

Analysis Of Factors Of Understanding, Public Awareness, And Tax Sanctions That Affect Public Compliance In Paying Taxes In Persons In The Situgede Area, Bogor

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ABSTRACT

The purpose of this study was to determine the influence of understanding factors, taxpayer awareness, and tax sanctions that can affect taxpayer compliance in paying individual taxes in Situgede Village, Bogor. This research was conducted by taking the object of individual taxpayers in Rw 07 Situgede Bogor Village. Based on the data I obtained, this research was motivated by the reason that there are still many taxpayers who still do not understand and comply with the understanding, awareness of taxpayers, and sanctions in paying taxes. The type of data used in this study is quantitative data with primary data sources derived from questionnaires distributed to respondents through question media. The number of samples distributed in the study were 115 questionnaires but which were returned and processed as many as 111 questionnaires using the sampling method, namely the purposive sampling method. This study uses a descriptive and inferential methodology consisting of (validity test, reliability, descriptive analysis test, classical assumption test, and hypothesis influence test) using a computer application of Statistical Package for the Social Sciences (SPSS) version 25, while the results of the data processing are there is a positive and significant effect of understanding, taxpayer awareness, and tax sanctions on individual taxpayer compliance.

Keywords: Individual Taxpayer, Understanding, Taxpayer Awareness, Tax Sanctions.

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Introduction

Article 1 of Law no. 28 of 2007 concerning General Provisions on Taxation defines taxes as mandatory contributions to the state owed by individuals or entities imposed by law, without receiving direct compensation, and utilized for the needs of the state for the greatest possible prosperity of the people. The COVID-19 outbreak has had a significant impact on the world economy, including the taxation industry. How long this epidemic lasts and its impact on social and economic activities will determine the future of Indonesia's tax sector. The result is a decrease in tax revenues, a slowdown in national economic development, a decrease in state revenues, and an increase in state spending and other funding.

One of the ironies of Indonesian taxes is that the fourth most populous country in the world, its government revenue from the individual sector is quite low (Susilawati, 2018). Based on data from the Ministry of Finance of the Republic of Indonesia, in 2018 the total tax revenue is Rp. 1,518.8 trillion. In 2019 the total state tax revenue has increased quite a lot, namely Rp. 1,786.4 trillion. And in 2020 the total receipt of tax revenue is Rp. 1,865.7 trillion (www.data-apbn.kemenkeu.go.id, 2020). It is true that tax collection is not easy, apart from the active role of the tax authorities, taxpayer compliance is also required.

Taxpayer compliance is required so that taxpayers can carry out their obligations and tax rights. Compliance displays the taxpayer's responsibility to file SPT and compliance in calculating tax arrears paid. On the other hand, efforts to increase state revenues face various obstacles, including the low level of taxpayer compliance which results in taxpayers paying less than they should for their tax obligations, and there are still some taxpayers who do not pay taxes reporting their tax obligations. Indonesia adheres to a self-assessment system in tax collection, in which taxpayers are entrusted with calculating, depositing and reporting their own taxes. Therefore, the timeliness of tax payments is highly dependent on taxpayer compliance, especially among taxpayers who do freelance work. Individual taxpayers who do independent work are more likely to be subject to tax violations than those who do not do free work (Amran, 2018). In addition to the self-assessment-based tax collection and management system, individual taxpayers who tend to be unable to pay their taxes have several other very influential reasons for the discipline of taxpayers who work independently and pay their taxes.

The existence of knowledge and understanding of taxpayers about applicable tax regulations can contribute to increasing taxpayer compliance when paying their income tax. If each taxpayer has relative knowledge and understanding of tax regulations, then it can be ensured that the taxpayer must consciously and properly fulfill his tax obligations. So that they will also be spared from the imposition of applicable tax penalties. Taxpayers who understand tax regulations are more decisive in paying taxes as a result of avoiding tax penalties. The amount received from Personal Income Tax (PPh OP) does not even exceed 1% of the total tax received within the last decade (2010-2019) (Directorate General of Taxes, 2020). A variable that can have an effect on tax revenues is the low level of awareness of Individual Taxpayers (WPOP) which is one of the issues that is never-endingly discussed. Awareness is one of the factors that can affect taxpayer compliance when paying income tax. Therefore, taxpayer awareness is needed to improve tax compliance.

