Factors Affecting Taxpayer’s Compliance in Fulfilling Its Obligation (Empirical Study on Taxpayer Personal Persons Registered at KPP Pratama Batam Selatan)

Rifda Taufailla¹, Wika Arsanti Putri²

rifdataufailla.rt@gmail.com¹, wika@polibatam.ac.id²

Batam State Polytechnic, Jl. Ahmad Yani Batam Centre, Batam¹²

Abstract. This study aims to determine factors that affect the compliance of individual taxpayers registered at KPP Pratama Batam Selatan. The variables used are tax understanding and taxpayer awareness of taxpayer compliance. The research approach uses quantitative methods, namely using multiple linear regression analysis, t-test, and t-test of two independent samples. In multiple linear regression using three models that are used to compare the effect of gender on taxpayer compliance. The number of samples used were 100 samples, namely 50 samples of male and 50 female taxpayers. Data were collected using a questionnaire consisting of 24 statement items. The results of the study with a significance level of 10% indicate that the understanding of taxation has a positive effect on taxpayer compliance in all regression models, taxpayer awareness has a positive effect on taxpayer compliance in the regression model of all taxpayers, and male taxpayers. Third hypothesis which stated that female taxpayers were more obedient than male taxpayers, was rejected.

Keywords: Tax, Obligation

1 Introduction

The national objective in the 1945 constitution’s preamble of Indonesian republic in fourth paragraph is to promote the public welfare. However, in reality, the Indonesian economy has not yet succeeded in fully reflecting this in its full realization. Tiraada (2013) states that the largest revenue and income is sourced from taxes. As a matter of fact, currently 70% of the Indonesian State Budget is financed by tax revenues.
The level of compliance fluctuated from 2017-2021. The highest increase in compliance lies in the transition from 2020 to 2021 by 20%. The biggest decline occurred from 2018 to 2019 which was 24%. This is certainly an interesting issue to be investigated, considering that taxpayer compliance is the key to increasing state revenue from the taxation sector. An understanding of the tax regulations itself is also very necessary in order to provide insight to taxpayers about the applicable regulations.

This study is a replication of the research of Nurkhin et al. (2018), there are two similar variables that will be used, namely understanding of taxation and taxpayers awareness. The tax amnesty variable was not used because it took into account the latest regulations and the decision of the Direktur Jenderal Pajak at the time of research design in December 2021. This study uses the effect of gender as a comparison in paying tax compliance the same as the previous research. According to research by D’Attoma, Volintiru, & Steinmo (2017) states that female taxpayers are more obedient to taxation. Studies have shown that women have been shown to be more risk averse than men in decision making especially in risk financial decisions (Meier-Pesti & Penz, 2008). However, the results of the study were different by Marino and Zizza in Nurkhin et al. (2018) stated that female taxpayers were less evasive than male taxpayers.

Research by Kirchler and Maciejovsky (2001) in Alabede (2014) also agrees with Marino and Zizza stating that the tax compliance of women who self-report their tax obligations is lower than that of men. The differences in results that have not been consistent will be the urgency of this study. Based on these conditions, the authors want to obtain empirical evidences of the effect of tax understanding and taxpayers’ awareness on individual taxpayer compliance registered at KPP Pratama Batam Selatan. This research is entitled "Factors Affecting Taxpayer's Compliance in Fulfiling Its Obligation (Empirical Study on Taxpayer Personal Persons Registered at KPP Pratama Batam Selatan)".

2 Literature Review

Theory of Planned of Behavior (TPB)
Theory of Planned Behavior is a theory developed from the theory of reason action by Ajzen (2006). Every action we take is caused by the intention to behave (Kamela 2020). Aspects in the theory of planned behavior are formed from the following factors:
(1) Attitude, beliefs about the basic assessment of the results of the behavior caused, whether it will have a positive or negative impact.

