

The Effect Of Tax Understanding Using E-filing On Taxpayer Compliance with Personal Tax Awareness as an Intervening Variable

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Abstract: The low tax revenue target is due to the lower level of taxpayer compliance. E-filing is a new breakthrough made by the Directorate General of Taxes as a tax reform in Indonesia in reporting SPT. This study aims to determine the understanding of taxation, tax awareness and the use of e-filing on the compliance of individual taxpayers registered at KPP Pratama Gianyar. The total population at KPP Pratama Gianyar in 2022 is 309,554 individual taxpayers, and calculates the sample using the slovin formula. Analyzing the primary data in the study, it was obtained from questionnaires distributed to 100 individual taxpayer respondents. Statistical testing in testing the hypothesis using the Partial Least Square (PLS) test tool with SmartPLS version 3.0. Analysis results show: (1) Tax understanding has a positive and significant effect on individual taxpayer compliance, (2) tax awareness has a positive and significant effect on individual taxpayer compliance, (3) E-filing has a positive and significant effect on individual taxpayer compliance, and (4) Tax awareness can moderate the nature of strengthening the relationship of the effect of tax understanding on tax compliance. This research is expected to be able to explore again about tax awareness as an intervening variable.

Keywords: Understanding of taxation, Tax Awareness, E-filing, Taxpayer Compliance

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Introduction

Revenue in a country serves to support sustainable development and overcome social problems, prosperity and public welfare called taxes (Museum, 2019). The role of taxes can be felt in national development through the facilities provided by the state, such as in the fields of education, health, and transportation (Venti & Sandra, 2021). The compliance ratio of individual taxpayers has not been able to reach 85% until 2022, with the total number of registered individual taxpayers, can be seen from Table 1.

Table 1. Individual Taxpayer Compliance Ratio of KPP Pratama Gianyar 2018-2022

Description	Of the year				
	2018	2019	2020	2021	2022
Number of Registered WPOPs Mandatory SPT	168.198	181.615	285.490	294.957	309.554
Number of Annual Income Tax Returns	70.801	69.715	68.941	82.710	60.665
Compliance Ratio	42,09%	38,39%	24,15%	28,04%	19,60%

Source: Primary data processed, year 2022

The level of awareness and level of compliance greatly affect the ratio of taxpayer compliance. In table 1, the taxpayer compliance ratio fluctuates from year to year. Tax awareness can be interpreted as being obedient to paying and reporting taxes in improving the welfare of people from various sectors in Indonesia (Oktaviani et al., 2017). The rapid development of technology and information has made DGT make new breakthroughs in increasing taxpayer compliance in Indonesia by utilizing the e-filing (Andiani & Mochtar, 2020). This aims to make it easier for taxpayers to report taxpayers without the need to come directly to the

tax office, and there is no term delay in paying taxes, because the use of e-filing is very easy to apply (D. Pawama et al., 2021). The number of individual taxpayers who report SPT using e-filing at KPP Pratama Gianyar increases every year. However, from the data in Table 1 which explains that the ratio has not yet reached 85%, which results in the use e-filing an ineffective (Hardika et al., 2022).

Tax revenue in the Bali region in particular has also decreased. The closure of entry access to tourists and the closure of tourist attractions have caused the cessation of types of businesses in Bali such as accommodation providers, (food and beverage), service and transportation industries (Made & Puspa, 2022). When compared to previous years, the shortfall in tax revenues has been going on for quite a while since 2009.

Method

Quantitative study that analyzes primary data obtained from the distribution of questionnaires to respondents. This research was conducted at KPP Pratama Gianyar which lasted for 5 months from February to July 2022. The data collection method was in the form of documentation in the form of data on the number of individual taxpayers registered at KPP Pratama Gianyar, and the number of reports using e-filing at KPP Pratama Gianyar, and using the direct survey method by distributing questionnaires directly to respondents in obtaining primary data. The population of individual taxpayers at KPP Pratama Gianyar is 309,554 individual taxpayers. Respondents in this study are samples that are representative of the population determined by purposive sampling technique (Lenaini, 2021). Calculating the research sample using the slovin formula which produces 100 individual taxpayers as the research sample (Sugiyono 2017:8). Each indicator is given an assessment with research weights using a 5-point Likert.