The main source of state revenue is tax revenue. Based on the 2017 State Budget, tax revenue accounts for 85.6% of the total state revenue budget or around IDR 1,498.9 trillion. Tax revenue consists of 52.6% of Income Tax (PPh) and 33.0% of Value Added Tax (VAT). The government continues to strive to increase this tax revenue progressively to reduce the declining and fluctuating contribution of tax revenues from natural resources such as oil and gas. The government is making efforts in tax reform, namely modernizing the administrative system by implementing a technology-based system with the aim of making it easier for taxpayers to fulfill their tax obligations. The Directorate General of Taxes uses the e-SPT program to issue notification letters which were previously done manually to help taxpayers better fulfill their tax obligations. Apart from e-SPT there are other supporting systems such as e-filing, e-faktur, e-NPWP, drop box and e-banking and WP has its own opinion regarding the system owned by DGT.

KBBI (Mahirjanto, 2009: 285) defines sanctions as punishment or coercive action for violations. In other words, sanctions are a kind of negative reinforcement in the form of a burden or suffering determined by law. Basically, the purpose of imposing tax sanctions is to warn taxpayers of violations of tax laws and regulations and hold them accountable. Therefore, education for taxpayers is needed to understand the legal consequences of tax violations. Previous research (Nurlaela, 2017). Based on the KUP Law, everyone who fulfills the subjective and objective requirements is obliged to pay PPH, and if intentionally not doing so results in a loss of state revenue, they face the shortest prison sentence. A maximum imprisonment of six months and a maximum imprisonment of six years, as well as a fine of at least twice the amount of tax owed or underpaid and a maximum penalty of four times that amount. Taxpayers will try to pay their taxes in full if they are worried about possible sanctions. The fear itself serves as a preventive measure to reduce tax evasion. In essence, the purpose of giving tax fines is to give warnings to taxpayers if they violate tax laws and regulations, and make taxpayers comply with their responsibilities. Thus, education for taxpayers is needed in order to know the legal consequences of tax administration.

Nanik Ermawati (2018) has conducted previous research on "The Influence of Religion, Taxpayer Awareness, and Tax Knowledge on Taxpayer Compliance". The findings of this research prove that religiosity affects taxpayer compliance. Taxpayer education affects taxpayer compliance. The influence of tax knowledge on taxpayer compliance is nil.

Another factor in the research conducted by Esti Rizqiana A. I. & Wahyu Meiranto (2018) with the title "the effect of tax sanctions, tax authorities, knowledge and understanding of taxation, awareness of taxation on taxpayer compliance". The results of his research show that tax sanctions have a good impact on taxpayer compliance. Taxpayer compliance gets a good impact from fiscal services. Understanding and knowledge of taxation has a good and substantial effect on taxpayer compliance. Taxpayer compliance is positively and significantly influenced by taxpayer knowledge. Tax sanctions have a good impact but do not have a significant impact on taxpayer compliance.

Research Method

The type of data used in this research is quantitative data. Quantitative data contains figures collected from the original sources as well as the results of statistical measurements carried out using previously developed statistical procedures. Meanwhile, the data collection technique used is a questionnaire (questionnaire). Determining the number of samples to be taken in this research uses a purposive sampling method. Purposive sampling is a sampling strategy that creates specific sampling criteria for researchers. Target sampling is expected to provide a sample that is identical to the research being conducted.

The population of this study is the residents of Rw 07 Situgede Village, Bogor, as many as 200 people who have met the criteria by having an NPWP. The samples taken in this study were 115 questionnaires and the questionnaires that returned were 111 respondents from Rw 07 Kelurahan Situgede Bogor.

This study uses descriptive statistical analysis methods, classical assumption test, multiple regression analysis, and hypothesis testing which includes the t test, F test, and R square test of the coefficient of determination. The maximum, minimum, mean, and standard deviation for each variable are determined using descriptive statistics. The normality test and multicollinearity test include conventional assumption tests. The use of classical assumptions to identify whether the data used in research has classical assumptions or not. Using multiple regression to investigate the relationship between the independent and dependent variables.