### Table 1. Compliance Data Required Taxes at KPP Pratama South Batam.

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of WPOP Registered</th>
<th>Amount of W required Tax Report</th>
<th>Amount of W required Reporting Tax</th>
<th>Compliance Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>66,156</td>
<td>69,957</td>
<td>52,958</td>
<td>76%</td>
</tr>
<tr>
<td>2018</td>
<td>71,539</td>
<td>74,031</td>
<td>57,361</td>
<td>77%</td>
</tr>
<tr>
<td>2019</td>
<td>87,667</td>
<td>82,066</td>
<td>43,673</td>
<td>53%</td>
</tr>
<tr>
<td>2020</td>
<td>98,508</td>
<td>87,846</td>
<td>55,270</td>
<td>63%</td>
</tr>
<tr>
<td>2021*</td>
<td>112,454</td>
<td>71,274</td>
<td>59,434</td>
<td>83%</td>
</tr>
</tbody>
</table>

Source: KPP Pratama Batam Selatan (Dec-2021)
Subjective Norms, beliefs about norms that come from an individual's environmental factors that will serve as guidelines for behavior.

(3) Perceived behavioral control, beliefs about the perceived ease with which individuals can control a behavior or action that will affect intentions.

**Tax**

Tax becomes one of important component in state revenue. Along with the importance role of tax to the continuity patriotic life making tax become one thing to be topics in government. Definition tax according to Hamzah, Ramdani, & Putra, (2018) that is contributions that are compel to the mandatory tax based on applicable laws and not existence lead feeling back goal is for state development. There are two functions of the tax itself according to (Resmi, 2009), namely tax as source finance (budgetair) which means tax is one of the source to be income for the state and intended for for financing, expenditure and development. The second function tax that is tax as regulator (regularend), which has meaning that tax is used as instrument for arranging the government policy in field of social, economic, and others outside related things with finance.

**Taxpayer Compliance**

Compliance according to Mc.Mahon in Anggraeni & Farida (2013) is a condition in which a person has the willingness to do something based on real awareness from within or coercion so that the behavior is in accordance with what is expected. As for the relation of the statement to taxes, namely, all actions and behavior carried out by taxpayers to fulfill tax obligations in accordance with applicable regulations. Regulations regarding compliance with tax regulations are contained in Taxation Law no. 28 of 2007 and it applies for individual or corporate taxpayers.

**Taxpayer Awareness**

The reform system in taxation becomes self-assessment system have been started since 1983. On this system, the taxpayers are required to calculate, pay, report and account for tax payable in accordance with applicable regulations (Resmi, 2009). This thing becomes a big challenge where system this will succeed if required tax have a high level of initiative and awareness. Awareness of taxation is the condition of a person understanding, accepting, appreciating and complying with existing tax provisions and has a sincere desire to fulfill their tax obligations (Muliasari and Setiawan, 2011). The low level of taxpayers awareness is also influenced by the taxation understanding of taxpayers' (Fitria, 2017). Taxpayer awareness is expected to increase along with the increase in learning media regarding tax regulations which will have an impact on state revenues.

**Tax Understanding**

Hardningsih and Yulianawati (2011) say that the understanding of taxpayer taxation is how taxpayers understand and understand taxation procedures which include applicable rules and all obligations that must be carried out. Taxation understanding is included in the category of internal factors where this perception is determined by each individual. The application of taxation understanding will be felt by taxpayers in helping to implement the tax obligations. There is no doubt that taxpayers who understand tax regulations will also understand the sanctions imposed if they leave their tax obligations (Masruroh Siti and Zulaikha, 2013).

**Gender**

According to Puspitawati (2012) the word "gender" can be interpreted as a difference in status, position, function and responsibility that exists between male and female as a result of the socio-cultural composition that exists through the socialization process across the generation. Theoretical explanations for differences in male and female behavior are provided in various
biological and socio-psychological theories. In biological theory linking differences in risk-taking attitudes of male and female to gender differences with the term hormones and genes, Meier-Pesti & Penz (2008) in Alabede (2014). In socio-psychological theory, gender differences in behavior may be due to the specific role of sex in socialization (Meier-Pesti & Penz 2008). These behavioral characteristics also have an impact on the tax compliance behavior of male and female.

