

The Effect of Zakat as A Reduction Of Taxed Income And Self Awareness Of Personal Personal Tax Payer (WPOP) Compliance

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Abstract The purpose of this study was to analyze whether zakat as a deduction for income and self-awareness has a significant positive effect on individual taxpayer compliance (WPOP) in the areas of Jakarta, Bogor, Depok, Tangerang and Bekasi. The sample in this study was taken using convenience sampling, while the number of samples was 200 individual taxpayers. Data collection used a questionnaire and analyzed using multiple linear regression through the SPSS program. The results show that zakat as a deduction for income and self-awareness has a positive and significant effect on individual taxpayer compliance (WPOP).

Keywords: Zakat, Self-Awareness, Individual Taxpayer Compliance

1. Introduction

Poverty alleviation should be the main agenda of the Government as the executive mandated by the constitution [1]. The government is given the authority by law to collect taxes from the public as a form of the spirit of mutual cooperation from all levels of society to jointly realize the welfare of the Indonesian nation. As a country with the largest Muslim population in the world, it is realized that Indonesia has a very large potential for receiving Zakat and is believed to be able to provide solutions in alleviating poverty in this country [2].

Informing that Indonesia is a country with a population Muslim largest in the world. However, the receipt of zakat in this country is still minimal. In 2010, there were 209.12 million Muslims living in the archipelago. [3] This number is estimated to reach 229.62 million people in 2020. Of the zakat potential of IDR 230 trillion - as revealed by the National Zakat Agency (Baznas), only IDR 8 trillion (3.5 percent) has been collected. There are at least three obstacles that make zakat acceptance in Indonesia still minimal. First, in terms of education and literacy. [4]



Figure 1. Trends in collecting and distributing Zakat, Infaq, Sadaqah (ZIS) for the last 4 years (2015-2018) Lokadata

Talking about the use of zakat, currently Indonesia is facing the Covid-19 pandemic which has claimed many lives so that it has an impact not only in the health sector, but also on the joints of the economy. In response to this, the Indonesian Ulema Council (MUI) also issued fatwa Number 23 of 2020 concerning the use of ZIS assets to tackle the covid-19 outbreak and its effects. In this fatwa, there is a provision for the distribution of zakat assets to recipients including one of the groups (asnaf) of zakat, namely Muslims who are poor, poor, amil, converts, who are in debt, riqab, Ibnu Sabil, and/or fi sabilillah. The use of zakat assets may be productive, among others, to stimulate the socio-economic activities of the poor who are affected by the epidemic. Meanwhile, the need for overcoming the COVID-19 epidemic and its impacts that cannot be met through zakat assets, can be obtained through donations, alms and other halal donations.

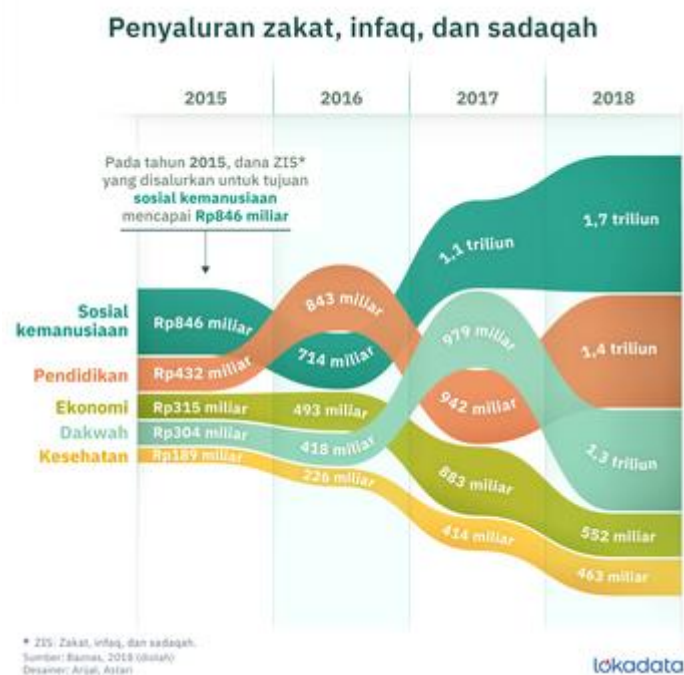


Figure 2. Distribution of Zakat, Infaq, and Sadaqah in the last 4 years (2015-2018) Lokadata

