Effect of Voluntary Disclosure Program and Tax Sanctions on Individual Taxpayer Compliance (Case Study at the Gianyar Primary Tax Service Office)

DBM Ari Saputra [1][*] **, IW Karman** [2] **, P Subiyanto** [3]

[1] Managerial Accounting Undergraduate Study Program ,Departement of Accounting, Bali State Polytechnic
[2] Managerial Accounting Undergraduate Study Program ,Departement of Accounting, Bali State Polytechnic
[3] Managerial Accounting Undergraduate Study Program ,Departement of Accounting, Bali State Polytechnic
E-mail: dewamas011@gmail.com [1][*] , Iwayankarman@pnb.ac.id [2] , iin_paul@yahoo.com [3]

Abstract: The government issued various tax policy reforms with the aim of encouraging national economic recovery. One of these policies is to regulate the Voluntary Disclosure Program , where one of the policies in the PPS is the abolition of tax sanctions. Amendments to taxation legislation, especially the law on general provisions and taxation procedures, are intended to provide more justice, improve services to taxpayers, increase certainty and law enforcement, increase tax administration transparency and improve taxpayer compliance. The purpose of this study was to determine how much influence the Voluntary Disclosure Program and Tax Sanctions on Individual Taxpayer Compliance partially or simultaneously. This study analyzes primary data from questionnaires distributed to 100 individual taxpayers registered at KPP Pratama Gianyar obtained by calculating the slobin formula using a random sampling technique. This type of research is descriptive quantitative using data analysis methods, namely multiple linear regression analysis, t test and f test using the SPSS version 22 application. The results of this study indicate that the Voluntary Disclosure Program and Tax Sanctions have a positive and significant effect on Mandatory Compliance Tax either simultaneously or partially.

Keywords: Voluntary Disclosure Program, Tax Sanctions, Compliance, KPP Pratama Gianyar

Introduction

Tax laws and regulations continue to be refined in line with economic, information technology, social and political developments. Amendments to taxation legislation, especially the law on general provisions and taxation procedures, are intended to provide more justice, improve services to taxpayers, increase certainty and law enforcement, increase tax administration transparency and improve taxpayer compliance.

Taxpayer compliance is an act of being obedient and aware of the orderliness of payment and reporting of periodic and annual tax obligations from taxpayers in the form of a group of people and/or capital which is a business in accordance with the applicable tax provisions. Success in tax administration requires high taxpayer compliance.

Taxpayer compliance is one of the factors that affect tax revenue. Tax revenue that is less than optimal is due to the low sense of compliance of taxpayers to carry out their obligations. The low condition of taxpayer compliance is indicated by the small number of taxpayers registered as taxpayers and the few taxpayers reporting their tax obligations. The following is a table of taxpayer compliance levels at KPP Pratama Gianyar from 2017 to 2021.

Table 1 .

KPP Pratama Gianyar Compliance Data for 2017-2021

Year	Number of reg-istered taxpay-ers (person)	Taxpayer who sub-mits SPT (person)	Compliance Rate
2017	157.062	13,567	45.14%
2018	168,208	13.021	42.50%
2019	181.626	14,506	42.08%
2020	285.506	9.951	38.37%
2021	294,973	10,461	24.12%

Source: KPP Pratama Gianyar, 2022

Based on Table 1, it can be seen that there is a decrease in taxpayer compliance from 2017 to 2021 by 21.02%. The level of compliance is not proportional to the increase in taxpayers who are required to submit an SPT. Based on the level of compliance, it can be seen that there is a difference of 75.88 % of Individual Taxpayers who have not fulfilled the obligation to submit SPT. This figure indicates that taxpayer non-compliance is still relatively high, so the government continues to strive to carry out various programs in order to increase tax revenue.

During the Covid-19 pandemic, the government issued various tax policy reforms with the aim of encouraging national economic recovery. In 2021 the government issued Law Number 7 of 2021 concerning the Harmonization of Tax Regulations (UU HPP). One of the contents of the HPP Law is to regulate the Voluntary Disclosure Program . Amendments to the Law on the Harmonization of Tax Regulations come into effect on October 29, 2021. Meanwhile, the Voluntary Disclosure Program policy is effective from January 1, 2022 to June 30, 2022.