The Effect of Tax Understanding on Taxpayer Compliance
Based on the theory of planned behavior (TPB) taxation understanding is one of the fundamental foundations of taxpayers to be able to comply with all applicable regulations. In accordance with the attitude aspect, that taxpayers who understand tax regulations will behave in accordance with what was intended because they understand the impact of their actions. According to Hardiningsih and Yulianawati (2011), non-compliant taxpayers originate from a lack of understanding of tax regulations. This statement is the fundamental idea that there is an allegation that taxpayers’ understanding of tax regulations can have an influence on taxpayer compliance. A high understanding of tax regulations will increase taxpayer compliance (Masruroh Siti and Zulaikha 2013). Previous research that have positive results for this variable are Adiasa (2013), E.R and Meiranto (2013), Nurkhin et al. (2018). Based on this, the following hypothesis is formulated:

\[(H_1) \text{: "The understanding of taxation has a positive effect on taxpayer compliance".}\]

The Effect of Taxpayer Awareness on Taxpayer Compliance
The theory of planned behavior states that awareness is a behavior that comes from intentions within the individual. The consequences of being aware of tax obligations will have an impact on compliance or non-compliance. With the self-assessment system implemented in our country, high taxpayer awareness is needed to achieve maximum tax revenue realization. Therefore, taxpayers who have a high level of awareness will be more obedient in fulfilling their tax obligations than taxpayers with a low level of awareness (Nurkhin et al. 2018). Several previous studies that had positive results were Hamzah et al. (2018), Erawati (2021), Supriatiningsih and Jamil (2021). Based on this, the following hypothesis is formulated:

\[(H_2) \text{: "Taxpayer awareness has a positive effect on taxpayer compliance".}\]

The Effect of Gender on Taxpayer Compliance
Gender is one of the interesting variables that we can relate to taxpayer compliance. As we know that between men and women have different habits and attitudes. Female prioritize feelings and male prioritize logic. Previous research conducted by D'Attoma et al., (2017) illustrates that females are significantly more compliant than male across countries. Mason and Calvin (1978) in Alabede (2014) investigated the behavior of 800 taxpayers to admit non-compliance with income taxes in Oregon and reported that more male admitted to one form of tax evasion than female. This study is in line with Manaf, Hasseldina and Hodges (2005) in Alabede (2014) also finding that more female comply with taxes than male in Malaysia. Based on this, the following hypothesis is formulated:

\[(H_3) \text{: "Female taxpayers are more obedient to pay taxes than male taxpayers".}\]

Based on the hypothesis above, the authors mapped it into a framework of thought as follows:
3 Research Methods

Data Types and Sources
This study used a quantitative approach. The data collected is primary data. The measurement of existing variables uses indicators which are translated in the form of questionnaire questions and distributed to research respondents. According to Sugiyono (2012), that the population is the area used by researchers to study and describe conclusions in which there are objects with certain quantities and characteristics. The population studied were individual taxpayers, with amount 112,454. Respondents from this study were individual taxpayers who were registered at KPP Pratama Batam Selatan until December 2021. The collection process of primer data was carried out offline through the distribution of questionnaires face-to-face and online using a link and a QR code connected to the google form.

