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Literature Review

Toward a conceptual framework of tax sustainability reporting in SMEs and e-commerce: A systematic literature review and future research agenda

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ABSTRACT

This study aims to develop a conceptual framework of tax sustainability reporting (TSR) for small and medium enterprises (SMEs) and e-commerce by synthesizing literature on sustainability reporting, taxation, digital transformation, and organizational management. A systematic literature review (SLR) was conducted using the PRISMA protocol and the Theory, Context, Characteristics, and Methodology (TCCM) framework to identify key themes, theoretical foundations, research gaps, and future research directions. TSR is identified as a multidimensional organizational capability influenced by organizational culture, technological capability, e-commerce adoption, governance, institutional pressures, and stakeholder expectations. Beyond compliance, TSR can enhance transparency, accountability, and sustainable value creation. This study proposes an integrated framework linking TSR with sustainability accounting, taxation, ESG, digital transformation, and SME management. The framework integrates Stakeholder Theory, Legitimacy Theory, Institutional Theory, and the Resource-Based View and provides a research agenda for future theoretical and empirical studies.

Keywords: *Tax Sustainability Reporting, Small and Medium Enterprises (SMEs), E-Commerce, Digital Transformation, Systematic Literature Review*

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Abstrak

Penelitian ini bertujuan mengembangkan kerangka konseptual *tax sustainability reporting* (TSR) pada usaha kecil dan menengah (UKM) serta e-commerce melalui sintesis literatur pelaporan keberlanjutan, perpajakan, transformasi digital, dan manajemen. Penelitian menggunakan *systematic literature review* (SLR) berdasarkan protokol PRISMA dan kerangka *Theory, Context, Characteristics, and Methodology* (TCCM) untuk mengidentifikasi tema, landasan teori, kesenjangan, dan arah penelitian. TSR dipandang sebagai kapabilitas organisasi multidimensi yang dipengaruhi oleh budaya organisasi, kapabilitas teknologi, adopsi e-commerce, tata kelola, tekanan institusional, dan ekspektasi pemangku kepentingan. TSR tidak hanya mendukung kepatuhan, tetapi juga meningkatkan transparansi, akuntabilitas, dan penciptaan nilai berkelanjutan. Penelitian mengusulkan kerangka terintegrasi yang menghubungkan TSR dengan akuntansi keberlanjutan, perpajakan, ESG, transformasi digital, dan manajemen UKM. Kerangka ini mengintegrasikan *Stakeholder Theory*, *Legitimacy Theory*, *Institutional Theory*, dan *Resource-Based View* serta memberikan agenda penelitian untuk pengembangan teori dan penelitian empiris di masa depan.

Kata Kunci: Pelaporan Keberlanjutan Perpajakan, Usaha Kecil dan Menengah (UKM), Perdagangan Elektronik (*E-Commerce*), Transformasi Digital, Tinjauan Literatur Sistematis.

1. Introduction

Sustainability has evolved from a voluntary corporate initiative into a strategic concern affecting organizational governance, competitiveness, accountability, and long-term value creation. Growing concerns about climate change, environmental degradation, social inequality, and technological disruption have expanded stakeholder expectations beyond financial performance toward broader economic, environmental, and social accountability (Adams, 2020). This development has been reinforced by the Sustainable Development Goals, the Paris Agreement, and the increasing adoption of Environmental, Social, and Governance (ESG) principles, making sustainability reporting an important mechanism for enhancing transparency, reducing information asymmetry, and strengthening organizational legitimacy (Izzo et al., 2025). Consequently, sustainability reporting has expanded beyond environmental disclosure toward ESG reporting, integrated reporting, sustainability assurance, digital reporting, and broader organizational accountability (Agyenim Boateng & Iddrisu, 2026; Jharni & Leoni, 2026).

Digital transformation has further changed how organizations generate, process, and disclose sustainability information. Artificial intelligence, cloud computing, blockchain, big data analytics, enterprise resource planning systems, and digital platforms increasingly enable organizations to manage and communicate information in real time (Hyk et al., 2026; Sassioui et al., 2026). This transformation is particularly relevant to small and medium enterprises (SMEs), which constitute the majority of businesses worldwide and play a substantial role in employment and economic activity (Arena & Azzone, 2012; Bos-Brouwers, 2009). However, SMEs generally face greater constraints in financial resources, technological capabilities, managerial expertise, and reporting infrastructure than large corporations, limiting their ability to adopt complex sustainability reporting practices (Borga et al., 2009; Massa et al., 2015; Rodríguez Gutiérrez et al., 2021). The rapid expansion of e-commerce adds another layer of complexity because digital transactions, electronic payments, online marketplaces, and cross-border activities can make business operations less dependent on physical location and consequently create new challenges for tax identification, reporting, and compliance (Martínez Caro et al., 2020; Haryanti & Subriadi, 2022).

