ANALYSIS OF THE EFFECT OF TAXPAYER AWARENESS LEVEL OF TAXPAYER COMPLIANCE IN PAYING THE PROPERTY TAX IN PAKISJAYA, WEST JAVA, INDONESIA

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ABSTRACT---Tax has an important role in the Indonesian economy because it is one of the sources of state revenue used to finance state expenditure. Therefore, it is important for the Indonesian government to increase state revenue through the tax sector, including through increasing taxpayer compliance in paying taxes. However, at present the tax compliance in paying the Property Tax is still lacking. The purpose of this study was to determine the effect of the level of awareness of taxpayer compliance in paying Property Tax in Pakisjaya, Karawang Regency. The method in this study is a quantitative method with descriptive and verification research approaches. The population in this study are all individual taxpayers of Property tax in the Pakisjaya, Karawang regency and 100 taxpayers were set as a sample. Data analysis methods used are the classic assumption test, multiple regression analysis, coefficient of determination and hypothesis test. The type of data is primary data. The results showed that the level of awareness affected the compliance of taxpayers in paying the Property Tax in the District of Pakisjaya, Karawang Regency, significantly influence both partially and simultaneously. Thus, the government should make efforts to increase taxpayer awareness in paying Property taxes by intensifying socialization, counseling, as well as providing knowledge and understanding related to taxpayer awareness in paying Property taxes.

Keywords---Taxpayer Awareness, Taxpayer Compliance

I.   INTRODUCTION

Taxes are mandatory contributions to the state owed by individuals or institutions that are coercive based on the Law (UU), with no direct compensation and are used for the country's needs for the greatest prosperity of the people (UU 16: 2009). The tax sector is very helpful for the country in the welfare of Indonesian citizens because taxes have 2 functions: the budgetair and regularend functions. Budgetary function means that tax is one source of state revenue to finance state expenditure, while the regularend function means that tax serves as a tool for regulating government policies in the social and economic fields (Mardiasmo, 2016).

The tax sector is the largest source of revenue in Indonesia. The total tax revenue per 31 August 2018 reached Rp. 799.47 trillion rupiah. This realization is equivalent to 51.14 percent of the 2018 target for tax revenue in the 2018 revised state budget of Rp. 1,424 trillion rupiah. That number tends to increase by 16.52 percent compared to the same period in

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2017, which only reached 10.17 percent (www.liputan6.com). Thus, the tax sector becomes a sector that needs to be increased from year to year.

Property Tax (PBB) is a type of tax in Indonesia. Based on Law No. 28/2009 the United Nations is stipulated as the Property Tax for Rural and Urban Cities (PBB P2). PBB P2 is a tax on land and/or buildings owned, controlled and utilized by individuals or business entities in forestry and mining plantations (Yusnindar et al, 2015

Karawang Regency itself is one of the districts that has fairly rapid economic growth. Located in West Java with an area of   1,737.30 km^2, which has 30 districts and 309 villages. Karawang Regency is the location of several industrial estates, including Karawang International Industry City KIIC, Surya Cipta Area, Bukit Indah City Area or BIC on the Cikampek street (Karawang). One of the state-owned strategic industries also has its facilities in the row of the industrial estate,the Republic of Indonesia Public Money Printing Company (PERURI)which prints banknotes, coins, and valuable documents such as passports, excise tapes, stamp duty and so forth. In agriculture, Karawang is well-known as a rice barn in West Java. Karawang Regency Government is targeting revenue from the Property Tax (PBB) sector in 2018 to reach Rp. 232 billion. Up to October 15, 2018, it had reached 86.30 percent. Meanwhile, the target of regional own-source revenue (PAD) from the Property Tax sector in 2018 is Rp. 232,477,428,500 billion. Whereas the realization has reached Rp. 200,626,497,425. (www.TVBERITA.co.id) The community must be aware of the importance of paying the Property Tax because tax is one source of income for regional development.

Pakisjaya District is one of the districts in Karawang Regency with the plains that are generally used as agricultural areas, in Pakisjaya there is also a beach. If you see these potentials, especially from the Property tax sector, they should be able to be maximized even more, it is expected to have a significant influence on the economic growth of both the community and the economy of the Karawang regency government.

The following data is the realization income of Property Tax P2Pakisjaya district in 2017 and 2018.