Secondary data was also used in this study which was sourced from literature and KPP Pratama South Batam. The number of samples taken in this study amounted to 100 samples using the Slovin formula with a sampling error rate of 10%. The sampling technique used is non-probability sampling with the accidental sampling method, which is a technique of determining the sample based on chance, where anyone who happens to meet the researcher is deemed suitable as a data source (Sugiyono 2009). The following is the calculation of the number of samples using the Slovin formula:

\[ n = \frac{N}{1 + Ne^2} = 100 \text{ Samples} \]  

The data analysis technique used is multiple linear regression analysis to measure the dependence of the dependent variable with one or more independent variables (Ghozali, 2018). The following is the multiple regression equation used:

1. Regression Analysis Model 1- All Respondents:
   \[ Y = \alpha + \beta_1X_{1A} + \beta_2X_{2A} + \epsilon \]  

2. Regression Analysis Model 2- Female Taxpayers:
   \[ Y = \alpha + \beta_1X_{1Female} + \beta_2X_{2Female} + \epsilon \]  

3. Regression Analysis Model 3- WP Male Taxpayers:
   \[ Y = \alpha + \beta_1X_{1Male} + \beta_2X_{2Male} + \epsilon \]
The regression model is said to be good if it can fulfill several assumptions, it is called the classical assumption test. The classical assumption test that must be fulfilled so that the data is unbiased are the residuals are normally distributed, there is no multicollinearity, and there is no heteroscedasticity.

**Definition of Variable Operationalization**

The dependent variable of this study is taxpayer’s compliance (Y) with the independent variable taxation understanding (X₁) and taxpayer’s awareness (X₂). The measurement used in this study is using a five score Likert scale. According to Sugiyono (2016) using a Likert scale means that the variables to be measured will be translated into several indicators and then used as a basis for making a question or statement. Questionnaire questions are described from each indicator and total as many as 24 items. The variable taxation understanding (X₁) is measured using 6 indicators translated into 8 statements. The taxpayer’s awareness variable (X₂) is measured by 3 indicators with 5 statements, and taxpayer’s compliance (Y) is measured using 7 indicators with 11 statements.

**4 Results and Discussion**

Demographic data presented are occupation, education level and gender. From the job data of each respondent there are three categories, namely private sector with 76 respondents (76%), civil servants as many as 5 people (5%), and other occupations totaling 19 people (19%). Most of the respondents are with the type of private work as much as 76%. The next point is the level of education starting from the SMA/SMK (Senior High School) level as many as 43 people (43%), Diploma 3 as many as 33 people (33%), Diploma 4 or Bachelor Degree (S1) as many as 22 people (22%) and Master Degree (S2) as many as 2 people (2%). The highest education level of respondents at 43% is from the SMA/SMK level.

This study provides a comparison between the level of compliance of male and female taxpayers. The number of respondents taken for this study amounted to 100 respondents. There are 50 male respondents and 50 female respondents. So the comparison of samples between genders is 50:50.

**4.1 Data Quality Test**

**Validity test**

The validity test is used to measure the validity of an instrument (Ghozali, 2018). This means that to get valid data, valid research instruments are also needed (Sugiyono, 2016). Table r with the total value of n = 100, df = n - 2 = 98, at a significance level of 10% is worth 0.165. In this study, 28 statement items were used, but after testing the validity there were 4 invalid question items, namely PM9, KP12, KP13 and KP14. So that the remaining 24 questions will be continued to the data analysis stage.

**Reliability Test**

Reliability test states to 24 items per statement is reliable. Cronbach's Alpha number of tax understanding variable (X₁) is 0.867, taxpayer awareness (X₂) is 0.831 and taxpayer compliance is 0.905. A construct is said to be reliable if it has Cronbach's alpha value > 0.70 (Ghozali, 2018).

**Descriptive statistics**

The data used in this study is primary data obtained from the results of questionnaires distributed to individual taxpayers registered at KPP Pratama Batam Selatan. The data collected started...
from February 25, 2022 to April 30, 2022. Questionnaires were distributed using the *google form platform* and also face-to-face. The results of the collected data are then converted into a form of variable representation that can reveal information which includes the minimum value, maximum value, average value (mean), and standard deviation values.

The taxpayers’ understanding of taxation has an average value of 31,02. This variable is measured using 8 statement items and has the highest score of 40. The percentage of taxpayers' understanding of taxation has reached 77.55% according to the average value obtained. This figure represents that the taxpayer has a fairly good knowledge of the existing tax regulations, especially for individual taxpayers.

