

TAX-EDX: TRANSFORMING TAX EDUCATION THROUGH EXPERIENTIAL LEARNING AND SMEs ENGAGEMENT

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ABSTRACT

Traditional classroom-based tax education is often characterised by passive, theory-driven instruction, which limits students' engagement and restricts the development of practical skills essential for real-world application. This gap in experiential learning results in a disconnect between academic knowledge and real-world practice, particularly evident among micro-enterprises. Micro-entrepreneurs, especially those in the Food and Beverage (F&B) sector, often struggle with tax compliance due to limited awareness, financial constraints, and the complexity of tax regulations. Despite the introduction of e-invoicing to streamline financial reporting, its adoption remains low among SMEs. In response to these issues, this research introduces TAX-EdX, an experiential learning framework designed to enhance tax education by bridging theoretical knowledge with real-world practice. TAX-EdX immerses students in a structured, scaffolded learning approach, allowing them to engage directly with micro-entrepreneurs to assess tax compliance behaviour and e-invoicing adoption. The framework leverages experiential learning theory and scaffolding theory to guide students through structured support, including guided interviews, data analysis, and consultation-based learning. 90 undergraduate students enrolled in the Taxation I course were divided into 18 groups of five and tasked with conducting interviews and providing tax compliance consultations to micro-entrepreneurs in the sector. The research adopts a qualitative, problem-based learning approach, where students engage in real-world problem-solving, consulting elements, and structured mentorship to develop a deeper understanding of taxation. By incorporating experiential learning techniques and scaffolded guidance, TAX-EdX fosters a hands-on learning environment while providing SMEs with actionable insights to improve compliance. This study highlights the innovation and impact of TAX-EdX in enhancing tax literacy, increasing SME engagement, and informing tax policy reforms through empirical findings.

KEYWORDS: *Experiential learning, micro-entrepreneurs, scaffolding theory, tax compliance, e-invoicing.*

PROBLEM AND OBJECTIVE

Undergraduate tax education often relies on passive learning methods such as lectures and rote memorization, leading to a superficial understanding of complex tax concepts. This approach limits knowledge retention and practical application, leaving graduates unprepared for the challenges of tax practice (Flake & Gabriel, 2023). Research highlights that passive learning is less effective in fostering deep comprehension and critical thinking, emphasizing the need for more interactive strategies (Ang, Afzal, & Crawford, 2021). Traditional lecture-based instruction lacks engagement with real-world applications, preventing students from developing essential analytical and problem-solving skills. The absence of hands-on experiences, such as completing

tax returns or engaging in real-life tax scenarios, further restricts their ability to navigate complex tax issues effectively.

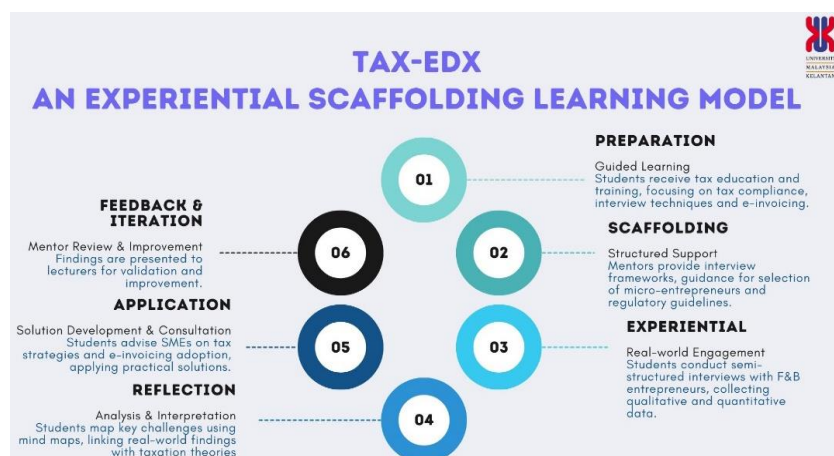
In contrast, experiential learning approaches, such as case-based learning and role-playing, encourage active participation, critical thinking, and decision-making, ultimately improving knowledge retention and practical competency (Hite, 2025). Despite these advantages, experiential learning remains underutilized in tax curriculum, with many programs still favouring traditional passive methods. This gap underscores the need for a pedagogical shift toward active learning strategies. To address this, the study aims to enhance tax education by integrating experiential and scaffolded learning approaches through TAX-EdX, an experiential scaffolding learning model, allowing students to apply theoretical knowledge in real-world contexts.