Within the sustainability agenda, taxation warrants particular attention because it directly connects organizational activities with the public resources required to finance infrastructure, education, healthcare, social protection, and other public goods. Unlike environmental indicators that primarily measure ecological impacts or social indicators that address issues such as labor and human rights, taxation reflects an organization's direct contribution to the fiscal capacity that supports sustainable development. Tax avoidance and aggressive tax practices may therefore have implications beyond regulatory compliance by reducing public revenues and potentially weakening organizational legitimacy (Bird & Davis-Nozemack, 2018). Previous studies have also demonstrated an association between corporate social responsibility and corporate tax behavior, suggesting that responsible taxation should be considered as part of broader corporate accountability (Lanis & Richardson, 2012; Hoi et al., 2013). These arguments provide a basis for positioning tax sustainability reporting (TSR) as a complementary dimension of sustainability reporting that addresses transparency, responsibility, and accountability in corporate tax practices.

The urgency of TSR is particularly evident in the digital economy. E-commerce enables firms to conduct transactions across geographical and jurisdictional boundaries, creating challenges related to income recognition, value-added tax (VAT), platform transactions, and cross-border compliance. Empirical evidence confirms that these challenges have tangible implications for corporate tax behavior. Argilés-Bosch et al. (2020), using retail firms from 22 European countries, found that e-commerce firms were significantly more tax avoidant than traditional firms and avoided approximately five percentage points more corporate tax during the period examined. This finding provides important evidence that digital business models may be associated with different tax behavior. However, the study focused on retail firms rather than SMEs, indicating that its findings cannot be directly generalized to SMEs and highlighting the need for further research in the SME context.

The tax challenges associated with digital platforms have also received substantial attention from the OECD. The OECD (2019) identifies platform-based transactions as a significant challenge for tax administrations because income generated through online platforms may be difficult to identify and verify, particularly when sellers operate across jurisdictions. The OECD therefore recommends stronger information sharing, standardized reporting arrangements, and greater involvement of digital platforms in tax collection and reporting processes. In addition, the increasing digitalization of tax administration demonstrates that tax transparency is becoming increasingly dependent on reliable and integrated business data. OECD (2024) reports that more than 80% of tax administrations receive data directly from taxpayer business systems, while more than 80% are developing application programming interfaces (APIs) to integrate tax-related interactions with third-party systems. These developments indicate that taxation is increasingly becoming a data-driven process in which the quality, accessibility, and transparency of business information are essential.

The issue is particularly important for SMEs because digitalization can simultaneously reduce tax compliance costs and create new reporting demands. SMEs may benefit from digital accounting systems, electronic invoicing, online tax services, and automated transactions, but many lack the technological, financial, and human resources required to integrate tax information with broader sustainability reporting (OECD, 2022). Thus, the central issue is not only whether SMEs comply with tax regulations but also whether they have the organizational and technological capabilities to demonstrate responsible tax behavior transparently within digitally enabled business environments. TSR consequently offers a relevant conceptual bridge between tax compliance, sustainability accountability, organizational capability, and digital transformation.

Despite the increasing importance of taxation within sustainability and digital business, the existing literature remains fragmented. Sustainability studies predominantly focus on ESG disclosure, environmental performance, corporate social responsibility, and governance, while tax research largely examines tax avoidance, tax aggressiveness, and compliance. Research integrating taxation with sustainability reporting, organizational culture, technological capability, and e-commerce, particularly among SMEs, remains limited. Moreover, the theoretical foundations are dispersed across Stakeholder Theory, Legitimacy Theory, Institutional Theory, and the Resource-Based View, with limited efforts to integrate these perspectives into a unified framework. Methodologically, the literature is also dominated by empirical studies examining individual determinants rather than systematically synthesizing the broader conceptual relationships among taxation, sustainability, digitalization, and SME characteristics.

This study addresses these gaps through a Systematic Literature Review (SLR) using the PRISMA protocol and the Theory, Context, Characteristics, and Methodology (TCCM) framework. The study aims to identify the principal determinants and theoretical foundations of TSR, synthesize evidence concerning SMEs and e-commerce, develop an integrated conceptual framework, and formulate a future research agenda. The novelty of this study lies in positioning TSR as an interdisciplinary sustainability construct that connects responsible taxation with sustainability accounting, organizational capability, institutional pressures, and digital transformation. By integrating these dimensions, the study extends the sustainability reporting literature beyond conventional ESG domains and provides a conceptual foundation for understanding how SMEs and e-commerce businesses can strengthen tax transparency, accountability, and sustainable value creation.

3. Methods

Data Collection

This study employed a Systematic Literature Review (SLR) to identify, evaluate, and synthesize existing research related to Tax Sustainability Reporting (TSR) in small and medium enterprises (SMEs) and electronic commerce. The review followed the Preferred Reporting Items for Systematic Reviews and Meta-Analyses (PRISMA 2020) guidelines to ensure a transparent, systematic, and reproducible literature selection process (Page et al., 2021). A review protocol was established prior to the literature search, covering the research objectives, research questions, search strategy, eligibility criteria, study selection, quality assessment, and data extraction procedures.

The literature search was conducted using six international academic databases: Scopus, Web of Science Core Collection, ScienceDirect, Emerald Insight, SpringerLink, and Wiley Online Library. These databases were selected because they provide broad coverage of accounting, taxation, sustainability, management, and information systems research. The search covered publications from 2009 to 2026. English-language peer-reviewed journal articles were prioritized to ensure consistency and scientific quality. Seminal theoretical studies published outside the specified period were retained when they were considered essential to the theoretical development of the conceptual framework.

