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THE INFLUENCE OF TAXPAYER AWARENESS AND TAX OFFICER SERVICES REGARDING INDIVIDUAL TAXPAYER COMPLIANCE KPP PRATAMA BUKITTINGGI

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Abstract

This research aims to determine Taxpayer Awareness and Tax Officer Services regarding Mandatory Compliance Tax with a sample of 80 respondents. The data collection method related to the research problem was carried out using the questionnaire method. Data was taken in the month. The data analysis technique used in this research is the SEM (Structural Equation Modeling) analysis technique based on PLS variance. Research results from 80 respondents show that Taxpayer Awareness and Tax Officer Services at the Bukittinggi Pratama Tax Service Office in 2021 have an influence on Taxpayer Compliance.

Keywords: Taxpayer Awareness, Tax Employee Services, Taxpayer Compliance

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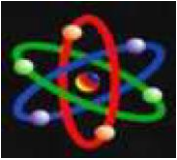
INTRODUCTION

Indonesia is a developing country where tax revenues and non-tax revenues are the main sources of income. According to Adriani (2016) "Tax is a contribution to the state (which can be enforced) which is owed by those who are obliged to pay it according to regulations, with no return, which can be appointed and whose purpose is to finance general expenses related to duties state to organize the government". In making tax payments, taxpayers must comply with the tax regulations in force in Indonesia, and the obligations of the Director General of Taxes as regulated in the Law on general provisions and tax procedures (UU KUP). According to Santoso (2008) taxpayer compliance is the willingness to fulfill their tax obligations in accordance with applicable regulations without the need for inspections, thorough investigations, warnings or threats and the application of law or administration. However, currently it is still said that taxpayer compliance in Indonesia is considered to be still low as seen from the level of tax compliance of the Indonesian people, seen from the level of the tax ratio which is still at 10.3%. Apart from that, the level of taxpayer compliance is also still lagging behind compared to other countries in the world. Asian level as happened in Malaysia and Vietnam[1]-[5].

In Indonesia, the tax collection system has undergone a change from an official assessment system to a self-assessment system since tax reform in 1983. The self-assessment system requires active participation from the community in fulfilling tax obligations (Waluyo, 2008).

High awareness and compliance from taxpayers is the most important factor in implementing the system (Supadmi, 2009). According to Jatmiko (2006) "awareness is a state of understanding or knowing". In this case, the definition of Taxpayer Awareness is a condition where the taxpayer understands or knows his or her tax rights and obligations. If the level of individual taxpayer awareness is high, the targets set will be met and state revenue from the tax sector will increase. However, currently there are many problems regarding Taxpayer Awareness which is still low. The low individual tax payments are more due to a lack of understanding of administration and taxpayers' ignorance of the tax benefits deposited at KPP Bukittinggi. Lack of knowledge regarding tax payments causes Taxpayer Awareness to decrease[6]-[8]. Tax Officer Service is an effort by the tax authorities or tax officers to serve consumers/service users, so that the services provided will foster a sense of trust, consumers feel they are being cared for and their needs are satisfied[9]. Good Tax Officer service will also have a good impact on the implementation of tax payments in Indonesia. However, currently it is still found that Tax Officer Services are still less than optimal or poor. The Directorate General of Taxes (Ditjen) Tax has developed a Tax Complaint Center (Tax Compliance Center) to increase public participation in supervising the Directorate General of Taxes in carrying out its duties and services to the community. Tax complaint centers in Bukittinggi in 2019 were 8,897 complaint whereas in year 2020 as much 9,390 And followed internet as many as 534 complaints. This indicates





an increase in tax complaints on the quality of Tax Officer Services [9]-[11]. Based on Law of the Republic of Indonesia No. 28 of 2007 concerning general provisions and procedures for taxation, what is meant by tax is a contribution to the state owed by an individual or entity that is coercive based on law without receiving direct compensation and is used for the state's needs for prosperity. the truth. According to Waluyo (2010) Taxpayers are individuals and entities, including taxpayers, tax cutters and tax collectors who have tax rights and obligations in accordance with the provisions of statutory regulations. taxation. According to Law number 11 of 2016 concerning General Provisions and Tax Procedures (UU KUP) article 1 paragraph 2, it is stated that a Taxpayer is an individual or entity who has tax rights and obligations in accordance with the provisions of laws and regulations in the field of taxation. The definition of Taxpayer above can be concluded that a Taxpayer is an individual or entity, including paying taxes, and tax collectors who have tax rights and obligations in accordance with the provisions of tax laws and regulations[12]-[15].

METHOD

This research is research that analyzes the facts that occur as influenced variables and investigates the influencing variables. This research approach uses a quantitative approach. The population in this research is all individual taxpayers registered at KPP Pratama Bukittinggi totaling 79.22 . In determining the number of samples in this study, the Solvin formula was used ,

which from the formula calculations obtained 100 samples.

