

## ***ABSTRACT***

*This study diagnoses the dynamic mechanisms perpetuating tax non-compliance in Micro, Small, and Medium Enterprises (MSMEs) through an integrative conceptual model. Key variables examined include internal (capacity and literacy), external (incentives and administration), and psychosocial factors (tax morale and trust). A Systematic Literature Review (SLR) is employed to evaluate the effectiveness of traditional policies and formulate a novel relationship-centric framework.*

*Methodologically, the SLR follows the PRISMA protocol, utilizing the PICO framework for research questions. Literature searches were conducted in the Scopus database targeting open-access English journal articles published between 2021 and 2025. From an initial 791 records, the screening and data extraction process yielded 35 high-quality articles for in-depth synthesis.*

*The results confirm that MSME non-compliance is driven by a "Vicious Circle of Non-Compliance", originating from low literacy and complex systems (e.g., utilization problems), which ultimately erodes taxpayer morale and trust. Personalized interventions and behavioral nudges proved significantly more effective than mere coercion. Therefore, sustainable solutions require a paradigm shift by tax authorities from an enforcement-centric to a relationship-centric model, redefining success metrics toward long-term psychological contract health.*

***Keywords:*** *Tax Compliance, MSMEs, Non-Compliance Vicious Cycle, Fiscal Psychology, Systematic Literature Review.*