The Voluntary Disclosure Program is an opportunity for taxpayers to report/disclose tax obligations that have not been fulfilled voluntarily through the payment of income tax based on asset disclosure.

In addition to reforms in the form of changes to the Law on Harmonization of Tax Regulations and the Voluntary Disclosure Program, tax sanctions are also an important factor in improving tax compliance. In research conducted by Alifiyah and Latifah (2017), it is stated that taxpayers already know the form of sanctions given if they violate tax rules so that taxpayers' perceptions of tax sanctions tend to be detrimental and scary.

The research objective to be achieved by the author is to see how the influence of the Voluntary Disclosure Program and Tax Sanctions on Individual Taxpayer Compliance at KPP Pratama Gianyar, either simultaneously or partially.

Method

This research was conducted at the KPP Pratama Gianyar which is located on Jalan By.Pass Dharma Giri, Buruan Village, Blahbatuh District, Gianyar Regency, Buruan, Kec. Gianyar, Gianyar Regency, Bali 80581. This research was conducted from March 2022 to July 2022. This type of research is descriptive quantitative research. This study uses primary data collected through questionnaires filled out by respondents who are individual taxpayers registered at KPP Pratama Gianyar using the slovin formula and random sampling method. In addition, data from this study were also obtained from documentation in the form of archives and written documents as a description of the data studied. Based on the research objectives and the characteristics of the data obtained, the data analysis technique used multiple linear regression analysis techniques as well as t-test and f-test to see the effect of the data simultaneously and partially.

Results and Discussion

1. Voluntary Disclosure Program

The voluntary disclosure program is an opportunity for taxpayers to report/disclose tax obligations that have not been fulfilled voluntarily through the payment of income tax based on asset disclosure. There are

two conditions behind the creation of this policy, the first is that there are tax amnesty participants who have not declared all assets at the time of tax amnesty. Secondly, there are still individual taxpayers who have not disclosed all of their income in the 2016 to 2020 annual tax returns. The voluntary disclosure program aims to improve taxpayer voluntary compliance which is carried out based on the principles of simplicity, legal certainty, and benefits .

2. Tax Sanctions

   Tax sanctions are consequences issued by the government in preventing and overcoming taxpayers who dispute their tax obligations. The indicators contained in the tax sanctions are:
   2.1. As a taxpayer, you must know that the 20th of the following month is the deadline for reporting each month.
   2.2 As a taxpayer must be aware of any delays in reporting their tax obligations will be subject to sanctions

3. Taxpayer Compliance

   Compliance means submitting or obeying the teachings in taxation, we can give an understanding of tax compliance as obedience, submission, and obedience as well as carrying out tax provisions. So, obedient taxpayers are taxpayers who obey and comply with and carry out tax obligations in accordance with the provisions of tax laws and regulations.

In this study, the research hypothesis testing was carried out using multiple linear regression analysis, t test (partial), and f test (simultaneous), the following is a table of hypothesis testing results:

Table 2.
Multiple Linear Regression Analysis Test Results

Variable	Regression Coefficient	T	Sig.	F	Adjusted R Square
Constant	2,467	1,950	0.054	111,736 Sig (0.000)	0.691
X1	0.465	6,108	0.00		
X2	0.440	5,314	0.00		

Source: Researcher Data Processed Results, 2022

- Multiple Linear Regression Analysis

   Based on the description of Table 4.8, the form of the multiple linear regression equation in the relationship between each independent variable and the dependent variable can be written as follows:

