

The Effect of Taxation Knowledge and Tax Sanctions to Taxpayer Compliance

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Abstract: This study is to know how the influence of taxation knowledge and tax penalty to taxpayer obedience on the entrepreneur's personal taxpayer in the Pratama Tax Service Office Bogor. The factors that is tested on this study is taxation knowledge and tax penalty as independent variable while taxpayer obedience as dependent variable. The sample that is used on this study is amount 100 respondents by using probability sampling method with slovin formula. While the analysis mehtode that is used on this study is multiple linear regression analysis on the significancy level amount 5% by using SPSS application. The result of this study show that taxation knowledge and tax penalty has influence significantly to taxpayer obedience in the Pratama Tax Service Office Bogor. While the amount of influence taxation knowledge and tax penalty on giving an influence contribution to taxpayer obedience as amount 80%.

Keywords: Taxation knowledge, Tax Sanctions, Taxpayer Compliance.

I. INTRODUCTION

Tax have two function are budgetair function is tax as source of funds to the government for finance expenses, and regulerend function is tax as a tool to manage or do a government regulation on social and economic sector (Mardiasmo, 2016:4). Tax become bigger source of acceptance on state budget (APBN) every years, this is a data about proportion of tax acceptance to the state budget (APBN) on five years since 2014 until 2018 :

Tabel 1
State Revenue On 2014 – 2018

Years	Tax Revenue	Non Tax Revenue	Revenue of Grants	Percentage of Tax Revenue
2015	1.240,4	253,7	10,4	82,4
2016	1.285,0	261,9	8,2	82,6
2017	1.125,1	266,7	3,8	80,6
2018	1.521,4	407,1	13,9	78,3

Source : Kemenkeu.go.id (The data is processed)

(on Trillion Rupiah)

Based on the data that is showed on the table 1.1 could be seen the percentage of tax revenue on the 2014 as amount 73,9%, on the 2015 as amount 82,4%, on the 2016 as amount 82,6%, on the 2017 as amount 80,6%, and on the 2018 as amount 78,3%. If it's seen from an amount of tax revenue on the 2018, there's an increase of tax revenue significantly as amount 396,3M. this is the best achievement. But if it's compared with the percentage of tax revenue on 2018 the result was

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decrease on the percentage as amount 2,3%. It's showed inconsistent on tax revenue in Indonesia so the government still need to increase revenue from tax sector.

In the field, there are many people unknow about the impotance to paytax or about the applicable rule of taxation. entrepreneur's personal taxpayer is getting closer to the tax violation than employee's personal taxpayer. It is cause they do a report themselves of their business. Related with that statement, this is the table about data of entrepreneur's personal taxpayer obedience in the Pratama Tax Service Office Bogor is started from 2014 until 2018.

Tabel 2

The level of Entrepreneur's Personal Taxpayer Obedience In The Pratama Tax Service Office Bogor

Year	Taxpayer Listed	SPT of Taxpayer	Percentage Level of Obedience
2015	28.629	5.345	18,6%
2016	29.567	6.980	23,6%
2017	32.148	8.133	25,3%
2018	34.412	10.125	29,4%

Source : KPP Pratama Bogor (The data is processed)

The table 1.2 is show that the level of entrepreneur's personal taxpayer in the Pratama Tax Service Office Bogor from 2014 until 2018 is low, otherwise the level of entrepreneur's personal taxpayer every year has increasing. Overall the level of entrepreneur's personal taxpayer in the Pratama Tax Service Office Bogor as amount 22,18%, it's show that SPT which sent to the office is not same with the amount of entrepreneur's personal taxpayer was listed. In the others word, entrepreneur's personal taxpayer was listed in the Pratama Tax Service Office Bogor hasn't not fulfill their taxation obligation, they only register themselves as taxpayer but they are miss their others tax obligation, beside that there are some taxpayer don't report their SPT, it's prove that although there are penalty factor that would be face to the taxpayer when they are not report their SPT correctly and on time, it's not make taxpayer wary or scare to the penalty of taxation.

