

Factors Affecting Taxpayer Compliance (Survey on Entrepreneurs who are Bukalapak Partners in West Java)

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Abstract: Tax compliance is the act of a Taxpayer in fulfilling his tax obligations in accordance with the provisions of laws and regulations and taxation implementation regulations in force in a country. Taxpayer compliance can be influenced by several factors such as tax knowledge, taxpayer awareness, and the application of e-filing to carry out their obligations. The purpose of this study was to determine the effect of tax knowledge, taxpayer awareness and the application of e-filing on taxpayer compliance either partially or simultaneously. This research was conducted on shopkeepers who have been supported by an online system in partnership with Bukalapak. Respondents studied were 66 respondents with data collection instruments using questionnaires to respondents. The results showed that the knowledge of tax regulations had an effect on taxpayer compliance, taxpayer awareness had no effect on taxpayer compliance, the application of e-filing had an effect on taxpayer compliance. Simultaneously, tax knowledge, taxpayer awareness and application of e-filing have an effect on taxpayer compliance.

Keywords : knowledge of taxation, taxpayer awareness, application of e-filing, taxpayer compliance

1. Preliminary

1.1. Research Background

The cost to carry out national development comes from the State Expenditure Budget (APBN) where one of the APBN revenues comes from the Taxation sector revenue which is the largest revenue for the APBN. The Government's target in tax revenue increases every year. Therefore, it is not an easy effort for the General Directorate of Taxes (DJP) to achieve these targets. The indicator used by DJP itself is to use the level of tax compliance. By using the taxpayer compliance aspect will also affect tax revenue. This is in line with the statement given by the Director of Counseling Services and Public Relations at the General Directorate of Taxes, Ministry of Finance, Hestu Yoga Saksama, who said that economic growth that is reflected by sector is actually only one of the factors that affect tax revenue. The tax authority, according to him, does not solely rely on revenue from one or two sectors. He also said that when looking at the performance of tax revenue, all parties must look at all aspects that affect tax revenue. In this case, in addition to economic growth, the size of tax revenue is greatly influenced by the level of taxpayer compliance.

Taxpayer Compliance according to Safri Nurmantu in Siti Kurnia Rahayu (2010: 138) is: Taxpayer compliance can be defined as a condition in which the taxpayer fulfills all tax obligations and exercises his taxation rights.

Compliance with paying taxes in Indonesia is still very low, this is indicated by the small number of individual taxpayers and corporate taxpayers who are registered as taxpayers, as well as at least registered taxes that report their tax obligations. (Mardiana, 2016; De Jesus & Castro, 2019)

One way to determine taxpayer compliance is by looking at how many taxpayers report their SPT and how many pay taxes owed. The following is a table regarding taxpayers who registered from 2016 to 2019.

Table 1.1. Taxpayer's Formal Compliance Ratio

Year	Taxpayer is registered as SPT Payer	Annual Income Tax Notification	Compliance Ratio
2016	20.16 juta	12.25 juta	60,76%
2017	16.59 juta	12.05 juta	72,64%
2018	17.65 juta	12.55 juta	71,1%

2019	18.33 juta	13.38 juta	73%
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Source: DJP's Annual Report (reprocessed)

It can be seen from table 1.1 that the taxpayer compliance ratio from 2016-2019 has fluctuated. The ratio in 2016 was 60.76% and there was an increase in the ratio in 2017, although when viewed from the registered taxpayers and the Annual Income Tax Notification, it decreased quite drastically. In 2018 the taxpayer compliance ratio decreased by 1.48%, and in 2019 the General Directorate of Taxation showed that the compliance ratio for submitting annual Income Tax Report (SPT) by the end of 2019 reached 73%. This is better than the previous year where the compliance ratio was recorded at only 71.1%. However, this 2019 achievement is still lower than the initial target of the year which reached 80%.

Meanwhile, in the performance reports of the General Directorate of Taxes, there are fluctuations in the presentation of corporate taxpayer compliance and non-employee individuals in paying their obligations. The following is a table regarding corporate taxpayers and non-employee individuals in formal compliance and those who pay their obligations.

Table 1.2. Taxpayer Compliance Ratio

Rasio Kepatuhan				
Year	IKU Code	Formal	Paid	Ratio
2017	3a-CP	62,96%	32,73%	47,84%
2018		66,57%	53,21%	59,89%
2019		72,52%	51,64%	62,08%

Source: DJP'S Performance Report (reprocessed)

It can be seen from table 1.2 that indeed the formal compliance ratio from 2017 to 2019 has experienced a good and consistent increase. However, in terms of paying their obligations, corporate taxpayers and non-employee individuals are still lacking, it can be seen in 2019 that compliance to pay taxes is only 51.64% even though in 2018 it could reach 53.21% with a rapid increase from the previous year which was in 32.73% in 2017.

