The Effect Of Application Of E-Filing, Tax Knowledge, Taxpayer Awareness, Tax Sanctions, Tax Socialization And Taxpayer's Level Of Confidence On Taxpayer's Compliance

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Abstract— **Tax is one of the sources of state revenue. The use of taxes includes personnel expenditures to financing various development projects in order to improve the welfare of the community. Therefore, the role of taxes is important in supporting the the operation of government and financing development. However, paying taxes is not straight forward in practice due to several reasons, such as (1) people do not pay taxes because they do not know how to pay taxes or the overall knowledge of taxes; (2) even though people know that they have an obligation to pay taxes, they do not have the awareness and willingness; (3) even though people know about the importance of paying taxes, they refuse to pay due to indifferenceness; (4) the level of public trust in the government influences people's compliance in paying taxes. This study utilizes quantitative research methods using primary data which was compiled from the questionnaires asked to individual taxpayers who are registered with the Kupang City Primary Tax Service Office. The results showed that the implementation of the e-filling system, tax knowledge and the level of trust of taxpayers did not affect taxpayer compliance. Meanwhile, tax awareness, tax sanctions and tax socialization affect taxpayer compliance.**

Keywords— **Taxes, tax awareness, the obligation to pay taxes**

I. Introduction

Tax is one of the sources of state revenue. The use of taxes includes personnel expenditures to financing various development projects in order to improve the welfare of the community. Therefore, the role of taxes is important in supporting the the operation of government and financing development. Even though tax revenue is one of the main state revenues, it still does not meet the target. One of the assessments that can be used to measure it is the level of compliance of taxpayers in paying taxes.

The tax collection system utilized in Indonesia is the Self Assessment System, where taxpayers are given the trust to calculate and report their own tax obligations. Even though the system is relatively convenient and simple, the payment process is quite challenging therefore the the Directorate General of Taxes launched the e-filing system in order to increase the effectiveness and efficiency of tax reporting. However, the tax revenue target has not ben fulfilled due to several reasons, such as (1) people do not pay taxes because they do not know how to pay taxes or the overall knowledge

of taxes even though it has been regulated by law. Therefore, socialization is needed so that people know that there is an obligation to pay taxes; (2) even though people know that they have an obligation to pay taxes, they do not have the awareness and willingness as they do not understand how taxes support the operation of government and financing development, also they find it difficult to report taxes; (3) even though people know about the importance of paying taxes, they refuse to pay due to indifferenceness. Therefore, law enforcement is needed in order to implement the deterrent effect; (4) the level of public trust in the government influences people's compliance in paying taxes (Purnamasari, 2017).

Therefore, this study was conducted with the aim of knowing the effect of the application of e-filing, tax knowledge, tax awareness, tax sanctions, tax socialization, and the level of trust of taxpayers on individual taxpayer compliance.

II. Literature Review

2.1. Tax

Tax is a mandatory contribution towards the state that is payable by an individual or entity; it is coercive under the law, with no direct individual compensation and is used for the needs of the state for the greatest prosperity of the people (Law Number 28 of 2007). Therefore, it can be concluded that taxes are levied by the state, either from the central government or local governments, and people have an obligation to pay taxes.

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2.2. Behavioral Theory

The Theory of Planned Behavior (Ajzen, 1991) explains that individual behavior is the result of the intention. Taxpayers who understand the way taxes operate will have confidence (behaviour belief) in tax reciprocity. Then, the perception of the strength of things that support and inhibit behavior (controlling beliefs) will follow.

Based on theoretical planned behavior (TPB), taxpayers will act consciously and take into account all available information. If the information on tax regulation can be disseminated, it may affect the taxpayers' decisions.

2.3. E-Filing System

The e-filing system is an electronic annual notification letter reporting management system. This system is an innovation from the government, specifically from the Director General of Taxes, which allows taxpayers to report annual notification letters faster at any time (Wulandari, 2016). Taxpayers believe that this electronic tax reporting system has generated benefits, which will form a positive attitude among Taxpayers and further increase the compliance of individual Taxpayers when submitting their annual notification letters.

2.4. Tax Knowledge

Knowledge of taxation means taxpayers understand general regulations, tax procedures, tax systems and tax functions (Anwar, 2015). Proper tax knowledge helps to improve the compliance in tax payment according to laws and regulations. Taxpayers cannot properly assess their behavior if they do not understand tax regulations and procedures.

2.5. Taxpayer Awareness

Suandy (2011) defines taxpayer awareness as follows: "Taxpayer awareness refers to the willingness of taxpayers to automatically fulfill their tax obligations, such as registering, calculating, paying, and reporting taxes owed".