The second variable is taxpayers awareness where the highest score is 25. This awareness of taxpayers is measured by 5 indicator questions that have an average result of 21,03. The percentage of taxpayer awareness of the average value is 84,12%. A good taxpayer awareness figure illustrates that taxpayers already have the awareness to carry out their obligations related to tax regulations. The third variable is taxpayer compliance with an average of 44. The tax compliance variable is measured using 11 statements with a maximum score of 55. The percentage of taxpayer compliance from the average value is 80%. Taxpayer compliance is good because the percentage rate is already above 50% and it is hoped that it will continue to increase accompanied by increased understanding of taxation.

**Data Processing Techniques**

After the questionnaire was filled in by the respondent, the scoring process and data tabulation were carried out on Ms. Excel. The next data analysis used SPSS for windows version 25.0, with t-test analysis method, multiple linear regression, and two independent sample t-test.

**4.2 Data Analysis Technique**

**4.2.1 Classic Assumption Test**

**Normality Test**

In the normality test, three types of data normality classifications were carried out, namely 100 female and male taxpayers, 50 female taxpayers and 50 male taxpayers. The data is said to have a normal distribution if the probability value significance > 0.05 (Ghozali, 2018). *Asymp results* . *Sig. (2-tailed)* are 0.200, 0.200, and 0.065, respectively. These three values are greater than 0.05, then the data is normally distributed.

**Multicollinearity Test**

A good regression model should not have a correlation between the independent variables. The multicollinearity test was seen using a Tolerance value 0.10 or the same as VIF (Variance Inflation Factor) 10 (Ghozali, 2018). The independent variables of the whole study did not occur the multicollinearity where the total value of Tolerance for the three models are 0.571, 0.669, 0.489 and VIF values are 1.75, 1.495, and 2.044.

**Heteroscedasticity Test**

Heteroscedasticity test used in the study this that is using the glejser test. When score probability significance Among variable independent with absolute residual > 0.05 ($\alpha= 10\%$) so no occur heteroscedasticity (Ghozali, 2018). Significance value from each variable whole is at on the number 0.05 which states that no there is heteroscedasticity. The three types of data have been tested for classical assumptions which include tests for normality, multicollinearity and heteroscedasticity. The results state that the data is feasible to proceed to the stage regression analysis.
4.2.2 Hypothesis testing

t test

The following are the results of the interpretation of the three data regression models from Table 11. on the t test, if the value of sig. $<0.05$, then the independent variable has a partial effect on the dependent variable (Ghozali, 2018).

1. Model 1 – All Taxpayers:
   \[ Y = 13.934 + 0.583PM + 0.793KS + \varepsilon \ldots (1) \]

   The variable understanding of taxation has a value of sig. 0.000 $< 0.05$, then the hypothesis ($H_1$) "Understanding taxation has a positive effect on taxpayer compliance", is accepted. The taxpayer awareness variable has a sig value. 0.001 $< 0.05$, then the hypothesis ($H_2$) "Taxpayer awareness has an effect on taxpayer compliance", is accepted. From the t-test of the hypothesis in model 1, it provides empirical evidence that understanding of taxation and awareness of taxpayers has a significant effect on taxpayer compliance. The tax understanding variable provides a t-test value that is greater than awareness, which means that tax understanding has a greater influence than taxpayer awareness. The results shown in this study are in line with previous studies of Nurkhin et al., (2018), Hamzah et al., (2018), Fitria (2017), and Nugroho et al., (2016).