Based on data from the Tax and Customs Study Institute (LKPK), the estimated number of workers supported by e-Commerce in Indonesia in 2020 will reach more than 16 million entrepreneurs. This number increased significantly from the 2017 data which only reached 4 million entrepreneurs. The following is data on the growth in the value of sales of e-commerce transactions for 2017-2018.

Table 1.3 Transaction Value Growth for e-Commerce

Year	Income (in trillion)	Dollar Conversion (dalam Milyar)	Growth
2017	Rp30,94	\$ 3,6	-
2018	Rp77,77	\$ 5,5	151%

Source: cnbcindonesia.com (reprocessed)

It can be seen in table 1.3 that in 2018 transactions through e-commerce, the value of transactions jumped very rapidly to 151%, the data collected by Bank Indonesia only came from a sample of data from eight major e-commerce players in Indonesia, including Bukalapak, Blibli, Tokopedia, Shopee, Lazada, JD.ID, Zalora, Sale Stock, Elevania, and Ilotte. The high value of transactions originating from e-commerce is due to easy use and does not take much time to shop especially with the use of e-commerce buyers can easily compare prices on various types of the same goods among customers to see price comparisons with between pelapak on another platform. However, the boom in e-Commerce business players is not balanced with the absence of increasing national tax revenue which never reaches the target and increases slowly.

The General Directorate of Taxes explained the survey data conducted to taxpayers who did not routinely submit annual notification letters (SPT), the survey results stated that the respondents did not know how to report the Annual SPT and the second result was a place to live far from the KPP or KP2KP. According to the Executive Director of the Center for Indonesia Taxation Analysis (CITA) Yustinus Prastowo, there are several reasons for the low level of compliance, including the assumption that if income has been deducted from taxes, it does not SPT report, the second report using e-filing is not easy so it makes reporting lazy. SPT is considered complicated so that people are reluctant to fill in and then the penalty for the delay is small, thus ignoring compliance.

1.2.Problem Identification

How is the influence of knowledge of taxation, taxpayer awareness and the application of e-filling on taxpayer compliance of e-commerce businesses on the e-commerce platform in West Java.

2. Literature Review

2.1. Taxpayer Compliance

According to Safri Nurmantu in Siti Kurnia Rahayu (2013: 138), taxpayer compliance can be defined as a condition in which the taxpayer fulfills all tax obligations and exercises his taxation rights.

2.2. Knowledge of Taxation

According to Mardiasmo (2018), knowledge of taxation is the capacity of citizens to know charge guidelines, be it about the assessment rates they will pay dependent on law and tax reductions that will be helpful for their lives.

2.3. Taxpayer Awareness

Taxpayer awareness is the demeanor of understanding corporate or individual citizens to comprehend the importance, capacity and motivation behind covering charges. Citizen mindfulness is the main factor in the tax collection framework, as explained by Harahap (2004: 43).

2.4. E-Filling

According to Rahayu (2013: 132) E-filing is a way of submitting SPT through online and real-time systems, taxpayers can submit SPT electronically through an application service provider company that is being appointed by the DJP as a company that can distribute SPT submission electronically.

2.5. Factors Affecting Taxpayer Compliance

According to Fallan in Rahayu (2013: 141), giving an investigation of the significance of parts of duty information for citizens incredibly influences the disposition of citizens towards a country's tax collection framework which is viewed as reasonable, at that point as cited by Pajakku.com. A breakthrough made by the General Directorate of Taxpayers to improve Taxpayer Compliance is by releasing the digital E-Filing application. Director of Public Relations and Service Counseling, General Directorate of Taxes, Ministry of Finance Hestu 44 Yoga Saksama admitted that public compliance with taxes is greatly influenced by public awareness (Dewi: 2019).

2.6. Research Hypothesis

The research hypothesis that can be submitted is as per the following:

H₁ : knowledge of taxation affects taxpayer compliance for online entrepreneurs on the e-commerce platform.

H₂ : taxpayer awareness affects taxpayer compliance for online entrepreneurs on the e-commerce platform.

H₃ : application of e-filling affects taxpayer compliance for online entrepreneurs on the e-commerce platform.

H₄ : knowledge of taxation, taxpayer awareness, and application of e-filing affect taxpayer compliance for online entrepreneurs on the e-commerce platform.

3. Research Method

3.1. Types of Research

The research method used is explanatory research, research which aims to obtain answers about how and why a phenomenon can occur. The research objective is to explain or prove the relationship between research variables. These relationships can take the form of correlational and/or causality.

3.2. Location And Time of Research

Where this research was conducted online by distributing online questionnaires that have been provided by Google Form. When the research was carried out on April 20, 2020, until it was finished.