The knowledge of taxation is considered be one of the factor has influence to the taxpayer obedience, cause without a knowledge of taxpayer about the taxation, so it's hard to taxpayer on doing their tax obligation (Arahman, 2012). And according Budi (2013) the knowledge about taxation become the most important thing, cause without have a right knowledge about taxation it would be taxpayer get a wrong way on doing a taxation procedure so that would be effect taxpayer get a penalty of taxation, cause getting a penalty taxpayer would be assume that the procedure of taxation has been complicated taxpayer so it would be decrease the obedience to taxation.

Based on the introduction that has been explain above, so the writer get the problems as follows :

1. How to influence taxation knowledge to the obedience of entrepreneur's personal taxpayer obedience in the Pratama Tax Service Office Bogor
2. How to influence the penalty of tax to the obedience of entrepreneur's personal taxpayer obedience in the Pratama Tax Service Office Bogor
3. How to influence taxation knowledge and tax penalty to the obedience of entrepreneur's personal taxpayer obedience in the Pratama Tax Service Office Bogor

II. LITERATURE REVIEW

1.1. Taxation Knowledge

Taxation knowledge is a knowledge about the concept of general requirements in the tax sector, the kind of tax applicable in the Indonesia start from subject of tax, object of tax, rates of tax, calculate of tax, record of tax payable until how to fill a tax report (Veronica Carolina, 2009:82).

The indicators on measuring a level of tax knowledge according Veronica Carolina (2009:82) are :

1. Taxpayer knowledge to the function of tax
2. Taxpayer knowledge to the rule of tax
3. Taxpayer knowledge to the registration as taxpayer
4. Taxpayer knowledge to the procedure of tax
5. Taxpayer knowledge to the rates of tax

1.2. Tax Penalty

Tax Penalty is a guarantee that the statutory tax regulations (taxation norms) will be followed/bediented. Or taxation of penalty is a tool to preventive so taxpayer not breaking up taxation norms (Mardiasmo, 2016:62). According Diana Sari (2013:270) there are to kind of tax penalty, are :

1. Administration Penalty

Administration Penalty consist of:

- a. Administration penalty like forfeit
- b. Administration penalty like interest
- c. Administration penalty like increasing

2. Criminal Penalty

UU KUP state that on the principle, criminal penalty is a last way to increase taxpayer obedience.

Criminal law is applied cause there are a violation and criminal. Related with that, in the tax sector, a violation and it's called negligence, is not planned, neglectful, and not aware, or not care to the tax obligation so that would be create a loss on state revenue. While crime is an act of deliberately ignoring tax obligations so that it can cause losses to the state revenue.

In the Indonesia Taxation Law, provisions concerning criminal sanctions are essentially regulated in chapter VIII of KUP Law as a formal tax law. However, in other tax laws, criminal sanctions can also be regulated. Criminal sanctions are usually accompanied by administrative sanctions in the form of fines, although not always there.

1.3. Taxpayer Compliance

According to Moh.Zain (2007:167), taxpayer compliance has an understanding that is a climate of compliance and awareness of fulfillment of tax obligations, reflected in situations where :

1. Taxpayers understand or try to understand all the provisions of the legislation
2. Fill in the tax forms completely and clearly
3. Calculate the amount of tax owed correctly
4. Paying the tax due on time

Whereas according to the Decree of the minister of finance No.544/KMK.04/2000, taxpayer compliance is an act of taxpayers to fulfill their tax obligations in accordance with the laws and regulations and in the implementation of taxation in force in a country. Taxpayer compliance can also be defined as taxpayer compliance in registering, calculating the amount of tax owed, and paying tax obligations.

Based on the minister of finance regulations number 74/PMK.03/2012, taxpayers are included in the category of taxpayers with the certain criteria or comliant taxpayers if they meet the following criteria:

- a. Timely in delivering notifications letter
- b. Don't have tax arrears for all types of taxes, except tax arrears that have obtained permission to pay in installments or delay tax payments
- c. The financial statements are audited by a public accountant or a government financial sepervisions agency with a fair opinion without exception for three consecutive years,and have never been convicted of a criminal act in the field of taxation based on a court decision that has permanent legal force within a period of 5 last year.

1.4. Tax knowledge and Taxpayer Compliance

With the increase in public taxation knowledge through taxation education both formal and non-formal will have a positive impact on understanding in paying taxes (Siti Kurnia Rahayu, 2013: 141). This is supported by the results of research by Banu Witono (2008) which states that tax knowledge has a significant effect on taxpayer compliance. The better the taxpayer's knowledge of tax regulations, the higher the level of tax compliance.

