

## ABSTRACT

*Since the emergence of the COVID-19 pandemic and its effects on Indonesia, there has been a renewed interest in using bicycles for both fitness and social engagement. This trend continues today. Previous studies have suggested that bicycles are seen as symbols of status, providing a sense of belonging and increased self-confidence. Notably, the Indonesian Tax Directorate has emphasized the need for individuals to declare bicycles as assets in their annual tax returns. According to the criteria established by the Fiscal Policy Agency under the Indonesian Ministry of Finance, bicycles are categorized as luxury goods and are subject to Value-Added Tax. This research adopts SEM Method, a quantitative approach to explore a new aspect of luxury perception, drawing from previous research frameworks. It highlights the importance of assessing the reliability and validity of variables within Indonesia's culturally diverse context. The study's findings indicate that bicycle users perceive bicycles as luxury items, with hedonic value being the primary factor, followed by social value and uniqueness value. The study also introduces disposable income as a moderating variable, categorizing respondents into three main groups: "Middle-Class Aspiring Respondents," "Middle-Class Respondents," and "Upper-Class Respondents." When considering purchasing bicycles, bicycle users primarily factor in the hedonic value.*

***Keywords: Perception, Luxury Goods, Bicycle, Purchase Interest***