3.3.Data And Source of Data

In this exploration, the object of examination is tax knowledge, taxpayer awareness, application of e-filing and taxpayer compliance with Online Entrepreneurs on the E-Commerce Platform in partnership with Bukalapak.

The wellspring of information required in this examination is essential information. Essential information is an information source that straightforwardly gives information to information authorities, as explained by Sugiyono (2017: 137).

3.4. Population and Research Sample

The population alluded to in this investigation are Business Owners on the e-Commerce platform where the business owners have partnered with Bukalapak by carrying out their business transaction activities online. The e-Commerce business owners are influential and associated with research on Taxpayer Compliance. This population numbered 500,000 of Bukalapak's partners in West Java.

Based on the news quoted from the magazinesora and swa on Sunday, March 8, 2020, during the launching of the newest virtual product for buk Bukalapak partners in Gedung Sate, Bandung, it was noted that there were 500,000 stalls that had become Bukalapak partners in West Java, therefore the number of samples was for research with a margin of error 10% is:

$$n = \frac{500.000}{1 + 500.000 0,1^2} = 99,98 \sim 100$$

In light of the above estimations, the quantity of tests taken in this investigation were 100 respondents, namely individual taxpayers who carry out business activities and partner with Bukalapak.

3.4. Method of Collecting Data

Distribution of a questionnaire. The questionnaire is an information assortment method that is finished by giving a bunch of inquiries or composed explanations to respondents to be replied.

3.5. Research Instrument

The research instrument was used as a tool for data collection, and the instruments commonly used in research were several lists of statements and questionnaires that were submitted and given to each respondent who was the sample in the research which was observed and interviewed.

3.6. Data Analysis Technique

3.6.1. Data Quality Test

1. Validity Test

The validity test is utilized to quantify if a survey is legitimate. A poll is supposed to be substantial if the inquiries on the survey can uncover something that will be estimated by the poll. (Ghozali, 2013: 52).

2. Reliability Test

Reliability test is done to find out how reliable the measurement results are.

3.6.2. Classical Assumption Test

- Normality Test
- Multicollinearity Test
- Heteroscedasticity Test

3.6.3. Multiple Linear Regression Analysis

Multiple linear regression analysis is a regression that has one dependent variable and two or more independent variables.

3.6.4. Coefficient of Determination

According to Ghozali (2013) the coefficient of determination (R^2) essentially measures how far the model's ability to explain variations in the independent variable. The coefficient of determination serves as a tool to determine the percentage of the influence of the independent variable on the dependent variable.

3.6.5. Hypothesis Testing

The significant level (α) is set at 5%, this means that the possibility of the conclusion result has an error tolerance limit of 5%. The level of significance in statistics is expressed as a number in percent which indicates the likelihood or risk of the test results being performed.

In research, hypothesis testing is carried out to test the hypothesis partially or simultaneously, which can be described as follows:

- Partial Hypothesis Test (t-test)
- Simultaneous Hypothesis Test (F-test)

4. Results and Discussion

4.1. Description of Research Results

Respondents' responses regarding taxation knowledge can be said to be Good. Respondents' responses regarding taxpayer awareness can be said to be Very Good. Respondents' responses regarding the application of e-filing can be said to be good. Respondents regarding taxpayer compliance can be said to be Good.

4.2. Analysis of Factors Affecting Taxpayer Compliance

4.2.1. Classical Assumption Test Results

1. Normality Test Result

The normality test was carried out using the Kolmogorov Smirnov test. Kolmogorov Smirnov's magnitude was 0.172 with a significance value above 0.05. Because the value generated by Kolmogorov Smirnov is more than 5%, it can be concluded that the data from the variables in this study are normally distributed.

2. Multicollinearity Test Result

In light of the outcomes of the multicollinearity test in table 4.13, it can be seen that the tolerance value of the independent variables shows a value of more than 0.1 and the VIF value shows a value of not more than 10. Therefore it can be concluded that the variable data in this study does not have multicollinearity.

3. Heteroscedasticity Test Result

Based on the results of the heteroscedasticity test, the resulting research is free from heteroscedasticity.

4.2.2. Determination Coefficient Result

Table 4.1. Coefficient of Determination Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.817 ^a	.667	.651	1,73494

Based on table 4.14 it is known that the coefficient of determination is 0.667. The R Square value of 0.667 comes from the square of the correlation coefficient or 'R', which is 0.817 x 0.817. The amount of the coefficient of determination (R Square) is 0.667 or equal to 66.7%, this number implies that the Tax Regulatory Knowledge variable (X_1), Taxpayer Awareness (X_2), and the Application of E-filing (X_3) simultaneously affects the Taxpayer Compliance variable (Y) by 66.7%, while the rest (100% - 66.7% = 33.3%) is influenced by other variables outside of this regression equation or variables not researched.