DESIGN DESCRIPTION

The TAX-EdX framework is structured as a six-stage experiential scaffolding model designed to enrich student learning through real-world application. It begins with the Preparation Stage, where students are equipped with foundational tax knowledge and trained in areas such as tax compliance, interview techniques, and the basics of e-invoicing. This is followed by the Scaffolding Stage, during which mentors provide structured guidance, including interview frameworks, regulatory references, and assistance in selecting suitable micro-entrepreneurs for engagement. In the Experiential Stage, students apply their knowledge by conducting semi-structured interviews with entrepreneurs from the Food and Beverage (F&B) sector, collecting both qualitative and quantitative data on tax practices. The Reflection Stage then encourages students to analyse and interpret their findings through mind mapping techniques, connecting practical observations with theoretical concepts. Next, during the Application Stage, students formulate tax strategies and provide advisory input to SMEs, particularly on e-invoicing adoption and compliance enhancement. Finally, the Feedback and Iteration Stage allows students to present their work to lecturers, who offer validation, critiques, and suggestions for refinement, ensuring continuous learning and improvement throughout the process.

The TAX-EdX framework offers a dual-benefit approach that not only enhances students' practical skills but also provides SMEs with valuable compliance insights without incurring costly advisory fees. Engaging students in real-world tax consulting projects has been shown to reduce the training burden on future employers (McKinney et al., 2019). Simultaneously, SMEs benefit from improved compliance understanding, which is crucial given that targeted tax education programs have been shown to positively influence SME compliance behaviour (Mukhlis et al., 2015).

VISUALS



NOVELTY AND UNIQUENES

The TAX-EdX framework introduces a structured experiential learning model that shifts tax education from passive, theoretical instruction to active, real-world applications. This approach immerses students in direct engagement with small and medium-sized enterprises (SMEs), providing them with firsthand exposure to the tax challenges these businesses face and enabling them to offer actionable compliance advice. By employing scaffolding techniques, the framework offers structured mentorship, allowing students to gradually transition from guided tasks to independent problem-solving, a method proven effective in enhancing learning outcomes (Financial Planning Association, 2021). Additionally, the incorporation of mind-mapping tools enhances data visualization and decision-making processes, facilitating deeper understanding and analysis.

The novelty of TAX-EdX framework lies in its innovative integration of experiential learning and community engagement, uniquely tailored to taxation. While experiential education has been applied across business disciplines, TAX-EdX stands out by embedding real-world tax consultancy within the undergraduate curriculum. Rather than relying on simulations or classroom-based case studies, students function as quasi-consultants, directly advising micro-SMEs, an uncommon approach in conventional tax education. This authentic learning experience develops both technical tax knowledge and essential soft skills such as communication, ethical judgment, and adaptability. The structured scaffolding model further supports students' progression from novice learners to competent, practice-ready individuals. Most notably, the framework's dual-value proposition, enhancing student capability while delivering free, practical tax support to underserved SMEs, positions TAX-EdX as a pioneering and scalable model that addresses the evolving needs of both tax education and compliance outreach.

BENEFITS TO MANKIND

The TAX-EdX framework offers multifaceted benefits that extend across educational, economic, and policy domains. For students, the framework enhances critical thinking, communication, and real-world consultancy skills—competencies that are increasingly sought after by employers. By engaging in real consultancy with SMEs, students become better prepared for the workforce. For small and medium-sized enterprises (SMEs), TAX-EdX provides free, practical advice on tax compliance, addressing a gap where many SMEs struggle due to a lack of resources and understanding. From a policy-making perspective, the program generates bottom-up, data-driven insights from student-SME engagements that can inform more targeted and inclusive tax regulations. Academically, TAX-EdX addresses the long-standing divide between theory and practice in accounting education. Jackling and De Lange (2009) found that many accounting graduates lack the practical competencies expected by employers, pointing to the need for pedagogical models that bridge this gap. In sum, TAX-EdX is not only a transformative learning experience for students, but also a valuable tool for SMEs, policymakers, and educators in supporting compliance, policy refinement, and curriculum enhancement.

COMMERCIAL POTENTIAL

The TAX-EdX framework demonstrates strong scalability and commercial potential in both education and SME consultancy sectors. In higher education, it can be adopted as an interactive, experiential module within accounting curriculum to enhance student engagement and improve learning outcomes through real-world application, aligning with trends in higher education that emphasize work-integrated learning and industry engagement. For SMEs, TAX-EdX serves as a cost-effective model for delivering tax literacy and compliance support, especially beneficial for micro and small enterprises with limited access to professional advisory services, a need highlighted by Atawodi and Ojeka (2012), who found that tax knowledge significantly affects SME

compliance behavior. The dual functionality of TAX-EdX, which is an educational tool and a consultancy model, makes it an attractive candidate for funding through academic research grants, SME development programs, and partnerships with tax agencies or consultancy firms. This versatility not only enhances its impact across sectors but also positions TAX-EdX as a commercially viable and socially beneficial innovation in the evolving landscape of taxation and entrepreneurship education.