The search strategy combined keywords related to the main constructs of the study using Boolean operators. The core keywords included “Tax Sustainability Reporting,” “tax transparency,” “tax disclosure,” “responsible taxation,” “sustainability reporting,” “ESG reporting,” “SMEs,” “electronic commerce,” “organizational culture,” “technology,” and “digital transformation.” The complete search strings for each database, including Boolean operators, publication-year filters, document types, and language restrictions, are presented in the supplementary search-strategy table. This documentation is provided to enhance the reproducibility of the review.

The study selection followed four PRISMA stages: identification, screening, eligibility, and inclusion (Page et al., 2021). All records retrieved from the six databases were exported to a reference management system, followed by automatic and manual duplicate removal. The remaining articles were screened based on their titles and abstracts. Articles considered potentially relevant were subsequently assessed through full-text review.

Studies were included when they (1) were peer-reviewed journal articles; (2) were published in English; (3) addressed at least one of the key constructs, namely TSR, tax transparency, tax disclosure, responsible taxation, tax avoidance, sustainability reporting, ESG reporting, SMEs, electronic commerce, organizational culture, technology, or digital transformation; and (4) provided theoretical or empirical evidence relevant to the determinants, mechanisms, or implementation of TSR. Conference proceedings, books, dissertations, editorials, reports, working papers, and studies outside the scope of business, accounting, taxation, sustainability, management, or related digital-business research were excluded. Studies focusing exclusively on taxation without sustainability implications, sustainability without a reporting dimension, or digital technology without relevance to accounting or taxation were also excluded.

To strengthen the credibility of the evidence base, the eligible studies were assessed according to five dimensions: research relevance, theoretical contribution, methodological rigor, empirical evidence, and practical implications. The assessment was adapted from systematic review practices in business and management research (Snyder, 2019). Studies with clear research objectives, appropriate theoretical foundations, rigorous methods, and relevant findings were retained for the final synthesis.

The complete selection process is presented in the PRISMA flow diagram, including the number of records identified, duplicates removed, records screened, full-text articles assessed for eligibility, excluded articles with reasons, and studies included in the final review. In addition, the supplementary table reports the search string and the number of records retrieved from each database separately to provide a transparent audit trail of the literature collection process.

Data Analysis Technique

Data from the selected studies were extracted using a standardized data-extraction form. The extracted information included author and publication year, research objectives, theoretical foundation, research context, methodological approach, data sources, analytical techniques, key findings, and recommendations for future research. Particular attention was given to factors associated with TSR, including organizational culture, technological capability, digital transformation, electronic commerce, governance, institutional pressures, and stakeholder expectations.

The extracted evidence was analyzed using qualitative thematic synthesis. This approach was selected because the reviewed studies employed heterogeneous research designs, including qualitative, quantitative, and mixed-method approaches. The analysis involved three stages. First, relevant concepts and findings were identified through repeated examination of the selected studies and open coding. Second, similar codes were grouped into broader categories representing research themes, theoretical perspectives, contextual characteristics, methodological approaches, and empirical findings. Third, relationships among the categories were critically compared to identify dominant patterns, inconsistencies, research gaps, and emerging research directions.

The analysis was further structured using the Theory, Context, Characteristics, and Methodology (TCCM) framework proposed by Paul and Rosado Serrano (2019). The Theory dimension was used to identify and compare the theoretical perspectives underlying TSR research, particularly Stakeholder Theory, Legitimacy Theory, Institutional Theory, and the Resource-Based View. The Context dimension examined differences across countries, industries, organizational settings, SMEs, and e-commerce environments. The Characteristics dimension identified the principal constructs, determinants, and relationships examined in previous studies. The Methodology dimension assessed the research designs, data sources, sample characteristics, and analytical techniques used in the existing literature.

Thematic synthesis and TCCM analysis were then integrated to develop an evidence-based conceptual framework. The framework connects organizational, technological, and institutional factors with TSR within the context of SMEs and e-commerce. The synthesis also identified potential mediating, moderating, and contextual relationships that remain insufficiently examined in previous studies. Finally, the identified theoretical, contextual, characteristic, and methodological gaps were used to formulate a future research agenda for empirical investigation of TSR in digitally enabled SMEs.