Based on the statement above, the first hypothesis is:

H1 : Knowledge of taxation affects taxpayer compliance

1.5. Tax Sanctions and Taxpayer Compliance

Tax sanctions are guarantees that the provisions of tax legislation (tax norms) will be obeyed / obeyed / obeyed. Or in other words, taxation sanctions are a preventive tool so that taxpayers do not violate taxation norms (Mardiasmo, 2016: 62). Imposition of tax sanctions is applied to create taxpayer compliance in carrying out its tax obligations. This is in line with the results of research by Rivan, Moh Rafki, and Kurnia (2018) which states that tax penalties have a positive effect on taxpayer compliance.

Based on the statement above, the first hypothesis is:

H1 : Tax sanctions affect taxpayer compliance

III. RESEARCH METHODOLOGY

1.6. Kind of Research

This type of research is a quantitative descriptive study. Data obtained from a sample of the study population were further analyzed using predetermined statistical methods and then interpreted.

1.7. Object of Research

The object of research used is the entrepreneur's personal taxpayers who are registered at the Bogor Primary Tax Service Office.

1.8. Method of Collecting Data

Data collection methods used in this study are as follows:

1. Field Research

It's a research conducted directly in the field to obtain data regarding issues that are the object of research by conducting the following techniques:

a. Observation

Observations is a complex process, a process that is composed of various biological and psychological processes. Two of the most important are observation and memory (Sugiyono, 2017:145).

b. Questionnaire

Questionnaire is a data collection technique that is done by giving a set of questions or written statements to respondents to answer (Sugiyono, 2017:142).

c. Interview

Interviews are used as data collection technique to find problems that must be examined, and also if researchers want to know things from respondents in more depth and the number of respondents is small (Sugiyono, 2017:137).

2. Library Research

Is a way to obtain secondary data through the disbursement of material through literature, magazines, reference books, and notes during a lectures, as well as other sources related to the problem being investigated in order to obtain theories to supplement the data needed.

1.9. Population and Sample

The population of this study is the entrepreneur’s individual taxpayer who is registered at the Bogor Primary Tax Service Office. The sample in this study was taken from the population of individual entrepreneur taxpayers in the Bogor Primary Tax Service Office who reported 10.125 tax returns (end of 2018). While the samples used were 100 respondent with the sampling technique using the slovin formula (Yusuf, 214:170).

1.10. Research Variable

The independent variable or the independent variable is a variable that can affect the dependent variable. In other words, changes in the value (variance) of the independent variables can cause changes in the value of the dependent variable (Nuryaman and Veronica Christina, 2015: 42). The independent variables in this study are tax knowledge and tax penalties.

The dependent variable or the dependent variable is the variable that is influenced by the independent variable. In other words, the value of the dependent variable is influenced by changes in the value of the independent variable (Nuryaman and Veronica Christina, 2015: 42). The dependent variable in this study is taxpayer compliance.

IV. RESULT AND DISCUSSION

4.1 Result of Research

Validity testing is done to find out whether the measuring instrument designed in the form of a questionnaire can really carry out its function. In testing the validity aims to determine whether the statements that have been applied in the questionnaire can measure existing variables. Based on the validity test of each variable, the test results show that these variables meet the validity criteria.

The reliability test is a measure of the stability and consistency of respondents in answering matters relating to questions that are a variable and arranged in a questionnaire. Reliability tests can be done together on all items for more than one variable. Based on the reliability test of each variable, the test results show that these variables meet the reliability criteria.

Based on Table 3 it appears that all the variables in this study have met the criteria for the classic assumption test.