2.6. Tax Sanctions

Control beliefs, in the theory of planned behavior (TPB), state that there are several factors that can inhibit individual behavior, such as tax sanctions which may encourage taxpayers to fulfill their tax obligations. Based on this theory, if the benefits obtained are not greater than the burden incurred, the taxpayer will not fulfill the tax obligations. Therefore, the higher the tax sanctions are imposed, the higher the taxpayer will comply.

2.7. Tax Socialization

Tax socialization is an approach done by the Director General of Taxes to provide general knowledge of taxes, including tax regulations and the right procedures, to the public, especially taxpayers (Rimawati, 2013).

2.8. Level of Confidence

The level of confidence in the government by taxpayers is a result of trusting the governmental institutions and tax laws. The existence of legal basis also contributes to the level of confidence as taxpayers feel reassured that the paid taxes will not be misused. This shows that both the perception of taxpayers on the level of confidence in the government and the law affect the level of compliance with tax obligations (Purnamasari, 2017).

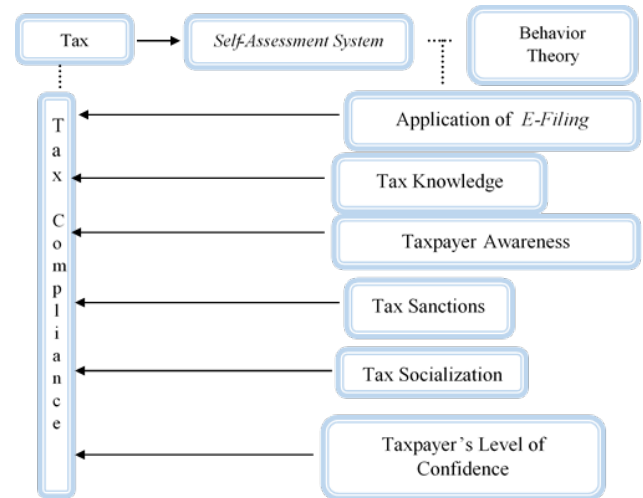Based on the explanation above, the researcher describes the framework as follows:

Fg. 2.1. Framework

III. METHOD

3.1. Population and research sample

A. The population in this study is individual taxpayers registered at the Kupang City Primary Tax Service Office, East Nusa Tenggara. Data shows that there are 202,619 individual taxpayers registered in 2022. Sampling in this study using purposive sampling method with the following criteria:

1. Individual taxprayers registered with KPP Pratama Kupang
2. Individual taxpayers aged 20 – 50 years oldfollows:

3.2. Data Collection Method

This study utilizes quantitative methods that will be obtained through primary data collection method in form of a questionnaire sent to individual taxpayers using a Likert scale.

The Likert scale score is as follows:

1 = Strongly Disagree (SD)
2 = Disagree (D)
3 = Neutral (N)
4 = Agree (A)
5 = Strongly Agree (SA)

Table 1. Data Collection

Variabel	Item	Pearson Correlation	Ket
Implementation of E-Flling	PSE 1	.732**	Valid
	PSE 2	.859**	Valid
	PSE 3	.819**	Valid
	PSE 4	.832**	Valid
	PSE 5	.863**	Valid
Tax Knowledge	PP 1	.644**	Valid
	PP 2	.707**	Valid
	PP 3	.665**	Valid
	PP 4	.597**	Valid
	PP 5	.711**	Valid
	PP 6	.720**	Valid
Taxpayer Awareness	KP 1	.742**	Valid
	KP 2	.820**	Valid
	KP 3	.788**	Valid
	KP 4	.722**	Valid
	KP 5	.727**	Valid
	KP 6	.695**	Valid
Tax Sanction	SP 1	.733**	Valid
	SP 2	.841**	Valid
	SP 3	.767**	Valid
	SP 4	.844**	Valid
Tax Socialization	SSP 1	.810**	Valid
	SSP 2	.836**	Valid
	SSP 3	.824**	Valid
	SSP 4	.773**	Valid
Taxpayer's Level of Confidence	TKP 1	.847**	Valid
	TKP 2	.873**	Valid
	TKP 3	.836**	Valid
	TKP 4	.770**	Valid
Tax Compliance	KPP 1	.859**	Valid
	KPP 2	.841**	Valid
	KPP 3	.882**	Valid
	KPP 4	.846**	Valid
	KPP 5	.839**	Valid

3.3. Data Analysis Method

The researcher will use the classical assumption test and multiple linear regression test with formulas as follows:

$$Y = \alpha + \beta X_1 + \beta X_2 + \beta X_3 + \beta X_4 + \beta X_5 + \beta X_6 + e$$