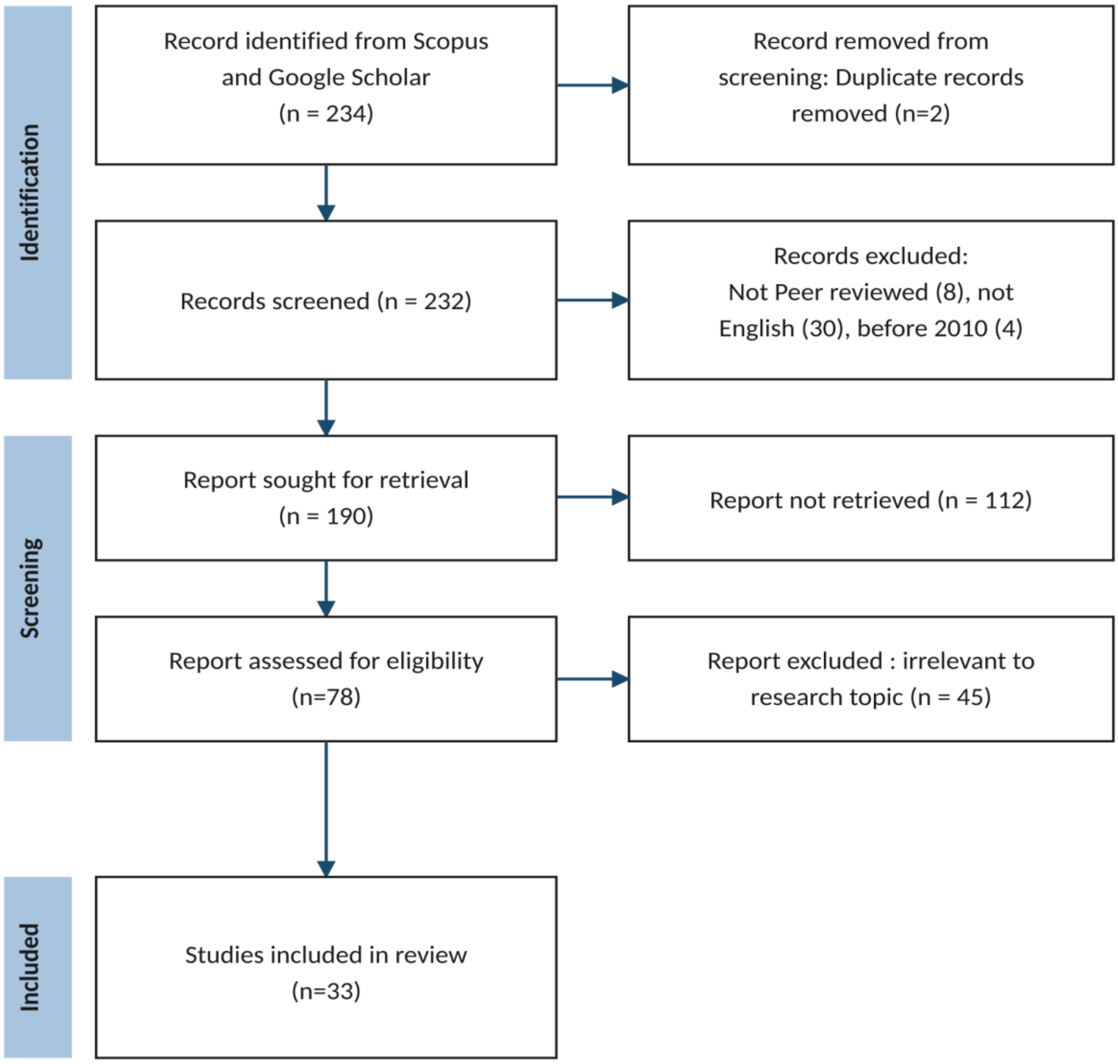

Figure 1. PRISMA Flowchart
Source: Created by Authors

3. Results and Implications

Evolution of Tax Sustainability Reporting

The systematic literature review indicates that Tax Sustainability Reporting (TSR) has evolved from a relatively narrow focus on tax compliance and tax avoidance toward a broader understanding of taxation as part of corporate sustainability, transparency, and accountability.

Early research primarily examined sustainability reporting, corporate social responsibility (CSR), and tax behavior as separate research areas (Lanis & Richardson, 2012, 2013; Hoi et al., 2013). Subsequent studies increasingly connected responsible taxation with organizational legitimacy, sustainability, information technology, and e-commerce (Bird & Davis-Nozemack, 2018; Khuntia et al., 2018; Haryanti & Subriadi, 2022; Fuadah et al., 2022). More recent literature has expanded toward ESG reporting, integrated reporting, digital sustainability reporting, blockchain, and emerging technologies, although taxation remains insufficiently integrated into these developments (Izzo et al., 2025; Gupta & Ojha, 2026; Hyk et al., 2026; Jharni & Leoni, 2026; Sassioui et al., 2026; Zaczyk & Semrau, 2026).

Table 1. Evolution of Tax Sustainability Reporting Research

Period	Dominant Research Focus	Main Findings	Research Limitation
2009–2013	Sustainability reporting, CSR, and tax avoidance	Sustainability reporting and tax behavior were mainly examined as separate issues.	Limited conceptual integration between taxation and sustainability.
2018–2022	Responsible taxation, organizational culture, technology, and e-commerce	Tax responsibility was increasingly associated with sustainability, legitimacy, and organizational capability.	Determinants were generally examined independently.
2025–2026	ESG, integrated reporting, digital reporting, blockchain, and emerging technologies	Digital technologies increasingly support reporting quality, transparency, and accountability.	Taxation remains insufficiently integrated into digital sustainability reporting.
Overall	Integration of taxation and sustainability	Taxation is increasingly recognized as part of corporate sustainability and accountability.	A comprehensive TSR framework for SMEs and e-commerce remains underdeveloped.