Table 3

Classic Assumption Test

	Test		Test		Uji
	Normality		Multikolonierity		Heteroskedastisity
	Z	P	Tolerance	VIF	Sig
Unstandardized Residual	0,65	0,78			
	7	2			
Pengetahuan			0,502	1,990	0,190
Sanksi			0,452	2.211	0,051

Pearson correlation coefficient analysis measures the strength of the relationship and the direction of the variable. Both variables are measured on an interval scale. Below will be presented the results of Pearson correlation analysis test are as follows:

Table 4
Pearson Correlation Coefficient Analysis

		Taxpayer Compliance
Taxation Knowledge	Pearson Correlation	,706
	Sig. (2-tailed)	,000
	N	100
Tax Sanctions	Pearson Correlation	,766
	Sig. (2-tailed)	,000
	N	100

Source: SPSS Output Results

To answer the hypothesis of this research can be seen from the following table:

Table 5
Partial Hypothesis Testing

Model	Unstandardized Coefficients		Standardized Coefficients		Sig.
	B	Std. Error	Beta	t	
1 (Constant)	,012	,136		,087	,931
Taxation Knowledge	,155	,061	,161	2,556	,012
Tax Sanctions	,265	,068	,260	3,918	,000

Source: SPSS Output Results

Based on the results of hypothesis testing (f test), the significance value of the regression model is obtained simultaneously at 0,000, this value is smaller than the significance level of 0.1 (10%), which is $0,000 < 0.1$. In addition, it can also be seen from the results of a comparison between f_{count} and f_{table} that shows a value of f_{count} of 134.920 while F_{table} of 2.14. From these results it can be seen that $f_{count} > f_{table}$ is $134,920 > 2.14$, it can be concluded that H3 is accepted, meaning that together or simultaneously the tax knowledge and tax sanctions variables have a significant effect on the taxpayer compliance variable.

Based on the results of testing the coefficient of determination shows that the value of R^2 is 0.80 which means that the variability of the dependent variable is taxpayer compliance which can be explained by the independent variable namely the tax knowledge and tax sanctions variable in this study is 80%, while the remaining 20% is explained by other variables.

4.2 Discussion

Based on the results of the study showed that tax knowledge and tax sanctions significantly influence tax compliance. While the magnitude of the effect of tax knowledge and tax tax sanctions in contributing to the influence of tax compliance is 80.8%. The results of this study are supported by the theoretical basis in the previous discussion which states that taxpayer compliance is the most important factor of tax revenue. Tax compliance will produce many benefits both for tax authorities and for taxpayers themselves. Taxpayer compliance is a climate of compliance and awareness of fulfillment of tax obligations, reflected in situations where taxpayers understand or try to understand according to the provisions of tax legislation, fill tax forms completely and clearly, calculate the amount of tax owed correctly, pay taxes payable on time (Siti Kurnia Rahayu, 2013: 138).

Factors affecting taxpayer compliance include tax knowledge, and tax sanctions. The better quality of knowledge will provide the right attitude to fulfill obligations through the existence of a country's taxation system which is considered fair. With the increase in public taxation knowledge through taxation education, both formal and non-formal, it will have a positive impact on understanding and paying taxes. Tax counseling conducted intensively and continuously will increase the understanding of taxpayers about the obligation to pay taxes as a form of national mutual cooperation in collecting funds for the benefit of government financing and national development (Siti Kurnia Rahayu, 2013: 141).

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Compliant taxpayers are taxpayers who are aware of taxation, understand their tax rights and obligations and are expected to care about taxes, that is, carrying out tax obligations correctly and understanding their tax rights. With the increase in public taxation knowledge through taxation education both formal and non-formal will have a positive impact on the understanding of taxpayers in paying taxes (Siti Kurnia Rahayu, 2013: 141). Besides tax sanctions are also factors that affect taxpayer compliance. If this has developed among taxpayers, it will have an impact on compliance and awareness to meet their tax obligations and the need for counseling for taxpayers (Zain, 2007: 35). So the higher the tax knowledge and tax sanctions, the higher the tax compliance.

V. CONCLUSIONS AND RECOMENDATIONS

Based on the results of the study showed knowledge of taxation and tax sanctions affect taxpayer compliance. In addition, the results of the study also showed that tax knowledge and tax sanctions are included in the good category, but there are still some weaknesses that must be addressed. So the authors intend to submit some suggestions that are expected to be useful input for the parties concerned. The suggestions that researchers can convey based on the results of research that has been carried out are as follows:

1. Maximizing the use of social media as a means to provide information and education to the wider community, especially the Bogor community so that public knowledge and awareness about taxation is more open.
2. Collaborating with several universities in Bogor to make a "tax goes to campus" event or suggest each university to include tax subjects as compulsory courses for all students.
3. Carrying out strict supervision in giving tax sanctions to taxpayers who make mistakes or tax violations

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