According to Chairman of the National Zakat Agency (Baznas), Bambang Sudibyo, the collection of zakat, infaq and alms (ZIS) has increased by 46 percent during the Covid-19 pandemic. It was stated, from January to June 2020, the total funds collected by Baznas amounted to Rp 240.39 billion. Meanwhile, in the same period in 2019, Baznas collected funds of Rp. 156.83 billion. ZIS collection in the Covid-19 era has increased by 46 percent compared to the same period last year for January to June 2019. ZIS collection, first, is through the Zakat Collection Unit (UPZ) of 34.6 percent. Second, retail collection of 25.2 percent. Third, digital collection of 23.9 percent. The rest is through CSR 11.1 percent, company zakat 2 percent, and payroll zakat by 2.3 percent. Of the total ZIS collected, zakat distribution in January-June 2020 also increased by 129.82 percent. Meanwhile, the number of mustahik who received zakat increased by 87.42 percent. For distribution and utilization in the Covid-19 era, an increase of 129.82 percent in terms of the amount of funds. And an 87.42 percent increase in the number of mustahiks compared to the same period last year. The Baznas budget, which was sourced from the State Budget of IDR 8 billion, was used IDR 724 million to help handle Covid-19. Therefore, the total Baznas budget used for operations amounted to IDR 7.27 billion. However, the absorption of the APBN has not been optimal due to the policy of working from home during the Covid-19 pandemic. For distribution and utilization in the Covid-19 era, an increase of 129.82 percent in terms of the amount of funds. And an 87.42 percent increase in the number of mustahiks compared to the same period last year. The Baznas budget, which was sourced from the State Budget of IDR 8 billion, was used IDR 724 million to help handle Covid-19. Therefore,

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Obedient taxpayers (tax compliance) can be identified from the compliance of taxpayers in registering themselves, compliance to remit SPT, compliance in calculating and paying taxes owed, and compliance in payment of arrears. The issue of compliance is important because simultaneously non-compliance will lead to tax avoidance efforts, such as tax evasion and tax avoidance, which results in reduced deposits of tax funds into the state treasury. According to the author, taxpayer compliance is also influenced by Zakat as a deduction from income and self-awareness of individual taxpayers where the tax obligations in calculating, depositing and reporting on their income tax are still on fulfilling the obligations for the consequences of having a taxpayer identification number (NPWP). SPT Annual is a means for taxpayers to submit and be accountable for calculating the amount of taxes that are actually owed (Law No. 16 of 2000 Article 3). This is a logical consequence of implementing the self-assessment system, namely the full authority to calculate, calculate, pay and submit taxes to the taxpayer. In reality it's not that easy. Due to differences in perceptions of taxpayers, limited knowledge, ability and (possibly) bad faith, the Annual Tax Returns filing is incorrect and taxpayers do not submit their income taxes. If it is discovered by the Directorate General of Taxes, the taxpayer will be subject to sanctions, ranging from fines, interest, to imprisonment [5].

The objectives of this research are (1) Knowing the effect of Individual Taxpayer Perceptions about Zakat as a deduction of income on Taxpayer Compliance and (2) Knowing the effect of self-awareness on Taxpayer Compliance [6].

Research that is structured systemically and methodologically based on the norms of this research, either partially or as a whole, is generally intended to have a scientific contribution. Thus it is hoped that it can be used as a reference or knowledge for researchers, practitioners and contribute to policy. The contributions are (1) Research which reveals that Zakat as a deduction for taxable income in submitting an individual's Annual Tax Return (SPT) and self-awareness of the level of taxpayer compliance has a contribution to prove the theory of motivation [7].

2. Literature Review

2.1 Motivation Theory

Public awareness as a compliant taxpayer is closely related to public perceptions of Zakat and taxes. Perception is very influential on the motivation of taxpayers to pay taxes. Motivation will ultimately affect taxpayer compliance in fulfilling tax obligations. Taxpayer compliance behavior is highly influenced by individual and environmental behavioral variables (James L. Gibson, 1991: 24). Many citizens still think that taxes are compulsory levies which are a privilege of the government by not providing direct counter-achievements to taxpayers [8].

2.2 Taxpayer Compliance

Obedient taxation is a condition in which taxpayers fulfill all tax obligations and exercise their tax rights. The tax obligations are in the form of: on time in submitting annual notification (SPT) in the last two years, do not have arrears for all types of taxes, unless you have obtained permission to pay in installments or postpone, and pay taxes according to a predetermined time. The tax right in question is to obtain a preliminary refund of the tax overpayment [9].

2.3 Zakat as a deduction for taxable income

Organizational commitment is defined as a feeling of an employee's obligation to remain with the KH Didin Hafidhuddin and Beik (Republika 2011) encourage the provision of zakat as a tax deduction to be included in the amendment to Law No. 38/1999 on Zakat Management. Armed with a macro perspective, they argue that the application of zakat as a tax deduction will have a positive impact on the performance of zakat, taxes, and the national economy as a whole. The relationship between zakat and tax was first introduced by Law No. 38/1999 as a fiscal incentive for zakat payers by making zakat as a deduction from taxable income (tax deduction) [10]

2.4 Self-awareness

Self-awareness is the ability to recognizing feelings and why someone feels that way and the influence one's behavior has on others. These abilities include; the ability to clearly convey one's thoughts and feelings, defend oneself and defend opinions (assertiveness), the ability to direct and control oneself and stand on one's own feet (independence), the ability to recognize people's strengths and weaknesses and like oneself even though someone has weaknesses (self-esteem), as well as the ability to realize one's potential and feel happy (satisfied) with the potential that someone achieves at work and in personal life (actualization) [11].