Result and Discussion

In testing using PLS there are two models, namely the outer model and the inner model where the outer model is used to see that the variable is valid and reliable, while the inner model is used to determine the relationship to the construct, and the value is significant.

1. Outer Model

In the outer model, three tests are carried out, namely convergent validity, discriminatory validity and reliability tests. Convergent validity is used to measure the reliability of each indicator with the provisions of the loading factor > 0.70 . Discriminator validity is seen from the average variance extracted (AVE) construct > 0.50 (Ghozali & Latan, 2015: 40). The output results of the average variance extracted (AVE) value are presented in Table 2.

Tabel 2. Average Variance Extraced (AVE)

Construct	AVE	Requirement AVE	Description
Understanding of taxation (X_1)	0,586	$>0,500$	Valid
Tax Awareness (X_2)	0,601	$>0,500$	Valid
E-Filing (X_3)	0,628	$>0,500$	Valid
Taxpayer Compliance (Y)	0,617	$>0,500$	Valid

Source: Primary data processed, year 2022

Based on Table 2 which shows the AVE value of each variable exceeding 0.50 it can be said to be valid and has met the provisions of discriminatory validity. Reliability test aims to find out from the instrument in construct measurement. The value of the reliability test is seen from the value of Cronnbach's alpha and composite reliability where more than 0.70 is called reliable. The output results of Cronnbach's alpha and composite reliability are presented in Table 3.

Tabel 3. Cronnbach's Alpha dan Composite Reliability

	Cronnbach's Alpha	Composite Reliability	Requirement	Description
Understanding of taxation (X_1)	0,824	0,876	>0,700	Reliabel
Tax Awareness (X_2)	0,889	0,913	>0,700	Reliabel
E-Filing (X_3)	0,851	0,894	>0,700	Reliabel
Taxpayer Compliance (Y)	0,844	0,889	>0,700	Reliabel

Source: Primary data processed, year 2022

Based on Table 3 which shows the value of Cronnbach's alpha and composite reliability with a value that exceeds 0.70 which can be said to be reliable because it has fulfilled the value of Cronnbach's alpha and composite reliability in the reliability.

2. Inner Model

Evaluation of the inner model is used to determine the strength of the estimate on the latent variable as seen from the value of R Square (R^2). R square > 0.75 (strong), R square value 0.50-0.75 (moderate) and 0.25-0.50 (weak) (Ghozali & Latan, 2015:78). The results of the R square in this study are shown in table 4.

Tabel 4. R-Square

	R Square	Ajusted R Square
Tax Awareness (X_2)	0,775	0,773
Taxpayer Compliance (Y)	0,868	0,864

Source: Primary data processed, year 2022

Seen in table 4, it is explained that the R-Square results about understanding taxation have an effect of 77.5% which can be said to be strong on tax awareness, while understanding of taxation, tax awareness and the use of e-filing has a value of 86.8% which can be said to be strong also on taxpayer compliance.

3. Hypotesis Testing

The test results calculated using Bootstrapping on the SmartPLS version 3.0 program have a direct and indirect effect. hypothesis testing Bootstrapping can be seen in table 5.

Tabel 5. Path Coefficient (Bootstrapping)

	Original Sample	T Statistics	Values
Understanding of taxation (X_1) -> Taxpayer Compliance (Y)	0,397	3,186	0,002
Tax Awareness (X_2) -> Taxpayer Compliance (Y)	0,270	2,289	0,022
E-Filing (X_3) -> Taxpayer Compliance (Y)	0,317	2,910	0,004