Table 4.2. Multiple Linear Regression Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients
	B	Std. Error	Beta
(Constant)	2,200	1,377	
knowledge of taxation (X_1)	0,370	0,101	0,484
taxpayer awareness (X_2)	0,195	0,118	0,200
application of e-filing (X_3)	0,176	0,088	0,210

4.2.3. Multiple Linear Regression Analysis

In light of table 4.2 it is realized that the aftereffects of numerous straight relapse testing acquired the accompanying condition:

$$Y = 2,200 + 0,370 X_1 + 0,195 X_2 + 0,176 X_3$$

From the equation model, it tends to be clarified that:

- If $\alpha = 2,200$ means that if the independent variables X1, X2 and X3 are considered constant or have a value of 0, then the dependent variable (Y), namely taxpayer compliance, will be worth 2,200.
- If the regression coefficient value of the tax knowledge variable shows the number 0.370, it means that the tax knowledge variable has increased by one (unit), while the other independent variables are constant (0) then the dependent variable (Y) will increase by 0.370.
- If the regression coefficient value of the taxpayer awareness variable shows the number 0.195, it means that the taxpayer awareness variable has increased by one (unit), while the other independent variables are constant (0), the dependent variable (Y) will increase by 0.195.
- If the regression coefficient value of the e-filing application variable shows the number 0.176, which means that the e-filing application variable has increased by one (unit), while the other independent variables are constant (0), the dependent variable (Y) will increase by one (unit). 0.176.

4.2.4. Hypothesis Test Results

Table 4.3. Partial Hypothesis Test (t-test) Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2,200	1,377		1,598	,115
	knowledge of taxation	0,370	0,101	0,484	3,668	0,001
	taxpayer awareness	0,195	0,118	0,200	1,651	0,104
	application of e-filing	0,176	0,088	0,210	1,999	0,050

In view of the aftereffects of information preparing that has been finished utilizing the assistance of the SPSS adaptation 25.0 program, it can be concluded that based on the results of the partial test hypothesis testing (t-test) shows the t count of 3.668 is greater than the t table of 1.99897, meaning that there is a significant effect of tax regulations on taxpayer compliance and this shows that tax knowledge is able to explain taxpayer compliance variables to shop owners who have partnered with Bukalapak in West Java.

In view of the results of information handling that has been carried out using the help of the SPSS version 25.0 program, it can be concluded that in light of the outcomes of the partial test (t-test) it shows that t is 1.651 smaller than t table of 1.99897 and the significance value that X₂ has as compulsory awareness 0.104 tax is greater than 0.05 or 5% of what has been determined, meaning that there is no significant effect of taxpayer awareness on taxpayer compliance.

Based on the results of data processing that has been carried out using the help of the SPSS version 25.0 program, it can be concluded that in light of the outcomes of testing the partial hypothesis test (t-test) shows that t is 1.999 greater than t table of 1.99897, meaning that there is a significant effect of the application. e-filing on taxpayer compliance and this shows that the application of e-filing is able to explain taxpayer compliance variables to shop owners who have partnered with Bukalapak in West Java.

Table 4.4. Simultaneous Hypothesis Test (F-test) ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	373,818	3	124,606	41,397	0,000 ^b
	Residual	186,621	62	3,010		
	Total	560,439	65			

In light of the outcomes of data processing that has been carried out using the help of the SPSS version 25.0 program, it can be concluded that based on the results of the simultaneous hypothesis testing (F-test), the F count

is 41.397 greater than the F table of 2.75. So that H_4 is accepted, meaning that together or simultaneously the independent variable consisting of knowledge of tax regulations, taxpayer awareness, and the application of e-filing has a significant effect on the dependent variable, namely the taxpayer compliance variable on shop owners who have partnered with Bukalapak in West Java.

5. Conclusion

1. The partial test results show that knowledge of taxation can be said to be very good and has a dominant relationship with taxpayer compliance. Therefore, knowledge of tax regulations has an effect on taxpayer compliance.
2. The partial test results show that taxpayer awareness does not affect taxpayer compliance. This can be caused in some cases the taxpayer awareness has a value which is quite contrary to the taxpayer's awareness.
3. The partial test results show that the application of e-filing can be said to be good and has a strong relationship with taxpayer compliance. Therefore, the application of e-filing has an effect on taxpayer compliance.
4. Simultaneous test results show that knowledge of taxation, taxpayer awareness and application of e-filing have a strong relationship with taxpayer compliance. Therefore, knowledge of tax regulations, taxpayer awareness, and application of e-filing have an effect on taxpayer compliance.

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