Note:
Y = Tax Compliance
X1 = Implementation of E-Flling
X2 = Tax Knowledge
X3 = Taxpayer Awareness
X4 = Tax Sanction
X5 = Tax Socialization
X6 = Taxpayer's Level of Confidence
 α = constant
 β = regression coefficient
 e = error

IV. RESULTS

4.1. Statistical Test Result

The number of questionnaires distributed in this study were 250 questionnaires and 135 questionnaires were returned.
The validity test is related to the instrument (Ghozali, 2016). If the Pearson Correlation value is greater than 0.141 then the instrument used in the study is valid. The results of the validity test for this study are as follows:

Based on table 1, it can be seen that the instruments on each variable in this study are valid and can be used to test this research

Reliability test is a test of respondents' consistency in answering questionnaire questions. Consistency of answers is usually tested with Conbrach Alpha. Nunnally (1994) provides a benchmark of 0.70 for a good internal consistency scale. The results of the reliability test in this study are as follows:

Table 2
Reliability test

Variabel	Koefisien Conbrach Alpha	Keterangan
Tax Knowledge	.811	Reliabel
Taxpayer Awareness	821	Reliabel
Tax Socialization	.812	Reliabel
Taxpayer's Level of Confidence	.818	Reliabel
Tax Compliance	.824	Reliabel

Based on table 2 above, it can be concluded that the instrument in this study is reliable. Therefore, it can be used to conduct research.

Table 3
Normality Test Results

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		135
Normal Parameters[a,b]	Mean	.0000000
	Std. Deviation	2.03875293
Most Extreme Differences	Absolute	.072
	Positive	.072
	Negative	-.066
Test Statistic		.072
Asymp. Sig. (2-tailed)		.087[c]

a. Test distribution is Normal.
b. Calculated from data.
c. Lilliefors Significance Correction.

The results show that the data in table 4.3 is normally distributed as indicated by the Kolmogrov_Smirnov test results with asympt.sig (0.087) > (0.05). So it can be concluded that the regression model used has met the assumption of data normality.

Table 4
Multicollinearity Test Results

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	TOTAL PSE	.556	1.797
	TOTAL PP	.392	2.550
	TOTAL KP	.492	2.034
	TOTAL SP	.614	1.629
	Total SSP	.532	1.879
	Total TKP	.663	1.509

The data in table 4 shows that the tolerance value is > 0.1 and the VIF value is < 10. So, it can be concluded that there is no correlation between the independent variables (Ghozali, 2011) in the regression model used in this study.

Table 5
Heteroscedasticity Test Results

Model		Sig.
1	(Constant)	.011
	TOTAL PSE	.870
	TOTAL PP	.564
	TOTAL KP	.060
	TOTAL SP	.157
	Total SSP	.179
	Total TKP	.981

The data in table 5 shows that all of the variables above have a significant value > 0.05 which means that the regression model has an inequality of variance from one observation residual to another observation (Ghozali, 2011).

The three classic assumption test results above meet the requirements so that multiple regression analysis can be used.

Table 6
R^2 Test Results

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.640[a]	.409	.381	2.086

a. Predictors: (Constant), Total TKP, TOTAL PSE, TOTAL SP, TOTAL KP, Total SSP, TOTAL PP

b. Dependent Variable: Total KPP

Based on table 6, the results show that the magnitude of R^2 is 0.381 or 38%, which means that the tax compliance variable can be explained by the variables of e-filling implementation, tax knowledge, tax awareness, tax sanctions, tax socialization and taxpayer confidence level of 38% and The remaining 62% is explained by other variables outside this model.

Table 7
F Test Results

ANOVA[a]

Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	385.442	6	64.240	14.763	.000[b]
	Residual	556.973	128	4.351		
	Total	942.415	134			

a. Dependent Variable: Total KPP
b. Predictors: (Constant), Total TKP, TOTAL PSE, TOTAL SP, TOTAL KP, Total SSP, TOTAL PP

From table 7 shows the results of the F test with ANOVA with a significant level less than 0.05, it can be concluded that the application of the e-filling system (PSE), tax knowledge (PP), tax awareness (KP), tax sanctions (SP), tax socialization (SSP) and the level of taxpayer confidence (TKP) have a significant effect simultaneously on the tax compliance variable (KP).

