

## SUMMARY

This research takes the title "The Influence of Negative News on Decision to Pay Tax with Trust as Intervening Variable (Study on MSMEs owner in Purwokerto). This research departs from the phenomenon that has occurred recently related to the Tax Officer case which has caused negative sentiment in society as evidenced by tax refusal. This study aims to determine how much influence negative news has on Institutional Image which has an impact on the Decision to Pay Taxes with Trust as mediation. The population in this study were 110 respondents who had NPWP.

Based on the results of research and data analysis using SEM (Structural Equation Modeling) - PLS (Partial Least Square) shows that:

- (1) Institutional Image has a positive effect on the Decision to Pay Tax.
- (2) Trust has a positive effect on the Decisions to Pay Tax.
- (3) Institutional Image has a positive effect on Trust.
- (4) Trust can mediate the influence of Institutional Image on Decisions to Pay Taxes.

The implication of the results of this study is that the DJP should continue to improve the image of the institution and trust in order to increase the intention to pay taxes by improving service quality, be more open about the use of tax proceeds to taxpayers, and take firm action if there are DJP employees who commit an offense.

**Keywords:** Negative News, Decision to Pay Tax, Institutional Image, Trust

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