Source: Developed from the synthesis of Adapted from Lanis and Richardson (2012, 2013), Hoi et al. (2013), Bird and Davis-Nozemack (2018), Khuntia et al. (2018), Haryanti and Subriadi (2022), Fuadah et al. (2022), Izzo et al. (2025), Gupta and Ojha (2026), Hyk et al. (2026), Jharni and Leoni (2026), Sassioui et al. (2026), and Zaczyk and Semrau (2026).

The evolution of the literature indicates that TSR is increasingly positioned at the intersection of sustainability accounting, taxation, organizational accountability, and digital transformation. Bird and Davis-Nozemack (2018) argue that tax avoidance should be understood as a sustainability problem because it can undermine shared resources and have broader consequences for organizational integrity, regulatory compliance, and society. Similarly, Lanis and Richardson (2013) demonstrate that responsible tax behavior is associated with corporate legitimacy, while Fuadah et al. (2022) provide evidence linking sustainability reporting, organizational culture, e-commerce, and tax avoidance. These findings suggest that taxation should not be treated solely as a regulatory obligation but also as an element of broader corporate sustainability.

Organizational Determinants of Tax Sustainability Reporting

The review identifies organizational culture, corporate governance, ethical orientation, sustainability orientation, internal control, leadership commitment, and technological capability as important determinants of TSR. Organizational culture provides the foundation for embedding ethical and sustainability-oriented values into organizational decision making (Linnenluecke & Griffiths, 2010). Previous research also indicates that stronger CSR and ethical orientation are associated with lower tax aggressiveness, supporting the relationship between organizational responsibility and tax behavior (Lanis & Richardson, 2012; Hoi et al., 2013).

Table 2. Organizational Determinants of Tax Sustainability Reporting

Determinant	Role in TSR	Evidence from Literature	Implication for TSR
Organizational culture	Establishes shared values concerning ethics, transparency, and responsibility.	Sustainability-oriented and ethical cultures support responsible organizational behavior.	Functions as a foundational capability for TSR.
Corporate governance	Provides oversight and accountability.	Governance supports transparency and sustainability disclosure.	Strengthens monitoring of tax-related reporting.
Ethical orientation	Encourages responsible tax behavior.	CSR and ethical orientation are associated with lower tax aggressiveness.	Connects tax decisions with organizational responsibility.
Sustainability orientation	Links tax practices with broader sustainability objectives.	Sustainability-oriented organizations emphasize broader accountability.	Positions taxation within sustainability strategy.
Internal control	Supports reliable and consistent tax information.	Internal control strengthens reporting accuracy and accountability.	Improves reliability of TSR information.
Leadership commitment	Provides strategic direction and resources.	Leadership supports sustainability and organizational transformation.	Facilitates TSR implementation.
Technological capability	Enables data integration and reporting.	Information technology improves organizational capability and sustainability performance.	Provides infrastructure for digital TSR.

Source: Developed from the synthesis of Linnenluecke and Griffiths (2010); Lanis and Richardson (2012, 2013); Hoi et al. (2013); Khuntia et al. (2018); Arena and Azzone (2012); Haryanti and Subriadi (2022).

The findings indicate that organizational factors operate as complementary capabilities rather than independent determinants. Organizational culture establishes the ethical foundation, while governance, leadership, and internal controls provide mechanisms for translating these values into organizational practices (Arena & Azzone, 2012; Linnenluecke & Griffiths, 2010). Technological capability further strengthens this process by improving information availability and organizational capacity (Khuntia et al., 2018). Thus, TSR implementation requires the interaction of organizational and technological capabilities rather than reliance on a single organizational factor.

Digital Transformation, Technology, and E-Commerce

Digital transformation emerges as an important enabler of sustainable reporting. Artificial intelligence, blockchain, big data analytics, and digital accounting systems can improve data processing, traceability, reporting efficiency, and transparency (Hyk et al., 2026; Zaczyk & Semrau, 2026; Sassioui et al., 2026). However, the reviewed literature predominantly discusses these technologies in relation to ESG and sustainability reporting rather than specifically in relation to tax sustainability disclosure.

E-commerce introduces additional complexity because digital business models involve electronic payments, platform-based transactions, cross-border activities, and reduced dependence on physical locations. Evidence from European retail firms indicates that e-commerce firms exhibited higher tax avoidance than traditional firms (Argilés Bosch et al., 2020). Research on Indonesian SMEs also indicates that organizational culture and sustainability reporting are relevant to the relationship between e-commerce and tax avoidance (Fuadah et al., 2022).

Table 3. Digital Transformation and E-Commerce Dimensions of TSR

Dimension	Main Function	Evidence from Literature	Implication for TSR
Digital transformation	Integrates organizational and reporting processes.	Digitalization can improve reporting efficiency and transparency.	Supports integration of tax and sustainability information.
Digital accounting	Processes financial and tax information.	Digital systems improve information availability and processing.	Strengthens tax-data accuracy and reporting consistency.
Artificial intelligence	Automates data processing and analysis.	Emerging technologies increasingly support sustainability reporting.	Provides potential for automated tax-data analysis.
Blockchain	Improves traceability and data integrity.	Blockchain applications can strengthen ESG transparency.	Provides potential mechanisms for verifiable tax information.
E-commerce	Changes transaction structures and market boundaries.	E-commerce is associated with tax avoidance and new compliance challenges.	Increases the need for transparent and adaptive tax reporting.
Digital capability	Enables organizations to use digital technologies effectively.	Technology capability supports sustainable business performance.	Represents an important organizational resource for TSR.