CONCLUSION

TAX-EdX revolutionizes tax education by integrating experiential learning and structured scaffolding to bridge the gap between academic knowledge and real-world tax challenges. By actively engaging students and SMEs, this model fosters a collaborative ecosystem that enhances tax compliance, e-invoicing adoption, and student career readiness. Future research can explore expanding this model across different industries and refining digital learning tools for broader implementation.

AWARD AND RECOGNITION

Silver Award for Taxpad Pro: E-Portfolios for Social Constructivism Learning in the Third International Competition on Sustainable Education 2024 (SUSED 2024).

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APPENDIX



Apa Itu LHDN e-Invois?

SELASA
OKT 15 | 11 PAGI

DEWAN KEUSAHAWAN
UMK KAMPUS KOTA
PENGKALAN CHEPA
16100, KOTA BHARU
KELANTAN

Enck Azhari
Bin Abu Bakar
Pengarah (Komersial) Group



TAXATION I

STAGE 1

PREPARATION

Guided Learning
Students receive tax education and training, focusing on tax compliance, interview techniques and e-invoicing.



Collection and Recovery of Tax

CHAPTER 15

Tax Compliance and E-Invoicing Adoption among Malaysian Entrepreneurs in the Food and Beverage Sector

The objective of this assignment is to enable you to analyse real-world taxation scenarios, understand tax compliance and explore the challenges faced by entrepreneurs in fulfilling their tax obligations.

This assignment instruction aims to guide you through the process of conducting an in-depth study on tax compliance and e-invoicing adoption among Malaysian entrepreneurs in the Food and Beverage (F&B) sector. The focus will be on analysing the challenges faced by entrepreneurs in this area and providing recommendations to improve their tax compliance and adoption of e-invoicing systems.

Objectives of the Study

The report should aim to address the following objectives:

- Identify factors influencing entrepreneur's tax compliance.
- Assess the level of awareness of e-invoicing.
- Identify challenges faced in adopting e-invoicing.

Selection of Entrepreneur

Choose an entrepreneur whose business fits the criteria of a **micro-enterprise**, focusing on individuals registered with the Suruhanjaya Syarikat Malaysia (SSM) business activities in the Food and Beverage (F&B) sector. Detailed amount of sales turnover and number of employees is as follows:

Size	Micro	
	Sales Turnover	Employees
Manufacturing	< RM 300,000	< 5 Employees
Service & Others	< RM 300,000	< 5 Employees

Note: < is less than < is not exceeding

The selected entrepreneur should have income from business activities that are subject to taxation, either as a sole proprietor or in a similar individual capacity.



QUANTITATIVE & QUALITATIVE APPROACH: OPTIONAL OR MANDATORY

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STAGE 2

SCAFFOLDING

Structured Support
Mentors provide interview frameworks, guidance for selection of micro-entrepreneurs and regulatory guidelines.

Interview Questions

Here is a list of suggested interview questions to guide the discussion with the entrepreneur:

Section A: Demographic Information of the Entrepreneur and Business

1. Entrepreneur's Background

- What is your name, age, and gender?
- What is your educational background?
- How long have you been involved in the Food and Beverage (F&B) sector?

2. Business Information

- What is the name of your business, and how long has it been operating?
- What products or services does your F&B business offer?
- How many employees do you have in your business?

3. Data Collection

Obtain a clear audio recording of the interview with the entrepreneur.