Table 8
T Test Results

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	5.805	1.812		3.204	.002
	TOTAL PSE	.086	.090	.088	.961	.339
	TOTAL PP	-.033	.100	-.036	-.335	.738
	TOTAL KP	.223	.086	.250	2.579	.011
	TOTAL SP	.196	.080	.213	2.451	.016
	Total SSP	.298	.118	.235	2.527	.013
	Total TKP	.072	.079	.076	.908	.366

a. Dependent Variable: Total KPP

From these results, the following equation can be drawn up:
Y = 5.805 + 0.086 X1 − 0.033 X2 + 0.223 X3 + 0.196 X4 + 0.298 X5 +0.072 X6 + e

From table 8, the results obtained
a. sig value. from the application of the e-filling system (PSE) to taxpayer compliance is 0.339. sig value. 0.339 > 0.05, the results show that the implementation of the e-filling system does not affect taxpayer compliance
b. sig value. of tax knowledge on taxpayer compliance is 0.738. sig value. 0.738 > 0.05, this indicates that the knowledge of taxpayers is not one of the factors that affect taxpayer compliance.
c. sig value. of tax awareness to taxpayer compliance is 0.011. sig value. 0.011 < 0.05, the results show that tax awareness affects taxpayer compliance.
d. sig value. of tax sanctions against taxpayer compliance of 0.016. sig value. 0.016 < 0.05, the results indicate that tax sanctions affect taxpayer compliance.
e. sig value. from the socialization of taxation to taxpayer compliance of 0.013. The value of sig 0.013 < 0.05, the results indicate that taxation socialization affects taxpayer compliance.
f. sig value. from the level of trust of taxpayers to taxpayer compliance of 0.366. sig value. 0.366 > 0.05, the results show that the level of taxpayer confidence does not affect taxpayer compliance.

4.2. Discussion result

A. Effect of E-Filling System Implementation on Taxpayer Compliance

The e-filing system is an electronic SPT reporting management system. The system is an innovation from the government, especially the Director General of Taxes, which allows taxpayers to report SPT faster at any time (Wulandari, 2016). The implementation of this system is expected so that taxpayers do not need to go to the tax office to report their taxes. However, the results of this study indicate that the application of the e-filling system has not been able to help taxpayers, especially in the KPP Pratama of Kupang City, to comply with their tax obligations.

B. The Effect of Tax Knowledge on Taxpayer Compliance

Knowledge is a condition for taxpayers to understand general regulations and tax procedures, tax systems and tax functions (Anwar, 2015). The existence of good tax knowledge helps to improve taxpayer compliance with the importance of paying taxes in accordance with tax laws and regulations. However, the results of the study show that there is no effect between tax knowledge and taxpayer compliance. This shows that the taxpayer's understanding of his obligations in paying taxes does not guarantee that the taxpayer will comply with his obligations.

C. The Effect of Tax Awareness on Taxpayer Compliance

Suandy (2011) defines taxpayer awareness as follows: "Taxpayer awareness refers to the willingness of taxpayers to automatically fulfill their tax obligations, such as registering, calculating, paying, and reporting taxes owed". The results show that tax awareness has an effect on taxpayer compliance. This shows that taxpayers have the will to fulfill their obligations. This is in line with research conducted by Dewi Kusuma and Rumiyatun (2017).

D. The Effect of Tax Sanctions on Taxpayer Compliance

The factor in question, namely tax sanctions, is one that can encourage taxpayers to fulfill their tax obligations. If the benefits obtained are not greater than the burden incurred, the taxpayer will not fulfill his tax obligations. The results show that tax sanctions have an effect on taxpayer compliance. Therefore, it can be concluded that the sanctions given to taxpayers will be a deterrent effect and become a factor that encourages taxpayers to fulfill their tax obligations. This is in line with research conducted by Komang Dewi Agustini and Ni Luh Sari Widhiyani (2019).

E. The Effect of Tax Socialization on Taxpayer Compliance

Tax socialization is an effort from the Director General of Taxes to provide knowledge to the public, especially taxpayers so that they can know all about taxes, including tax regulations and procedures in the right way (Rimawati, 2013). Therefore, it can ensure that socialization can increase taxpayer compliance required by the government to pay taxes and be useful. This is in line with research conducted by Komang Dewi Agustini and Ni Luh Sari Widhiyani (2019).

F. The Effect of Taxpayer Trust Level on Taxpayer Compliance

The emergence of a sense of trust in the government as a driving force for development caused by trust in government institutions and tax laws. This shows that the perception of taxpayers on the level of trust in the government and behavior that affects compliance with tax obligations (Purnamasari, 2017). The level of trust shows that the public believes that the government is one of the drivers of development but this does not encourage taxpayers to fulfill their tax obligations.

However, the results of the study show that there is no influence between the level of confidence in taxpayer compliance

CONCLUSION

a. The implementation of the e-filling system has no significant effect on taxpayer compliance
b. Tax knowledge has no significant effect on taxpayer compliance
c. Tax awareness has a significant effect on taxpayer compliance
d. Tax sanctions have a significant effect on taxpayer compliance
e. Tax socialization has a significant effect on taxpayer compliance
f. The level of taxpayer confidence has a significant effect on taxpayer compliance

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