0.320	3.122	Free from Multicollinearity
Love of Money	0.348	2.874	Free from Multicollinearity
Belief in Karma Phala	0.442	2.265	Free from Multicollinearity
X1.Z	0.253	3.949	Free from Multicollinearity
X2.Z	0.337	2.965	Free from Multicollinearity

Source: Processed primary data (2024)

IV.5.3 Heteroscedasticity Test

The heteroscedasticity test can be analyzed using the Glejser test by examining the significance level. If the significance level is above 0.05, then the regression model is free from heteroscedasticity issues. In Table 9, it can be seen that all variables have values greater than 0.05, indicating that there is no influence of the independent variables on the absolute residual. Thus, the model does not exhibit signs of heteroscedasticity.

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Table 9. Heteroscedasticity Test Results

Model	Unstandardized Coefficients		Standardized Coefficients (Beta)	t	Sig.
	B	Std. Error			
(Constant)	0.165	1.073		0.154	0.878
Machiavellian	-0.060	0.052	-0.111	-1.148	0.252
Love of Money	-0.014	0.028	-0.048	-0.520	0.603
Belief in Karma Phala	0.075	0.060	0.102	1.242	0.215
X1.Z	0.004	0.004	0.114	1.049	0.295
X2.Z	0.001	0.001	0.084	0.890	0.374

Source: Processed primary data (2024)

IV.6 Determination Test (R^2)

This research utilizes the adjusted R^2 value to evaluate the best regression model, as it accounts for the addition of independent variables by either increasing or decreasing, unlike the regular R^2 value. The results of the coefficient of determination test (R^2) in this study are presented in Table 10 below:

Table 10. Determination Test (R^2) Results

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.829[a]	0.687 0.682	0.628	

Source: Processed primary data (2024)

The test results indicate that the adjusted R^2 (adjusted coefficient of determination) is 0.682. This suggests that 68.2% of the variation in Tax Evasion can be significantly explained by the variables Machiavellian traits (X1), Love of Money (X2), the interaction variable X1.Z, and the interaction variable X2.Z. The remaining 31.8% is attributed to other factors not included in the research model.

IV.7 Model Feasibility Test (F-Test)

The reliability test of the model, commonly referred to as the model feasibility test or the F-Test, is the initial step in determining whether the estimated regression model is suitable. A feasible (reliable) model is one that effectively explains the influence of independent variables on the dependent variable. The significance value (Sig.) in the ANOVA table represents the probability or significance level of the ANOVA calculation. This value is critical for assessing model feasibility, particularly when multiple X variables influence the Y variable. For the regression model to be considered robust, the significance value should be less than 0.05.

Table 11. F-Test Results

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	288.743	5	57.749	146.362	0.000[b]
Residual	131.783	334	0.395		
Total	420.526	339			

Source: Processed primary data (2024)

The results of the F-test in Table 11 show that the calculated F value is 146.362 with a significance of 0.000, which is smaller than α = 0.05. This shows that the model used in this study is feasible. These results indicate that all the independent variables, namely machiavellian (X1), love of money (X2), belief in karma phala (Z), interaction variable X1.Z, and interaction variable X2.Z, are able to predict or explain the phenomenon of tax evasion. This means that the model can be used for further analysis, or in other words, the model can be used for projection because the goodness of fit is good with a significance P-value of 0.000.

IV.8 Moderated Regression Analysis (MRA) Test / Hypothesis Testing

To determine whether the variable belief in karma phala can moderate the influence of machiavellian traits and love of money on the perception of tax evasion, the moderated regression analysis (MRA) model is used. This model aims to identify whether

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the moderating variable can influence the relationship between the independent and dependent variables, where the regression equation contains an interaction term.

Table 12. Moderated Regression Analysis (MRA) Test Results

Model	Unstandardized Coefficients		Standardized Coefficients (Beta)	t	Sig.
	B	Std. Error			
(Constant)	17,039	0,802		21,237	0,000
Machiavellian	0,093	0,039	0,128	2,365	0,019
Love of Money Belief in Karma	0,397	0,021	0,999	19,231	0,000
Phala	-0,174	0,045	-0,179	-3,879	0,000
X1.Z	-0,013	0,003	-0,287	-4,720	0,000
X2.Z	-0,022	0,001	-1,347	-25,533	0,000

Source: Processed primary data (2024)

Based on the results of the moderated regression analysis as presented in Table 12, it can be seen that all variables and interaction terms are statistically significant, with p-values less than 0.05. Machiavellian traits and love of money both positively influence tax evasion. Belief in karma phala moderates the positive influences of both machiavellian traits and love of money on tax evasion, reducing their impacts.