Result

Validity and Reliability Test

Validity test

The validity test above of the four variables includes Understanding of Tax Regulations (X1), Taxpayer Awareness (X2), Tax Sanctions (X3), Individual Taxpayer Compliance (Y), the percentage showing R-Count 100% is greater than R table 0.156 and declared valid for all four variables, while the results were significant or commonly referred to as a two-way test result of more than 0.05 and it was shown that the four variables were positive or related and significant or could be shown clearly.

Reliability Test

The results of the reliability test on the parameters of understanding tax regulations (X1), taxpayer awareness (X2), tax sanctions (X3), individual taxpayer compliance (Y) are shown in the statement namely:

Based on the reliability test, the results of the reliability test for the variable Knowledge of Tax Regulations (X1) obtained a Cronbach's Alpha value of 0.856 which exceeds the predetermined α value of 0.60, so that the first indicator can be declared reliable and consistent. The Taxpayer Perception Variable (X2) was obtained for Cronbach's Alpha value of 0.882 which exceeds the predetermined value of 0.60, so that the second indicator can be declared reliable and consistent. The Tax Sanctions Variable (X3) gets the Cronbach's Alpha value of 0.813 which exceeds the predetermined α value of 0.60, so that the third indicator can be declared reliable and consistent.

And the variable (Y) is Individual Income Taxpayer Compliance with a Crobanch's Alpha value of 0.871 which exceeds the predetermined α value of 0.60, so it can be said to be reliable and consistent.

Descriptive Analysis Test

Based on the descriptive analysis test, the variable Understanding of Tax Regulations (X1) produces an empirical average (mean) value of 43.34. The Taxpayer Awareness Variable (X2) produces an empirical average (mean) value of 28.89. The Tax Sanctions variable (X3) produces an empirical average (mean) value of 17.88. The individual taxpayer compliance variable (Y) produces an empirical average (mean) value of 32.48.

Normality Test

Table 1. Normality Test Results

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		11
Normal Parameters ^{a,b}	Mean	.0000000
	Std. Deviation	2.86318650
Most Extreme Differences	Absolute	.064
	Positive	.064
	Negative	-.054
Test Statistic		.064
Asymp. Sig. (2-tailed)		.200 ^{c,d}

a. Test distribution is Normal.

b. Calculated from data.

c. Lilliefors Significance Correction.

Based on Table 1 of the normality test results, it can be obtained that the Kolmogorov-Smirnov significance value (Sig. 2-tailed) is 0.200. The result of a significance value of 0.200 is greater than 5% (0.05) so that it can be concluded that the data that has been obtained is normally distributed.

Multicollinearity Test

Table 2. Multicollinearity Test Results

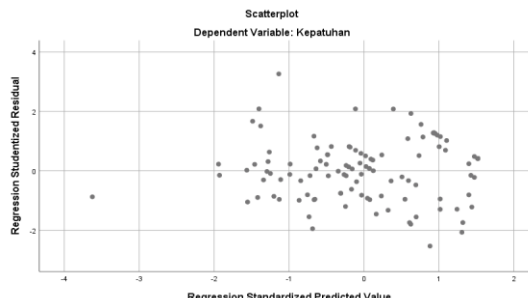
Coefficients^a								
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	2,186	1,913		1,217	0,226		
	X1		0,105	0,201	2,663	0,009	0,527	1,898
	X2	0,633	0,104	0,585	7,031	0,000	0,431	2,318
	X3	0,167	0,101	0,137	2,028	0,045	0,654	1,529

a. Dependent Variable: Y

The multicollinearity test shows, based on Table 2, that the tolerance values for all variables exceed 0.10, indicating that there is no relationship between the independent variables. All independent variables have a VIF value below 10.00. According to the findings of the multicollinearity test, there is no multicollinearity between variables.

Heteroscedasticity Test

Figure 1. Heteroscedasticity Test Results



The heteroscedasticity test shown in Figure 1, the regression model is feasible to have homoscedasticity or not to have heteroscedasticity; that is, the points on the scatterplot are spread above and below 0 and do not form a pattern. In the scatterplot graph, it can be seen that the points are distributed arbitrarily, both above and below 0 (zero) on the Y axis. It can be stated that there is no heteroscedasticity in the regression model used in this research.