2.5 Hypothesis

The hypothesis is a temporary answer to the problem under study and its truth needs to be tested empirically. This study uses a causal research method which states the influence of one variable on other variables. In this writing hypothesis the writer concludes that it is suspected:

H1: Individual Taxpayers' Perception of Zakat as a deduction of income has a positive effect on taxpayer compliance

H2: Individual Taxpayers' Perceptions of Self-Awareness Has a Positive Effect on Taxpayer Compliance

3. Methods

This study uses the Associative Method with a Quantitative Approach which aims to determine the magnitude of the influence between research variables systematically, factually and accurately regarding the perceptions of individual taxpayers about zakat as a deduction for taxable income on the level of taxpayer compliance. The population used in this study is the individual taxpayers in the areas of Jakarta, Bogor, Depok, Tangerang and Bekasi (Jabodetabek). The sampling technique in this study is the Convenience Sampling technique, by distributing questionnaires to individual taxpayers in the areas of Jakarta, Bogor, Depok, Tangerang and Bekasi (Jabodetabek). The sample size required is between 5 - 10 times the number of parameters. With the number of research parameters, in this case the number of construct indicators is 30, then the ideal number of respondents is between 150-300 respondents. The data analysis technique used is; 1. Validity and Reliability Test, 2. Descriptive statistical test to provide an overview or description of data seen from the mean, standard deviation, variant, maximum, minimum, sum, range, kurtosis and skewness; 3. The classical assumption test starts from the normality, multicollinearity, and heteroscedasticity tests, all of these assumptions must pass the test so that the regression equation can be trusted; 4. Test the suitability of the model consisting of the coefficient of determination and the simultaneous F test; and 5. Hypothesis test, namely the t test which basically shows how far the influence of one explanatory or independent variable individually in explaining the variation of the dependent variable [12].

4. Result and Discussion

In accordance with the predetermined hypothesis, namely using regression testing with the tools of the SPSS Statistics program version 20.0. The following is presented in Table 4.1 the results of the Multiple Regression analysis:

Table 1. Multiple Linear Regression Analysis Test Results

Model	Unstandardized	Standardized	T	Beta	Sig.	
	Coefficients	Coefficients				
	B	Std. Error				
(Constant)	19,436		5,730		3,153	.002
Perception of Zakat WPOP (X1)	.785		.359	.652	4,550	.000
Perceptions of Self-Awareness WPOP (X2)	.585		.129	.352	2,110	.002

a. Dependent Variable: Compliance (Y)

The regression equation is as follows:

$$\text{WPOP Compliance} = 19,436 + 0.785 \text{ Zakat} + 0.585 \text{ Self-Awareness}$$

- a. From the regression equation above, it can be seen that the regression coefficient of Zakat as a Deduction of Income, and Self-Awareness is positive which means that if Zakat and self-awareness increase (High), then Taxpayer Compliance also increases.

- b. The constant value of 19.426 means that if there is no Zakat as a deduction of income, and there is no Dir Awareness, then the decision making is 19.43%.
The results of the discussion are as follows:
 - 1. Positive Effects of Individual Taxpayers' Perceptions of Zakat as a deduction of income on Taxpayer Compliance
The variable of Zakat as a deduction of income has a significance below 0.05, which is equal to 0.000, which has a positive effect on taxpayer compliance. This is in line with Ayu (2019). The results show that tax knowledge, knowledge of zakat and attitudes affect taxpayer compliance. And also knowledge of taxes has an effect on the attitude of taxpayers, while knowledge of zakat has no influence on the attitude of taxpayers.
 - 2. Positive Effects of Individual Taxpayers' Perceptions of Self-Awareness of Taxpayer Compliance
Self-Awareness variable has a significance below 0.05, which is 0.002 which has a positive effect on taxpayer compliance. This goes hand in hand Ayu (2019) The results show that tax knowledge, knowledge of zakat and attitudes have an effect on taxpayer compliance. And also knowledge of taxes has an effect on the attitude of taxpayers, while knowledge of zakat has no influence on the attitude of taxpayers

5. Conclusion

The conclusions of the results of this study are summarized as follows:

- a. Individual taxpayers' perceptions about Zakat as a deduction for income have a positive effect on taxpayer compliance.
- b. Perceptions of Individual Taxpayers about Self-awareness have a positive effect on Taxpayer Compliance

Because of the limitations mentioned above, the suggestions that can be given for further research are:

- 1) In future research, it is suggested to use deeper interview or experimental methods so that the internal and external validity of the data is more reliable. It is also suggested that subsequent studies use secondary data to support primary data so that the research variables are more varied, such as motivation and trust factors.
- 2) In the research questionnaire, as much as possible use language that is straightforward and easy for the respondent to understand and understand, of course, by using language appropriate to the research theme.

The need to improve WPOP compliance in tithing and fulfill its tax obligations by working directly with BAZIS in the nearest area so that each taxpayer's income can directly pay his zakat maal to the institution and proof of zakat payment can be used by taxpayers as a deduction for taxable income at the end of the submission year WPOP Annual Notification Letter (SPT)

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