Indicator Validity Test

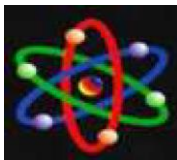
1. Convergent validity relates to the principle that the measures (manifest variables) of a construct should be highly correlated. The convergent validity test of reflexive indicators can be seen from the loading factor value for each construct, where the recommended loading factor value must be greater than 0.7 for confirmatory research , values above 0.5 are still acceptable while values below 0.5 must be removed from the model. , and the average variance extracted (AVE) value must be greater than 0.5.

2. Discriminant validity relates to the principle that measures (manifest variables) of different constructs should not be highly correlated. The way to test discriminant validity with reflexive indicators is by looking at the cross loading value for each variable which must be > 0.70 . Another method that can be used to test discriminant validity is to compare the square root of the AVE of each construct with the correlation value between constructs in the model.

Hypothesis testing can be seen from the t-statistic value to show the level of significance. To test the hypothesis using statistical values, for alpha 5% the t-statistic value used is 1.96 through the bootstrapping process . The criteria for acceptance/rejection of the hypothesis are:

1. If $\text{Sig} > 0.05$ and $t \text{ count} < t \text{ table}$ then H_0 is accepted or H_1 rejected.
2. If $\text{Sig} < 0.05$ and $t \text{ count} > t \text{ table}$ then H_0 is rejected or H_1 accepted.





RESULT AND DISCUSSION

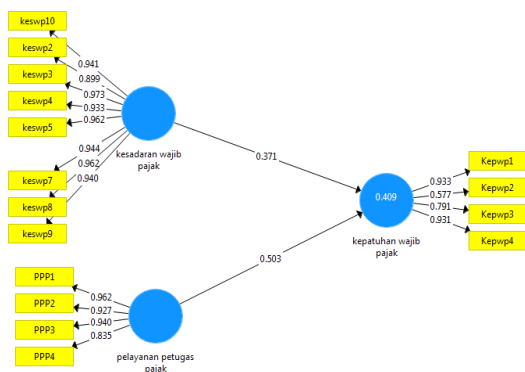


Figure 1. Path Diagram

Based on the path diagram above, this research consists of two variables, namely the Dependent Variable and the Independent Variable. The Dependent Variable in this research is Taxpayer Compliance (Y) with four indicators, while the Independent Variables are the Taxpayer Awareness variable (X1) with eight indicators, Tax Officer Services (X2) with four indicators, The number located between the latent variable and each indicator is a loading factor which describes the suitability of each indicator in measuring the latent variable. The numbers located between latent variables describe the path coefficient between variables. The number located in the circle in the latent variable is the R^2 value which describes the contribution of each independent variable to the independent variable.

Matrix	Taxpayer compliance	Taxpayer awareness	Tax officer services
Kepwp1	0.933		
Kepwp2	0.577		
Kepwp3	0.791		
Kepwp4	0.931		
PPP1			0.962
PPP2			0.927
PPP3			0.940
PPP4			0.835
Keswp10		0.941	

Keswp2	0.899
Keswp3	0.973
Keswp4	0.933
Keswp5	0.962
Keswp7	0.944
Keswp8	0.962
Keswp9	0.940

Table 1. Factor Loading Results

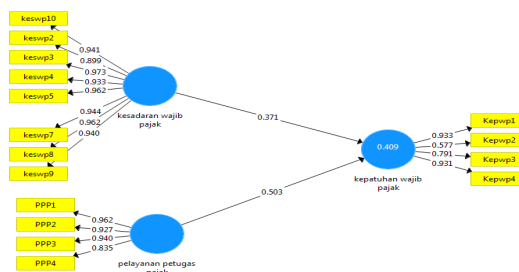


Figure 2. Path Diagram of Factor Loadings Values

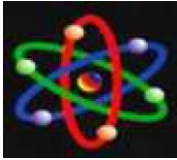
Based on the table and path diagram above, it can be concluded that all indicators have a loading factor greater than 0.5. These results show that all indicators have good convergent validity. Thus, the indicators are valid in measuring each latent variable.

Matrix	Average Variance Extracted (AVE)
Taxpayer Compliance	0.674
Tax Officer Services	0.842
Taxpayer awareness	0.892

Table 2. Discriminant Validity of Latent Variables with AVE Values

Based on the research results, it was found that the AVE value for each variable in this study was greater than 0.50, this means that all latent variables in this study had good discriminant validity. output results can be seen in the table below. Correlation of each indicator with the variable has a higher value than the correlation of the indicator with other variables. So it can be concluded that the





indicators for each variable have a good level of discriminant validity.