Source: Developed from the synthesis of Khuntia et al. (2018); Haryanti and Subriadi (2022); Fuadah et al. (2022); Argilés Bosch et al. (2020); Hyk et al. (2026); Zaczyk and Semrau (2026); Sassioui et al. (2026).

The synthesis suggests that digital technology functions not only as an operational tool but also as an organizational capability supporting transparency and accountability. This is consistent with Hyk et al. (2026), who identify digitalization as an important mechanism for improving sustainability reporting, and Haryanti and Subriadi (2022), who emphasize the role of

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digital capability in sustainable e-commerce. In the tax context, these capabilities may facilitate the integration of transaction, accounting, and tax information, although direct empirical evidence concerning TSR remains limited.

Tax Sustainability Reporting in SMEs

The literature indicates that SMEs face greater constraints than large corporations in implementing sustainability reporting because of limited financial resources, human capital, technological infrastructure, and managerial expertise (Borga et al., 2009; Arena & Azzone, 2012; Massa et al., 2015; Rodríguez Gutiérrez et al., 2021). Consequently, sustainability reporting frameworks developed for large corporations cannot necessarily be transferred directly to SMEs.

Table 4. Key Issues in Implementing TSR in SMEs

SME Dimension	Main Challenge	Required Capability	TSR Implication
Financial resources	Limited ability to invest in sophisticated reporting systems.	Cost-efficient reporting solutions.	TSR should be proportionate to SME capacity.
Human capital	Limited tax, accounting, and sustainability expertise.	Training and competency development.	Human capital is necessary for reliable TSR.
Technology	Limited digital infrastructure and capability.	Affordable digital accounting and reporting systems.	Digital readiness is an important TSR enabler.
Management	Limited knowledge of integrated sustainability and tax reporting.	Leadership commitment and managerial awareness.	Management plays a strategic role in TSR adoption.
Internal control	Less formalized reporting procedures.	Simple and effective control mechanisms.	Strengthens the reliability of tax information.
Institutional environment	Limited specific guidance concerning TSR.	Standardized and SME-oriented guidance.	Institutional support can reduce implementation barriers.
E-commerce	Complex digital and cross-border transactions.	Integrated transaction, accounting, and tax systems.	Requires more adaptive tax reporting mechanisms.

Source: Developed from the synthesis of Borga et al. (2009); Arena and Azzone (2012); Massa et al. (2015); Rodríguez Gutiérrez et al. (2021); Haryanti and Subriadi (2022); OECD (2022).

The findings support the view that SME sustainability reporting needs to reflect organizational characteristics and capabilities (Arena & Azzone, 2012). At the same time, digitalization can reduce administrative burdens and improve access to tax services, although appropriate technological infrastructure and organizational capabilities remain necessary

(OECD, 2022). Therefore, TSR adoption among SMEs should follow a proportionate and capability-based approach rather than replicate sophisticated reporting systems designed for large corporations.

Theoretical Integration and Research Gaps

The review identifies four theoretical perspectives that provide complementary explanations of TSR. Stakeholder Theory explains demands for tax transparency, Legitimacy Theory explains the relationship between responsible taxation and organizational legitimacy, Institutional Theory explains regulatory and normative pressures, and the Resource-Based View explains the internal capabilities required for implementation (Lanis & Richardson, 2012, 2013; Bird & Davis-Nozemack, 2018; Linnenluecke & Griffiths, 2010).

Table 5. Theoretical Perspectives on Tax Sustainability Reporting

Theory	Main Focus	Contribution to TSR	Limitation
Stakeholder Theory	Stakeholder expectations	Explains demand for tax transparency and accountability.	Limited explanation of internal capability.
Legitimacy Theory	Social acceptance	Explains responsible taxation as a mechanism for maintaining legitimacy.	Limited attention to organizational resources.
Institutional Theory	External pressures	Explains regulatory, normative, and competitive influences.	Limited explanation of internal differences.
Resource-Based View	Internal resources	Explains culture, technology, human capital, leadership, and governance.	Less attention to external institutional pressures.

Source: Developed from the synthesis of Lanis and Richardson (2012, 2013); Bird and Davis-Nozemack (2018); Linnenluecke and Griffiths (2010); Lin et al. (2017).

The theoretical synthesis demonstrates that no single theoretical perspective sufficiently explains the multidimensional nature of Tax Sustainability Reporting (TSR). Stakeholder Theory emphasizes stakeholder demands for transparency and accountability, while Legitimacy Theory focuses on the relationship between responsible taxation and organizational legitimacy. Institutional Theory explains the influence of regulatory, normative, and competitive pressures, whereas the Resource-Based View emphasizes internal organizational resources and capabilities, including culture, technology, and human capital (Lanis & Richardson, 2012, 2013; Bird & Davis-Nozemack, 2018; Linnenluecke & Griffiths, 2010; Lin et al., 2017). The integration of these perspectives therefore provides a stronger conceptual foundation for explaining how external institutional pressures and internal organizational capabilities jointly shape TSR.