$$Y = 2.467 + 0.465X_1 + 0.440X_2 + e \tag{1}$$

The description of the equation is:
   a. The constant value of 2.467 indicates that compliance Individual taxpayers (Y) will be worth 2,467 points if the variables of the Arela Disclosure Program (X1) and the Tax Sanctions variable (X2) are 0.
   b. The Voluntary Disclosure Program Variable (X1) shows a positive effect on individual taxpayer compliance (Y) with a regression coefficient of 0.465. The number 0.465 indicates that individual taxpayer compliance (Y) will increase by 0.465 points if another variable, namely tax sanctions (X2) is 0 or constant. The positive sign (+) means that this variable has a direct effect on individual taxpayer compliance (Y). It can be assumed that if the voluntary disclosure program variable increases by 1 unit, the resulting taxpayer compliance value will increase by 0.465 points and vice versa if the value of the voluntary disclosure program decreases by 1 unit, the taxpayer compliance value will decrease by 0.465 points.
   c. The Tax Sanctions variable (X2) shows a positive effect on taxpayer compliance (Y), with a regression coefficient of 0.440. The number 0.440 indicates that individual taxpayer compliance (Y) will increase by 0.440 points if the other variable, namely the voluntary disclosure program (X1) is 0 or constant. The positive sign (+) means that this variable has a direct effect on individual taxpayer compliance (Y).

It can be assumed that if the tax sanctions variable increases by 1 unit, the resulting taxpayer compliance value will increase by 0.440 points and vice versa if the value of the voluntary disclosure program decreases by 1 unit, the taxpayer compliance value will decrease by 0.440 points.

- t test (Partial)

    This test is conducted to be able to assess how much the independent variable affects the dependent variable partially/individually. The effect of each variable will be seen from the magnitude of the t-count obtained from data processing using the SPSS program and then a comparison is made with the t-table value used is the 95% confidence level so, a = 5% : 2 = 2.5% (two-sided test) and degrees of freedom (df) = (nkl) = 100 – 2 – 1 = 97 (n = number of data and k = number of independent variables). With a 2-sided test (significance 0.025) the results of the t-table are + 1.98472 or – 1.98472, if the significance value of the t-test is less than 0.05, it means that each variable has a partially significant effect. Based on the t-value calculate each variable presented in Table 4.8 and the t-table is +1.984 or -1.984 then the results of the analysis of the influence of each dependent variable can be explained as follows:

    a. The Influence of the Voluntary Disclosure Program (X1) on Taxpayer Compliance (Y). Based on Table 2, the regression coefficient value of 0.465 indicates that the voluntary disclosure program has a significant effect on taxpayer compliance. Strengthened by the results of the t-count of the voluntary disclosure program variable of 6.108 with a significance value of 0.000. It means that the t-count value > t-table (6.108 is greater than 1.984) and the t-count significance is < 0.05 (0.000 is less than 0.05). Thus, H1 which is the voluntary disclosure program has a positive and significant effect on accepted taxpayer compliance.

    b. The Effect of Tax Sanctions (X2) on Taxpayer Compliance (Y). Based on Table 2, the regression coefficient value of 0.440 indicates that tax sanctions have a significant effect on taxpayer compliance. Strengthened by the results of the t-count of the tax penalty variable of 5.314 with a significance value of 0.000. It means that the t-count value > t-table (5.314 is greater than 1.984) and the t-count significance is < 0.05 (0.000 is less than 0.05). Thus, H2, namely tax sanctions, has a positive and significant effect on taxpayer compliance.

- f test (simultaneous)

    The f test aims to determine the effect of variable X on variable Y simultaneously (together). The f-test can be done using two references that can be used as a basis for decision making, first by looking at the significance value (sig), secondly by comparing the f-count value with the f-table. To see the effect of all variables simultaneously from the large number of f-count values obtained from the results of data processing using the SPSS program as Table 2. After getting the f-count values, they will be compared with the f-table values by setting a 95% confidence level so that a = 5%, degrees of freedom or df 1 (number of variables-1) or 3-1=2 and df 2 (nkl) or 100-2-1= 97 (n = number of data and k = number of independent variables) then the result f- table is 3,09 . Based on the f-table value of 3.09 and the f-count value of 111.736 which means the f-count value > f-table (111.736 greater than 3.09) and the result of the f-count significance value <0.005 (0.000 less than 0.005) which means that the independent variables, namely the voluntary disclosure program (X1) and tax sanctions (X2) have a positive effect on individual taxpayer compliance (Y). Thus, H3 is accepted.