Table 1: Realization of Property Tax Revenue P2 in Pakisjaya District 2017-2018

Year	Target	Realization	Percentage %
2017	632.290.588	314.086.520	52,3
2018	631.307.764	299.063.631	47,4

Source: Data PBB of Pakisjaya District

Graph 1: Realization of Property Tax Revenue in Pakisjaya District 2017-2018

From Table 1 above, the realization of Property Tax P2 in 2017 is Rp. 314,086,520 and in 2018 is Rp. 299,063,631. The realization of Property Tax P2 in Pakisjaya District has decreased from 2017 to 2018. There has been a decrease of

Rp.15,022,889 or 4.9%. This is due to a lack of awareness and understanding of the benefits of the Property Tax P2 payment.

One way to maximize Property Tax P2 revenue is to increase taxpayer compliance in payingProperty Tax P2 (Setiaji and Nisak, 2017; Widiastuti and Laksito, 2014; Muniroh and Budiyanto, 2012). Obedience means obeying the rules. According to Asriyani and Susena (2016), taxpayer compliance is a condition where taxpayers obey, fulfill, and carry out tax obligations in accordance with the provisions of tax legislation. Bearing in mind the importance of taxpayer compliance with P2 Property Tax receipts, it is necessary to examine in depth the factors that influence taxpayer compliance in paying Property TaxP2.

The research of Yusnindar et al (2015) conducted in Jombang District, Jombang Regency, revealed that factors affecting taxpayer compliance in paying Property Tax P2 include the awareness of taxpayers and service quality. Taxpayer awareness is defined as a willingness to carry out obligations by contributing to the state in supporting development. In this case, taxpayer awareness can be realized through timely and exact tax payments. Another factor that is thought to influence the compliance of taxpayers in paying the Property Tax P2 is service quality. Service quality according to Yusnidar et al (2015) includes 2 aspects: the method of delivering SPPT and Property Tax services. First, the SPPT service method is from the revenue department and the management of the Regional Assets is channeled to the village office according to the taxpayer's domicile. Through the village office, the SPPT is handed over to the RW. Then, the SPPT was presented by the RW chairman to the RT to be submitted to the taxpayer. Secondly, the Property Tax P2 service here is a payment mechanism that is made as simple as possible, that is, the taxpayer only needs to carry a nominal amount of tax payable of SPPT of the Property Tax P2 if paying in the Kelurahan Office. If the taxpayer pays at the bank, the taxpayer will be assisted by the bank officer.

Based on the description above, the authors are interested in conducting further research on the Property Tax, especially regarding **"The Effect of Taxpayer Awareness Levels on Taxpayer Compliance in Paying Property Taxes inPakisjaya District".**

Formulation of the Problem

Problem formulations in this research are:

1) How is the level of influence of taxpayer awareness of Property tax receipts in the Pakisjaya district?
2) How is the level of influence of taxpayer awareness of taxpayer compliance in paying Property taxes in Pakisjaya district?

Research purposes

Based on the problem formulation above, the objectives of this study are:

1) To find out the level of influence of taxpayer awareness onProperty tax revenue in Pakisjaya district.
2) To find out the effect of taxpayer awareness on taxpayer compliance in paying Property taxes in Pakisjaya district.

II.   Literature review

Taxpayer Awareness

According to Pohan's opinion. (2014: 125) concerning taxpayer awareness that:

"Awareness of taxpayers today is still relatively low. The phenomenon is not only found among the lower-class people who have limited insight and knowledge about tax, but also among the taxpayers of the community who have known the function and the role of the property tax. Awareness and compliance fulfill tax obligations depends on the willingness of the taxpayer, to what extent the taxpayer will comply with the provisions of tax legislation."

Meanwhile, according to Nur UswatunKhasanah (2017: 17) states that:

"To increase public awareness in paying taxes, understanding is needed forpeople why they have to pay taxes and what is the function of state revenue from taxes"

Property Tax

According to AjiSuryo (14-2) Property tax is the tax imposed or charged on land & buildings. According to ErlySuandy, 2005-61) the Property tax is a tax which is material in nature and the amount of the tax is determined by the state of the earth / Property objectto someone in certain ways that require sensitivity and interpersonal relationships to create satisfaction and success " (Abdul Hadi et al., 2019).

Taxpayer Compliance

According to Siti KurniaRahayu (2010: 138) that,

"Compliance means submitting to or complying with the rules. So, taxpayer compliance can be interpreted as submitting, obeying and complying with taxpayers in carrying out their taxation rights and obligations in accordance with applicable tax laws".