Matrix	Taxpayer compliance	Taxpayer awareness	Tax officer services
Kepwp1	0.933	0.274	0.529
Kepwp2	0.577	0.268	0.385
Kepwp3	0.791	0.371	0.231
Kepwp4	0.931	0.390	0.500
PPP1	0.512	-0.000	0.962
PPP2	0.500	0.007	0.927
PPP3	0.434	0.109	0.940
PPP4	0.459	0.080	0.835
Keswp10	0.437	0.941	0.105
Keswp2	0.318	0.899	-0.019
Keswp3	0.389	0.973	0.094
Keswp4	0.371	0.933	0.045
Keswp5	0.362	0.962	0.056
Keswp7	0.369	0.944	-0.016
Keswp8	0.351	0.962	0.050
Keswp9	0.373	0.940	0.039

Table 3. Discriminant Validity of Latent Variables with Cross Loading

To see the square root value of the average variance extracted (AVE) of the latent variable, you can see it in the Fornell – Larcker Criterion column below:

Matrix	Taxpayer Compliance	Taxpayer Awareness	Tax Officer Services
Taxpayer compliance	0.821		
Taxpayer awareness	0.396	0.945	
Tax officer services	0.521	0.050	0.917

Table 4. Discriminant Validity of Latent Variables with Fornell - Larcker Criterion

Matrix	Composite Reliability
Taxpayer compliance	0.889
Taxpayer awareness	0.985
Tax officer services	0.955

Table 5. Reliability Value of Each Research Variable

The table above shows that the composite reliability value for all latent variables ranges from 0.8 89 to 0.9 85 , meaning that the overall composite reliability value is greater than 0.7. These results indicate that

all latent variables have good composite reliability.

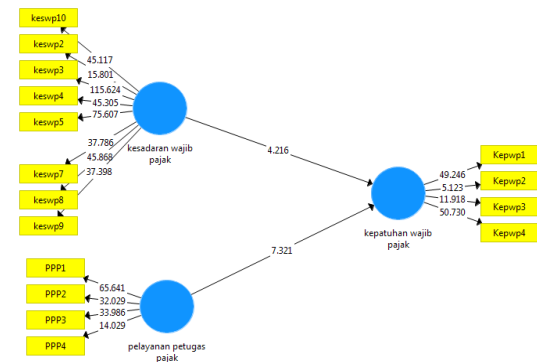


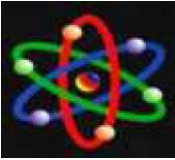
Figure 3. Path Coefficient Results of Path Model

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
Taxpayer awareness -> Taxpayer compliance	0.371	0.359	0.088	4,216	0,000
Tax officer services -> Taxpayer compliance	0.503	0.521	0.069	7,321	0,000

Table 6. Path Coefficient Results of Path Model

The hypothesis states that there is a partial influence of taxpayer awareness on taxpayer compliance. Based on the T-statistics value of 4.216 which is greater than the T-table 1.96 at a 95% confidence interval and at an alpha level of 5%, the p value is 0.000 < 0.05 so it can be concluded that the research hypothesis is acceptable or it can be said that partially there is an influence of taxpayer awareness





on taxpayer compliance. The original sample value is 0.371, so taxpayer awareness has a positive relationship with taxpayer compliance. The higher the awareness of taxpayers, the higher taxpayer compliance will be.

- The hypothesis states that there is a partial influence of tax officer services on taxpayer awareness. Based on the T-statistics value of 7,321 which is greater than the T-table 1.96 at a 95% confidence interval and at an alpha level of 5%, the p value is $0.000 < 0.05$ so it can be concluded that the research hypothesis is acceptable or it can be said that partially there is an influence of tax officer services on taxpayer awareness. The original sample value is 0.503, so tax officer services have a positive relationship with taxpayer awareness. The higher the quality of tax officers' services, the greater taxpayer compliance will be.

From the research results, the first hypothesis in this research is accepted, thus there is a significant influence between Taxpayer awareness and Taxpayer compliance at the Bukittinggi Pratama Tax Service Office. There is a significant influence between Taxpayer awareness and Taxpayer compliance indicating that mandatory compliance has increased. Taxes are caused by the Taxpayer Awareness variable who reports, pays the Annual SPT and by the existence of tax outreach which is carried out to encourage taxpayers to be obedient and obedient in paying taxes on time. The increase in taxpayer compliance carried out by the Primary Tax Service Office will affect taxpayer compliance in fulfilling their obligations in paying taxes. This

means that taxpayer awareness is in line with the level of taxpayer compliance. Taxpayer awareness is one of the factors that determines the level of taxpayer compliance at the Bukittinggi Primary Tax Service Office in carrying out its obligations the taxation. Tax Services _ influential significant to Taxpayer Compliance. This shows that if Tax Employee Services increase, Taxpayer Compliance will also increase. The existence of services that are supported by facilities such as spacious parking and air-conditioned areas, electronic queue numbers, tax forms, availability of banks in one KPP area making it easier for taxpayers to pay and report SPT, at one time , support IT or e-system. With these facilities, it can be said that KPP Pratama Bukittinggi has provided good service, so that taxpayers feel satisfied and ultimately can increase taxpayer compliance in carrying out their obligations.

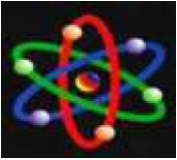
CONCLUSION

Based on the introduction, literature review and data processing as well as the discussion carried out in the previous chapter, the following conclusions can be drawn: There is an influence significant level of taxpayer awareness of taxpayer compliance, then there is an influence tax service services have a significant impact on taxpayer compliance.

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