The moderated regression analysis (Table 12) shows that machiavellian traits positively influence the perception of tax evasion, with a significance value of 0.019 and a coefficient of 0.093, leading to the acceptance of H1. This means that individuals with higher machiavellian traits are more likely to perceive tax evasion as acceptable. Attribution theory supports this, suggesting that internal factors like machiavellian traits influence behavior. Previous studies (Shafer & Wang, 2018; Stevany Matitaputty & Adi, 2021) confirm this relationship. The analysis also shows that love of money positively influences the perception of tax evasion, with a significance value of 0.000 and a coefficient of 0.397, leading to the acceptance of H2. Individuals with high love of money are more likely to view tax evasion as acceptable. This is supported by attribution theory and research by (Li-Ping Tang et al., 2000; Parawansa & Winarto, 2024; T. L.-P. Tang & Chiu, 2003), which associate love of money with unethical behavior.

Belief in karma phala weakens the influence of machiavellian traits on tax evasion, with an interaction coefficient of -0.013 and a significance value of 0.000, leading to the acceptance of H3. This suggests that a strong belief in karma phala reduces the likelihood of tax evasion among those with machiavellian traits. Research by Munidewi, (2017) and Krishnan, (2013)supports this, indicating that karma phala promotes ethical behavior. Similarly, belief in karma phala also weakens the influence of love of money on tax evasion, with an interaction coefficient of -0.022 and a significance value of 0.000, leading to the acceptance of H4. This indicates that a strong belief in karma phala reduces the tendency towards tax evasion among those with high love of money. Studies by (Krishnan, 2013; Maryastini et al., 2020; Purnamawati & Adnyani, 2019) support this, highlighting the positive impact of karma phala on ethical behavior.

V. CONCLUSION

This research extends attribution theory by demonstrating how internal traits such as machiavellianism and love of money influence ethical perceptions, particularly in tax evasion. It highlights the significant moderating role of belief systems like karma phala in mitigating unethical behaviors, supporting a framework for ethical behavior that integrates personality traits, motivational factors, and beliefs. Practically, the findings suggest the importance of incorporating training programs that address these traits and promoting ethical decision-making in organizations. Developing strict ethical guidelines, using personality assessments during recruitment, and encouraging ethical beliefs can help reduce unethical practices. Additionally, tax consulting offices in Bali Province/ policymakers should consider these factors when designing regulatory frameworks to promote ethical behavior in financial practices.

Based on the empirical testing and discussion, the following conclusions have been reached:

a. Tax consultants with high machiavellian traits are more likely to perceive tax evasion as acceptable. Conversely, those with lower machiavellian traits have a more negative perception of tax evasion, making them less likely to engage in such behavior among tax consultants in Bali Province.

b. Tax consultants with high love of money behavior are more likely to perceive tax evasion as acceptable. Conversely, those with lower love of money behavior have a more negative perception of tax evasion, making them less likely to engage in such behavior among tax consultants in Bali Province.

c. Belief in karma phala accelerates the reduction of tax evasion perception influenced by machiavellian traits among tax consultants in Bali Province. This means that a strong belief in karma phala weakens machiavellian traits, thereby reducing the perception of tax evasion.

d. Belief in karma phala accelerates the reduction of the tax evasion perception influenced by love of money among tax consultants in Bali Province. This means that a strong belief in karma phala weakens the love of money behavior, thereby reducing the perception of tax evasion.

Tax consulting firms in Bali Province should develop comprehensive ethical training programs that address the negative impacts of machiavellian traits and love of money on professional behavior, emphasizing ethical decision-making and the longterm benefits of high ethical standards. Promoting belief systems such as karma phala through workshops and integrating these values into the company's core principles can foster a culture of integrity. During recruitment, firms should use personality assessments to screen for high levels of machiavellian traits and love of money, ensuring candidates align with ethical standards. Developing and enforcing strict ethical policies, conducting regular ethical audits, and involving regulatory bodies in considering personal traits and belief systems in their regulations can further enhance ethical practices.

Continuous research and gathering feedback from employees and stakeholders can provide valuable insights for improving ethical standards and practices, thereby reducing tax evasion and promoting accountability. Future research should explore the role of other cultural and psychological factors in tax compliance, examine these relationships in different geographical and professional contexts, and assess the long-term effectiveness of implemented ethical training programs.

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