2. Model 2 – Female Taxpayers:
   \[ Y = 10.841 + 0.785PM + 0.416KS + \ldots (2) \]

   The variable understanding of taxation has a value of sig. 0.000 $< 0.05$, then the hypothesis ($H_1$) "Understanding taxation has a positive effect on taxpayer compliance", is accepted. The taxpayer awareness variable has a sig value 0.088 $> 0.05$, then the hypothesis ($H_2$) "Taxpayer awareness affects taxpayer compliance", is rejected. This provides empirical evidence that female taxpayers' understanding of taxation has a positive and significant effect, while taxpayer awareness has no effect.

   It can be seen that the comparison of the t value for the variable understanding of taxation and awareness of taxpayers has a considerable difference, namely 4.150 and 1.742. The results of the model 2 hypothesis on the variable understanding of taxation are not in line with Hantono's (2021) research where this variable has a negative effect on taxpayer compliance. The taxpayer awareness variable has results that are in line with the research of Nugroho et al. (2016) and Karnedi and Hidayatulloh (2019) where the taxpayer awareness variable has no partial effect.

3. Model 3 – Male Taxpayer:
   \[ Y = 4.571 + 0.802PM + 0.698KS + \varepsilon \ldots (3) \]

   The variable understanding of taxation has a value of sig. 0.000 $< 0.05$, then the hypothesis ($H_1$) "Understanding taxation has a positive effect on taxpayer compliance", is accepted. The taxpayer awareness variable has a sig value. 0.004 $< 0.05$, then the hypothesis ($H_2$) "Taxpayer awareness has an effect on taxpayer compliance", is accepted. In the hypothesis test model 3 gives the result that the value of the t-test of the tax understanding variable is greater than the awareness of the taxpayer. This is empirical evidence that understanding taxation has a greater impact on taxpayer compliance for the model 3 male taxpayers. The results of the 3 regression model are in line with the research of E.R and Meiranto (2013), Sunarto and Liana (2020), Fitria (2017), and Nurkhin et al. (2018).
The third hypothesis ($H_3$) of this study is "Female taxpayers are more obedient to paying taxes than male taxpayers". However, in the regression model of 2 female taxpayers, there is one variable that does not have a positive effect on taxpayer compliance, namely taxpayer awareness. In the regression model of 3 male taxpayers, all variables affect taxpayer compliance. To find out whether female taxpayers are more obedient than male taxpayers, two independent sample t-tests are also conducted. This test was conducted to determine the difference in the mean of the two types of samples between male and female WP. The average value of female taxpayer compliance is 44.70, this figure is higher than the average value of male taxpayer compliance of 43.30. Determining the assumptions to be used is based on the Levene test value and the next step is to see the value on the $t$-test to find out whether there is a significant difference in value (Ghozali, 2018).

- $H_0$: Variance of compliance Required tax men and women is same.
- $H_A$: Variance of compliance Required tax men and women is different.

Numbers on SPSS output table 12 F count levene test is as big as 13.157 with probability 0.000 < 0.05, then $H_0$ rejected means have different variances. Since the variance is different, then $t$-test use assumption equal variance not assumed. T-test value at equal variance not assumed -0.905 with probability sig. 0.368 > 0.05. Could concluded that the average compliance Required tax no different by significant between male taxpayers and female taxpayers. Hypothesis $H_3$ rejected. The results of the third hypothesis of this study are not in line with previous studies in Nurkhin et al., (2018), Meier-Pesti and Penz (2008), and D'Attoma et al. (2017) which states that female taxpayers are more obedient to paying tax.

**Discussion**

Taxpayer compliance is an attitude or habit that arises and comes from within each individual, in this case, is to comply with and carry out tax obligations. The results show that the understanding of taxation in the three regression models has a positive effect on taxpayer compliance. This is also supported by the results of descriptive statistics on the variable understanding of taxation which has a good value. Research results this in line with theory of planned behavior, where behavior will arise in accordance with the intention that started from self. With the intention that arises from self required tax, then those who decide is choose for obey or no obey regulation that.