The TCCM analysis further identifies four major research gaps: theoretical, empirical, methodological, and contextual. Existing research is predominantly conducted on large corporations, while SMEs remain comparatively underrepresented in sustainability reporting and tax-related research (Borga et al., 2009; Arena & Azzone, 2012; Massa et al., 2015; Rodríguez Gutiérrez et al., 2021). Research simultaneously integrating organizational culture, technological capability, e-commerce, and tax sustainability is also limited, despite evidence that these factors are relevant to sustainability reporting and tax behavior (Khuntia et al., 2018; Haryanti & Subriadi, 2022; Fuadah et al., 2022). Methodologically, the existing literature is dominated by quantitative and cross-sectional approaches, while longitudinal and mixed-method studies remain relatively scarce (Rodríguez Gutiérrez et al., 2021; Seow & Chua, 2026). Contextually, research is concentrated in developed economies, whereas developing economies and digitally enabled SMEs remain insufficiently examined (Khuntia et al., 2018; Haryanti & Subriadi, 2022; Dinanti et al., 2026; Hyk et al., 2026; Seow & Chua, 2026).

Table 6. Research Gaps and Future Research Directions

Research Gap	Evidence from Literature	Future Research Direction
Theoretical	Theories are generally applied separately.	Develop an integrated TSR framework.
Empirical	Evidence is concentrated on large corporations.	Examine TSR specifically among SMEs.
Methodological	Cross-sectional quantitative and conceptual studies dominate.	Use longitudinal, mixed-method, comparative, and configurational approaches.
Contextual	Developed economies dominate the literature.	Examine developing economies and digitally transforming SMEs.
Digital	Technologies are mainly studied in ESG reporting.	Investigate AI, blockchain, and digital tax systems.
E-commerce	Research focuses mainly on compliance and tax avoidance.	Examine e-commerce as a TSR determinant and context.

Source: Developed from the synthesis of Adams (2020); Bird and Davis-Nozemack (2018); Borga et al. (2009); Arena and Azzone (2012); Massa et al. (2015); Fuadah et al. (2022); Haryanti and Subriadi (2022); Rodríguez Gutiérrez et al. (2021); Seow and Chua (2026); Hyk et al. (2026).

The identified gaps provide the basis for developing the integrated conceptual framework proposed in this study. Previous research has examined organizational culture, technological capability, e-commerce, sustainability reporting, and tax behavior as related but largely separated research streams (Khuntia et al., 2018; Haryanti & Subriadi, 2022; Fuadah et al., 2022). Similarly, Stakeholder Theory, Legitimacy Theory, Institutional Theory, and the Resource-Based View have been used to explain different aspects of sustainability reporting, tax behavior, organizational legitimacy, and organizational capabilities (Lanis & Richardson, 2012, 2013; Bird & Davis-Nozemack, 2018; Linnenluecke & Griffiths, 2010; Lin et al., 2017). Therefore, rather than introducing an entirely new theoretical construct, this study synthesizes these fragmented research streams into an integrated conceptual framework connecting organizational, technological, e-commerce, and institutional dimensions of TSR. This synthesis addresses the identified theoretical and empirical gaps and provides a structured basis for future empirical investigation of TSR in SMEs and digitally enabled businesses.

Integrated Conceptual Framework

Based on the thematic synthesis and TCCM analysis, this study proposes an Integrated Conceptual Framework of Tax Sustainability Reporting (TSR). The framework is developed from the identified theoretical, empirical, methodological, and contextual gaps and synthesizes evidence concerning organizational capabilities, technological development, e-commerce, and institutional influences. Rather than assuming direct causal relationships, the framework conceptualizes these dimensions as complementary factors that may shape the development and implementation of TSR in SMEs and digitally enabled businesses (Adams, 2020; Bird & Davis-Nozemack, 2018; Lanis & Richardson, 2012, 2013).

Table 7. Components of the Integrated Conceptual Framework

Dimension	Key Components	Expected Relationship with TSR
Organizational factors	Organizational culture, ethical orientation, governance, leadership, internal control, human capital	Strengthen internal organizational capability to implement responsible tax reporting.
Technological factors	Digital transformation, digital accounting, technology capability, AI, blockchain	Improve information quality, integration, traceability, and reporting efficiency.
E-commerce factors	Digital platforms, electronic payments, cross-border transactions	Increase the need for transparent and adaptive tax reporting.
Institutional factors	Regulation, professional norms, stakeholder expectations, market competition	Create external pressure for tax transparency and responsible tax behavior.
Tax Sustainability Reporting	Tax transparency, tax disclosure, responsible taxation, accountability	Represents the integrated outcome of organizational, technological, e-commerce, and institutional factors.

Source: Developed from the synthesis of Adams (2020); Bird and Davis-Nozemack (2018); Lanis and Richardson (2012, 2013); Linnenluecke and Griffiths (2010); Borga et al. (2009); Arena and Azzone (2012); Khuntia et al. (2018); Haryanti and Subriadi (2022); Fuadah et al. (2022); Hyk et al. (2026); Izzo et al. (2025).