Multiple Linear Test

Table 3. Multiple Linear Test Results
 Coefficients

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	
	B	Std. Error	Beta			
1	(Constant)	2,816	2,314		1,217	,226
	Pemahaman	,193	,073	,201	2,663	,009
	Kesadaran	,633	,090	,585	7,031	,000
	Sanksi	,167	,082	,137	2,028	,045

Dependent Variable: Compliance

Based on the results of the multiple linear test data above, a multiple regression equation can be made, namely:

$$Y = 2.186 + 0.193 X1 + 0.633 X2 + 0.167 X3$$

From the results of the regression equation above, it can be obtained a positive constant value of 2.816 which displays a good impact if it is significant <0.05, individual taxpayer compliance will increase by 5,615.

The coefficient value in the variable Understanding of Tax Regulations (X1) received is 0.193. The coefficient value in the Taxpayer Awareness variable (X2) can be obtained with a positive value of 0.633. The coefficient value in the Tax Sanctions variable (X3) can obtain a positive value of 0.167.

T test

The results of the t statistical test on variable X1, namely $t_{count} > t_{table}$ or $2.663 > 1.984$, and a significance <0.05 ($0.009 < 0.05$), indicate a significant impact. Therefore, it can be concluded that understanding of tax regulations has an impact on individual taxpayer compliance. Therefore, H_a can be accepted while H_0 is not.

The t statistical test on variable X2 produces $t_{count} > t_{table}$ or $7.031 > 1.984$, and a significance <0.05 ($0.000 < 0.05$), showing that there is a significant effect. So it can be concluded that the influence of Taxpayer Awareness affects individual taxpayer compliance. So H_a is accepted and H_0 is rejected.

The t statistical test on variable X3 produces $t_{count} > t_{table}$ or $2.028 > 1.984$, and a significance <0.05 ($0.045 < 0.05$), showing a significant effect. Therefore, it can be concluded that tax sanctions have an impact on individual taxpayer compliance. Therefore, H_a can be accepted while H_0 is not.

F test

the value of F count $>$ F table namely ($75.938 > 2.70$) and a significance of 0.05 namely ($0.000 < 0.05$) therefore it can be concluded that the effect of understanding tax regulations, awareness of taxpayers, and tax sanctions influences taxpayer compliance private person simultaneously.

test Coefficient of Determination (R²)

Table 4. Test Results for the Coefficient of Determination (R²)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0,825	0,680	0,671	2,903

Based on Table 4 Test of the Coefficient of Determination, it can be stated that the magnitude of the test value of the Coefficient of Determination (R²) is 0.825 or 82.5%. Thus it can be concluded that knowing tax regulations, taxpayer knowledge, and tax sanctions have an effect on individual taxpayer compliance by 82.5%, while the remaining 17.5% is influenced by variables outside the regression model.

Discussion

The Influence of Understanding of Tax Regulations on Individual Taxpayer Compliance

The results of the study show that an understanding of tax regulations has a positive effect on individual taxpayer compliance in the Situgede Village, Bogor. This is in line with the findings of Esti Rizqiana AI and Wahyu Meiranto (2017), who found that understanding tax regulations has a good and substantial impact on individual taxpayer compliance.

The Effect of Taxpayer Awareness on Individual Taxpayer Compliance

The results of the study show that taxpayer awareness has a positive effect on individual taxpayer compliance in the Situgede Village, Bogor. This is in line with the findings of Yunita Sari Rioni & Dwi Saraswati (2018) that awareness of paying taxes has a partially good and substantial effect on the level of individual taxpayer compliance.

Effect of Tax Sanctions on Individual Taxpayer Compliance

According to the findings of this research, tax sanctions have a positive effect on individual taxpayer compliance in Situgede Village, Bogor. This is in line with the findings of Yunita Sari Rioni and Dwi Saraswati (2018) who found that administrative sanctions had a positive and slightly significant effect on the level of individual taxpayer compliance. In this research, the magnitude of tax sanctions proves that t count is significantly greater than t table at a significance level of 0.045. Because the t-count value is greater than the t-table value and the significance value is $0.045 < 0.05$, it can be concluded that taxpayer awareness has a moderate effect on taxpayer compliance.

Conclusion

There is a beneficial and sizeable effect of Understanding of Tax Regulations on personal taxpayer compliance, there is a good relationship between Public Awareness and Individual Taxpayer Compliance and there is a beneficial and sizeable effect of Tax Sanctions on Individual Taxpayer Compliance.

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