- Discussion

    a. The Influence of the Voluntary Disclosure Program on Taxpayer Compliance. Based on the results of testing hypothesis 1 (H1), it is stated that the voluntary disclosure program has a positive and significant effect on taxpayer compliance. This means that the voluntary disclosure program issued by the government where the program is an opportunity for taxpayers to report/disclose tax obligations that have not been fulfilled voluntarily through the payment of income tax based on asset disclosure affects the compliance of individual taxpayers at KPP Pratama Gianyar. So that in line with the objectives of this program, it is expected to be able to restore the economy with a focal point of improving the budget deficit and increasing the tax ratio by implementing policies to improve tax revenue performance, reforming tax administration, creating a tax system with the principles of justice and legal certainty. and improve voluntary tax compliance.

b. The Effect of Tax Sanctions on Taxpayer Compliance. Based on the results of testing the second hypothesis (H2), it is stated that tax sanctions have a positive and significant effect on taxpayer compliance. This means that the existence of administrative sanctions in the form of a number of fines imposed on taxpayers who have not fulfilled their obligations has a positive effect on individual taxpayer compliance at KPP Pratama Gianyar.

c. Effect of Voluntary Disclosure Program and Tax Sanctions on Taxpayer Compliance. Based on the results of testing the third hypothesis (H3), it is stated that the Voluntary Disclosure Program and Tax Sanctions have a positive and significant effect on taxpayer compliance. This means that the existence of a voluntary disclosure program as an opportunity for taxpayers to report/disclose tax obligations that have not been fulfilled voluntarily based on the disclosure of assets has succeeded in increasing voluntary taxpayer compliance. In addition, with the abolition of tax administrative sanctions of 200% of income tax that is not or underpaid in accordance with Article 18 (3) of Law Number 11 of 2016 concerning Tax Amnesty. As contained in the first policy for participants of the voluntary disclosure program, both individual and corporate taxpayers who previously participated in the tax amnesty on the basis of disclosure of assets as of December 31, 2015 that had not been disclosed at the time of participating in the tax amnesty had a positive and significant effect on the compliance of individual taxpayers in Indonesia. KPP Pratama Gianyar.

Conclusion

The Voluntary Disclosure Program has a positive and significant impact on taxpayer compliance because the Voluntary Disclosure Program is a good opportunity for taxpayers to report their tax obligations. One of the advantages for participants of this voluntary disclosure program is that they avoid the sanctions of Article 18 (3) of the TA Law, for participants who follow the first policy. Meanwhile, participants who take part in the second opportunity can also take advantage of the opportunity to get a low final income tax rate if part of their assets are invested in SBN/downstream/renewable energy. With this program, taxpayers become more enthusiastic in reporting their tax obligations, thereby directly increasing their tax compliance.

Tax sanctions have a positive and significant effect on taxpayer compliance because tax sanctions are one of the determining factors that have an impact on taxpayer compliance, with sanctions in the form of administrative sanctions and criminal sanctions can force taxpayers to carry out their tax obligations. Because if the tax obligations are not carried out properly, the taxpayer will be subject to sanctions according to the applicable rules. Taxpayers will of course be obedient to pay taxes if the tax sanctions are considered to be more detrimental to them, the more severe the violation is, the more severe the tax sanctions imposed will be.

The Voluntary Disclosure Program and Tax Sanctions have a significant and significant effect on Taxpayer Compliance due to the abolition of sanctions in article 18 (3) of the TA Law for participants of the Voluntary Disclosure Program the first policy can increase taxpayers' interest in participating in PPS so as to increase compliance taxpayer. In addition, the existence of administrative sanctions in the form of fines forces taxpayers to carry out their tax obligations so that the goals of the government can be achieved.

Acknowledgement

Reference

Alfiyah, N., & Latifah, SW (2017). The Influence of the Implementation of Sunset Policy, Tax Amnesty, and Tax Sanctions on Individual Taxpayer Compliance. *Journal of Accounting and Finance Review, 7(2)* , 1081-1090.