So that the high level of taxation understanding will impact in increasing level of compliance (Sunarto & Liana, 2020). Besides that, high level understanding of taxation can also made as base taking decision is for taxpayers will fulfill their tax obligation (Nurkhin et al., 2018). On the aspect subjective norm in the theory of planned behavior also mentions that behavior individual could influenced by environment influential social to perception in takeaction. Required taxes that grow and thrive in less understand regulation taxation and not obey, then will tend take effect to taking decision taxation (Yasa, Martadinata, & Astawa, 2020).

Taxpayers’ awareness is very important, well because this is only of the internal factors can controlled by each individual. Awareness proven taxpayer empirical give influence to obedience of taxpayers. However, in regression model 2, this no proven in mandatory tax woman. Research results this in line with study Hidayatulllo (2016), mentions that factor family and environment around could take effect in decision embezzlement tax.

Taxpayers’ awareness is also influenced by aspects of behavioral beliefs on the theory of planned behavior. That individual understand the results that will be generated on their actions do (Siahaan & Halimatusyadiah, 2019). Behavior that is generated and carried out by mandatory tax always have impact, good that positive as well as negative. With this perception,
taxpayers are conscious and obedient, they also have trust that obey in taxation will give positive impact to country development. On the other hand, mandatory taxes that have perception results negative about taxation, will choose for no obey to rules applicable taxation.

Gender equality is an interesting thing to be involved in taxation. Seeing from the psychological and biological side, men and women have unique characteristics of differences. From a biological point of view, men and women are differentiated based on genes and hormones, while socio-psychologically they are distinguished by the specific role of sex in socialization (Meier-Pesti & Penz, 2008). Men and women show differences in attitude and behavior, especially in terms of taxation (D’Attoma et al., 2017). Surveys have shown that in contrast to men, women tend to think taxes are fairer, are more likely to be caught for evasion, and they overestimate penalties for evasion. (Smith K and Stalans L, 1991).

The difference in the average compliance of female and male taxpayers in the research of Nurkhin et al., (2018) shows that female taxpayers are more obedient than male taxpayers. The results are not in line with this study, it has been discussed previously that there is no significant difference between the average compliance of male and female taxpayers. In addition, in the regression model two $H_2$ is rejected, so that male taxpayers are empirically proven to be more obedient than female taxpayers. These results are in accordance with previous research conducted by Kirchler & Maciejovsky (2001) in Alabede (2014) and Marino and Zizza in Nurkhin et al. (2018).

5 Conclusion

From this study, empirical evidence is obtained that taxation understanding affects taxpayer compliance and taxpayer awareness affects taxpayer compliance. The more taxpayers understand about tax regulations, the higher the level of taxpayer compliance. With a high level of awareness, taxpayer compliance will also increase. There are 3 types of regression equation analyzed. The results show that the understanding of taxation has a positive effect on taxpayer compliance for all regression models. While the taxpayer awareness variable in the regression model of female taxpayers has no effect on taxpayer compliance. The results also prove that male taxpayers are more obedient to pay taxes. The research results are expected to be useful for the Direktorat Jendral Pajak in making decisions related to tax regulations. The factors studied are expected to be taken into consideration for the development of tax services in order to increase individual taxpayer compliance. If there are differences between the results of the research, it can be used as evaluation material for us as a taxpayers and also the tax authorities to be able to provide better services for increasing state income from the tax sector.

The following are the limitations of this study:

1. The study was only conducted for individual taxpayers registered at KPP Pratama Batam Selatan.
2. The sample used is only based on the number of individual taxpayers are registered at KPP Pratama Batam Selatan.
3. In regression models 1 and 2, the taxpayer’s awareness variable and understanding of taxation can only explain by 41.6% and 45.4%, the remaining are explained by other variables.

Suggestions for further research are:

1. Further research can be used as reference material and a source of literature for future research
2. Further research can add other factors such as the effectiveness of the taxation system (e-filing, e-billing), tax authorities services, environmental factors, etc.
3. The population can be expanded to all KPPs or tax office in Batam so that the research results can be generalized.

References