Theoretical Framework

Framework thinking is a flow that visualizes thinking methods that are written into a form that is related to the variables to be observed and the procedures for measurement and expectations of research results. The framework in this study can be described as follows.
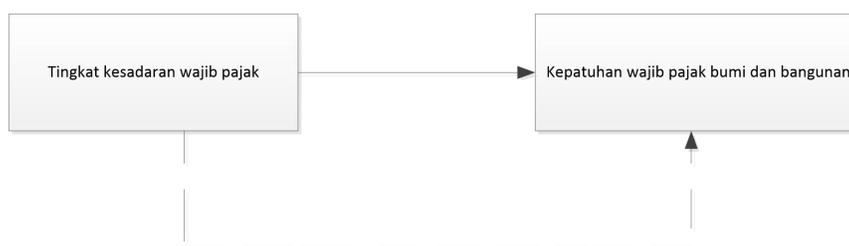
III. Research Methodology

This type of research is exploratory research that is research that aims to explain how the relationship between variables of a phenomenon that is being studied. This is in accordance with the purpose of this study, to explain how the relationship between these variables, whether the relationship results in strengthening or weakening. Researchers in this explanatory research use a theoretical framework and hypotheses to be used as a reference explanation (Sugiyono, 2014).

Population is the area of generalizationwhich consists of objects / subjects that have certain qualities and characteristics that are determined by researchers to be studied and then drawn conclusions (Hikmah, 2014). The population in this study are all property taxpayers in the Pakisayja District, Karawang Regency. Sugiyono (2011)

suggested that the sample is part of the number and characteristics possessed by the population. The determination of the sample of this study used the Slovinformula technique. The sample is set 100 people taxpayers. The data collection method used in this study was a questionnaire. There are two variables in this study: the independent variable (X) and the dependent variable (Y). The independent variable is the level of awareness, the dependent variable is taxpayer compliance. According to Sugiyono (2014) quantitative analysis method is an analysis technique in which the data is in the form of numbers by comparing through calculations and their application with various appropriate statistical formulas. Hypothesis testing in this study uses multiple linear regression analysis. Hypothesis testing simultaneously using the F-test, and partial testing using the t-test. Before testing the hypothesis, testing the quality of the data consists of validity and reliability of the data.

IV. RESULTS AND DISCUSSION

Determination Coefficient Test Results (R^2)
Determination Coefficient Test Results (R^2)

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.586[a]	.343	.336	2.57428

a. Predictors: (Constant), X

Based on the Determination Coefficient Test Results Table, the value of Adjusted R^2 is 0.336, this means that 33.6% dependent variable taxpayer compliance in paying Property taxes can be explained through the independent variable taxpayer awareness. While the remaining 66.4% is influenced by other variables such as tax income (Imaniyah&Handayani, 2008: 17), taxation socialization (Kurniawan, 2006: 32), understanding of the procedures for paying taxes (Rachman, 2008: 19), and others.

Simultaneous Significance Test Results (F-Test)
Simultaneous Significance Test Results

ANOVAª

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	339.313	1	339.313	51.202	.000[b]
	Re	649.4	9	6.62		

sidual	37	8	7			
Total	988.7 50	9 9				

a. Dependent Variable: Y

b. Predictors: (Constant), X

Based on Simultaneous SignificanceTest Results (F Test), that the calculated F_{count} value was obtained at 51,202 with a significant level of 0,000. Because the significant level is less than 0.05, it can be said that the awareness of taxpayers has simultaneous and significant influence on the compliance of taxpayers in paying Property tax in the Pakisjaya District

Partial Significance Test Results(T-test)

Partial Significance Test Results (T-test)

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	6.906	3.050		2.265	.026
	X	.997	.139	.586	7.156	.000

a. Dependent Variable: Y

Based on the Table of Partial Significance Test Results (t test) it can be seen that the value of t_{count} variable level of taxpayer awareness has a significant value of 0.026 smaller than 0.05 (0.02 <0.05) it can be concluded that the level of taxpayer awareness influences significantly to taxpayer compliance in paying Property taxes in the Pakisjaya District.

CLOSING

V.   Conclusion

Based on the results of the research that has been done, it can be concluded that the variable X level of taxpayer awareness significantly influences the variable Y taxpayer compliance in paying Property taxes in the Pakisjaya District, Karawang Regency.

VI.   Recommendation

Recommendations that researchers can tell are as follows:

So that the level of awareness and compliance of taxpayers in paying Property taxes increases, the government should make efforts to increase taxpayer awareness in paying Property taxes (Saudi, 2018). Efforts can be made in the form of intensifying socialization, counseling, as well as providing knowledge and understanding related to the level of taxpayer awareness in paying Property taxes in the Pakisjaya sub-district of Karawang regency.

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