Diana, A., & Setiawati, L. (2014). *Taxation Theory and Current Regulations.* Yogyakarta: Andi Offset.

Ghozali. (2016). *Application of Multivariate Analysis with IBM SPSS Program 23 Edition 8.* Semarang: Diponegoro University Publisher.

Hasanah, U., Na'im, K., Elyani, & Waruwu, K. (2021). Comparative Analysis of Tax Amnesty Volume I and Volume II (Voluntary Disclosure Program) and the Chances of Success. *Accounting Research & Journal, 5(2)* , 706-716 https://doi.org/10.33395/owner.v5i2.565.

Indonesia, MK (2012). *Regulation of the Minister of Finance of the Republic of Indonesia Number 74/PMK.03. concerning Procedures for Determination and Revocation of Taxpayer Determination with Certain Criteria for Preliminary Refund of Excess Tax Payments.* Indonesia: Minister of Finance of the Republic of Indonesia.

Irawan, F., & Raras, P. (2021). Voluntary Disclosure Program to Improve Tax Compliance During the Covid-19 Pandemic *My Carrier,1(2)* , 86-93.

Karnedi, NF, & Hidayatulloh, A. (2019). The Influence of Tax Awareness, Tax Sanctions and Tax Amnesty on Individual Taxpayer Compliance. *Profita: Scientific Communication of Accounting and Taxation, 12(1)* , 1-9 DOI:10.22441/profita.2019.v12.01.001.

Morrisan. (2014). *Survey Research Methods.* Jakarta: Kencana prenada media group.

Ngadiman, & Huslin. (2015). The Effect of Sunset Policy, Tax Amnesty and Tax Sanctions on Individual Taxpayer Compliance. *Journal of Accounting 19(2)* , 225-241 http://journal.tarumanagara.ac.id/index.php/jakt/article/.

Taxes, D. (2007). *Law No.28 of 2007 concerning Amendments to Law Number 6 of 1983 concerning General Provisions and Tax Procedures.* Indonesia: President of the Republic of Indonesia.

Tax, D. (2008). *Income Tax Law (PPh) Number 36 of 2008.* Indonesia: Ministry of Finance of the Republic of Indonesia.

Permana, RK (2020). Tax Amnesty Effectiveness, Impact and Success in Indonesia. *Journal of Accounting and Business Krisnadwipayana, 7(3)* , 95-102 DOI: http://dx.doi.org/10.35137/jabk.v7i3.450.

Prabandaru, A. (2019, August 02). Know Tax Compliance Indicators Through Self Assessment System. *Tax Planning* , pp. https://klikpajak.id/blog/ketahui-indikator-kepatuhan-pajak/.

Official, S. (2014). *Taxation: Theory and Cases Edition 8 Book 1.* Jakarta: Salemba Empat.

Rorong, EN, Kalangi, L., & Runtu, T. (2017). The Influence of Tax Amnesty Policy, Taxpayer Awareness and Tax Sanctions on Individual Taxpayer Compliance at KPP Pratama Manado. *Journal of Accounting Research Going Concern 12(02)* , 175-187.

Safri. (2021). The Effectiveness of the Tax Amnesty Volume II Program and Success Factors and Problems Lessons Learned from Tax Amnesty Volume I. *Jurnal Mitra Manajemen, 12(2)* , 11-22.

Sudiartini, LP, Yuniarta, GA, & Kurniawan, PS (2017). The Influence of Tax Administration Reform, Taxpayer Attitudes and Tax Sanctions on Individual Taxpayer Compliance at the Gianyar Pratama Tax Service Office. *e-Journal S1 Ak Ganesha University of Education, 8(2)* , DOI:https://doi.org/10.23887/jimat.v8i2.14582.

Sugiyono. (2014). *Qualitative Quantitative Research Methods and R&D.* Bandung: Alphabeta.

Sugiyono. (2021). *Quantitative, Qualitative, and R&D Research Methods.* Bandung: Alphabeta.

Waluyo. (2014). *Indonesian Taxation.* Jakarta: Four Salemba.