The proposed framework integrates organizational, technological, e-commerce, and institutional dimensions as complementary factors shaping TSR. This synthesis is supported by previous studies linking organizational culture, technological capability, e-commerce, sustainability reporting, governance, and institutional factors with sustainability and tax-related practices (Khuntia et al., 2018; Haryanti & Subriadi, 2022; Fuadah et al., 2022; Hyk et al., 2026). The framework therefore provides a basis for future empirical validation of TSR in SMEs and digitally enabled businesses.

Implications

The findings have theoretical, practical, and policy implications. Theoretically, the integration of Stakeholder Theory, Legitimacy Theory, Institutional Theory, and the Resource-Based View provides a comprehensive perspective for understanding TSR. Previous studies have established the relevance of stakeholder expectations, legitimacy, institutional pressures, and organizational capabilities to sustainability and tax behavior (Lanis & Richardson, 2012, 2013; Bird & Davis-Nozemack, 2018; Linnenluecke & Griffiths, 2010). The present synthesis extends these arguments by connecting the four perspectives within the specific context of TSR and digitally enabled SMEs.

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Practically, SMEs should develop TSR according to their organizational capacity. This recommendation is supported by research showing that SME sustainability reporting needs to reflect their resources and organizational characteristics (Borga et al., 2009; Arena & Azzone, 2012; Massa et al., 2015). Digital technologies can subsequently strengthen reporting efficiency and transparency, particularly when supported by adequate organizational capabilities (Khuntia et al., 2018; Haryanti & Subriadi, 2022). For e-commerce businesses, integration between transaction, accounting, payment, and tax information is increasingly important because digital business models generate additional tax reporting and compliance challenges (Argilés Bosch et al., 2020; Fuadah et al., 2022).

From a policy perspective, SMEs require proportionate guidance, digital tax services, standardized information requirements, and capacity-building support. The OECD (2019, 2022) emphasizes the importance of digital systems and information sharing in addressing tax challenges associated with platform-based business, while OECD (2024) highlights the increasing integration of taxpayer and third-party data within tax administration. These developments reinforce the need for policies that improve tax transparency while remaining consistent with SME technological and organizational capabilities.

Finally, future research should empirically validate the proposed framework, particularly the relationships among organizational culture, technological capability, e-commerce, institutional pressures, and TSR. Longitudinal, mixed-method, comparative, structural equation modeling, and configurational approaches may provide stronger evidence regarding these relationships. Research should also expand toward developing economies and SMEs engaged in e-commerce, as these contexts remain underrepresented in the existing literature. Additional research on ethical leadership, tax morale, organizational learning, artificial intelligence, blockchain-based tax reporting, and ESG integration could further strengthen the empirical foundation of TSR.

4. Conclusion

This systematic literature review develops an integrated conceptual understanding of Tax Sustainability Reporting (TSR) in small and medium enterprises (SMEs) and electronic commerce. The findings indicate that TSR extends beyond tax compliance by incorporating transparency, accountability, responsible taxation, and stakeholder expectations. The implementation of TSR is shaped by the interaction of organizational culture, technological capability, digital transformation, governance, institutional pressures, and e-commerce characteristics. These findings position TSR as an emerging interdisciplinary construct that connects taxation, sustainability accounting, organizational capability, and digital transformation.

The main contribution of this study is the development of an integrated conceptual framework that combines Stakeholder Theory, Legitimacy Theory, Institutional Theory, and the Resource-Based View. The framework synthesizes previously fragmented evidence concerning organizational, technological, e-commerce, and institutional dimensions of TSR and provides a structured foundation for future empirical research. The study also extends the sustainability reporting perspective by positioning responsible taxation as an important dimension of sustainability, particularly in SMEs and digitally enabled businesses.

From a practical perspective, SMEs should develop TSR progressively according to their organizational and technological capabilities. The integration of tax, accounting, transaction, and sustainability information can support greater transparency and reporting reliability. Organizational culture, leadership, internal control, and employee competence should be strengthened alongside digital adoption. For e-commerce businesses, integrated digital systems can improve the accuracy, traceability, and transparency of tax-related information.

Policymakers and tax authorities can support TSR implementation through proportionate reporting guidance, digital tax services, standardized information requirements, and capacity-building programs for SMEs.

Limitations of the Study

This study has several limitations. First, the findings depend on the availability and scope of published literature included in the systematic review, while empirical research specifically addressing TSR among SMEs and e-commerce remains limited. Second, the existing literature is concentrated on large organizations and developed economies, limiting the contextual breadth of current evidence. Third, the heterogeneity of theoretical perspectives, research contexts, and methodologies limits direct comparison across studies. Therefore, the proposed framework should be considered a conceptual synthesis that requires further empirical validation rather than an empirically established causal model.

Future research should empirically test the proposed framework using longitudinal, mixed-method, cross-country, and comparative research designs, particularly among SMEs and digitally enabled businesses in developing economies. Future studies should also examine emerging technologies, including artificial intelligence, blockchain, digital taxation systems, and integrated accounting information systems, as well as organizational factors such as ethical leadership, tax morale, and organizational learning. Such research can strengthen the empirical foundation of TSR and contribute to the development of more transparent, accountable, and sustainable tax reporting practices in the digital economy.

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