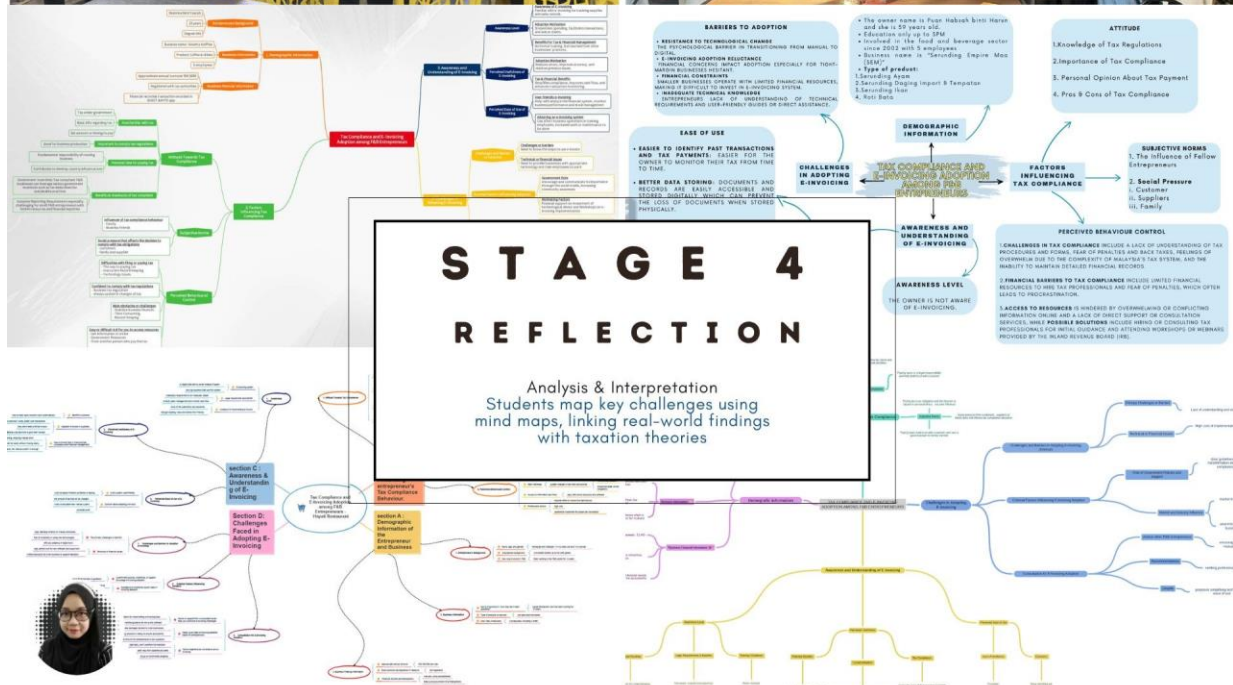
4. Transcribe the Recording

Listen to the recording carefully and type out the responses in a text document. Ensure that you accurately capture the entrepreneur's answers, focusing on clarity and detail. Alternatively, you can use transcription software to convert the audio into text automatically such as Rev or Otter.ai

5. Review the Transcription

Carefully review and edit the transcription to ensure that all responses are accurately captured. Attach the transcription in the Appendix.

Identify Themes and Key Insights



STAGE 5

APPLICATION

Solution Development & Consultation
Students advise SMEs on tax strategies and e-invoicing adoption, applying practical solutions.

ATTITUDE TOWARD TAX COMPLIANCE

- A How familiar with tax**
 - Tax under government
 - Basic info regarding tax
 - Set amount or timing to pay
- B Important to comply tax regulations**
 - Good for business production
- C Personal view for paying tax**
 - Fundamental responsibility of running business

DEMOGRAPHIC INFORMATION

Entrepreneur's Background

- The owners name is Puan Habsah binti Harun and she is 59 years old.
- An education up to SPM
- Involved in the Food and Beverage sector since 2002 until now.

Business Financial Information

- The approximate annual turnover of her business decreased 15% after COVID-19 epidemic.
- Not registered with the relevant tax authorities in Malaysia
- No records and transactions of the business

STAGE 6

FEEDBACK & ITERATION

Mentor Review & Improvement
Findings are presented to lecturers for validation and improvement.

REFLECTION

Initial Uncertainty
I felt unsure about this assignment due to my limited knowledge of tax compliance and its importance for small businesses.

Gaining Understanding
Engaging with the materials and interviewing Ms. Ng Phaik See helped me understand challenges like complex regulations and limited resources.

Building Confidence
The interview process boosted my confidence in professional interactions as I navigated unfamiliar territory.

Overcoming Challenges
Finding suitable micro-enterprises and securing interviews was difficult, but my group overcame this by dividing responsibilities and sharing ideas.

Skills and Growth
This experience enhanced my understanding of tax compliance while strengthening my communication, teamwork, and problem-solving skills, making it a rewarding and educational journey.

CHALLENGES AND BARRIERS TO ADOPTION

- Yes, the owner said the company is lack of proper equipment for e-invoicing.

External factors Influencing Adoption.

- Yes, because not everyone know what is e-invoicing. So, the government should support to promote e-invoicing.

Consultation for E-Invoicing Adoption

- The owner said whatever things purchased should automatically be recorded in system to avoid the risk of losing the records.
- The owner's advice is we need to pay taxes for future convenience and to improve the country's economy and it also will make things easier