Source: Primary data processed, year 2022

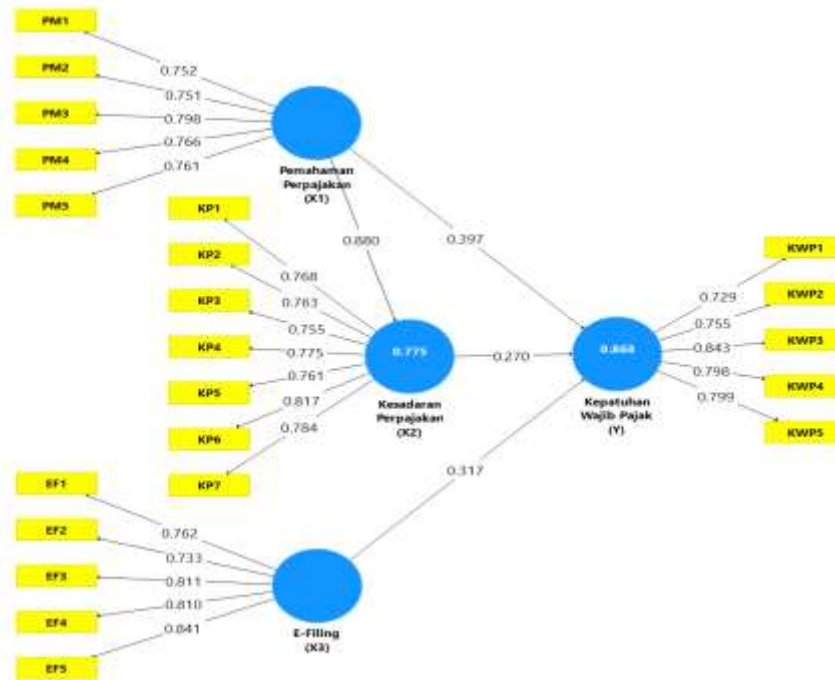
Table 5 shows that the understanding of taxation on taxpayer compliance produces a coefficient of 0.397 and a T-statistic value of 3.186 where the T-statistic value exceeds 1.96 which means that there is a significant effect. Tax awareness on taxpayer compliance produces a coefficient of 0.270 and a T-statistic value of 2.289 where the T-statistical value of 2.289 > 1.96 which means significant. E-filing on taxpayer compliance produces a coefficient of 0.317 and the T-statistic value of 2.910 exceeds 1.96 which means there is a significant effect.

Tabel 6. Specific Indirect Effects (Bootstrapping)

	Original Sample (O)	T Statistics	P Values
Understanding of taxation (X ₁) -> Tax Awareness (X ₂) -> Taxpayer Compliance (Y)	0,238	2,252	0,025

Source: Primary data processed, year 2022

Table 6 shows that the understanding of taxation on taxpayer compliance through tax awareness produces a coefficient of 0.238 and a T-statistic value of 2.252. Where the T-statistic value of 2,910 > 1.96 means that there is a significant effect. In testing the hypothesis using SmartPLS, the results of the Bootstrapping are presented in Figure 1.



Source: Primary data processed, year 2022

Figure 1. Output Bootstrapping PLS

In the first hypothesis (H₁), tax understanding (X₁) positively and significantly affects taxpayer compliance (Y). Supported by TPB theory which explains behavior belief in which taxpayers understand about tax sanctions, regulations, calculation and tax reporting. Control also has a perception, which explains the fact that taxpayers know about tax consequences and feel motivated in tax administration, which is related to belief in control. The results of this study are in line with the research supported by (Saragih, 2017) and research (Wardani & Nistiana, 2022) which explains that tax understanding has a positive and significant effect on taxpayers' compliance with the conclusion that the level of taxpayers. "The understanding of taxes is high. the higher the level of taxpayers' compliance. Understanding taxes can increase taxpayers' awareness of complying with tax regulations in terms of infrastructure sustainability and the rest of the country's development. The

second hypothesis (H₂) tax awareness (X₂) positively and significantly effect on tax compliance (Y). Research results support TPB Behavioral Belief Theory Explaining Belief in Paying Civic Responsibilities Tax awareness of taxpayers, especially individual taxpayers, is that the taxpayer performs a self-assessment system in the taxpayer's own calculation, payment, and reporting. The results of this study are consistent with a study conducted by (Mutia, 2022) supported by (Wea, 2022) research that explained that the higher the tax awareness of taxpayers in fulfilling their tax obligations, this can affect the increase in tax liability. and penalties will help increase taxpayer compliance.

The third hypothesis (H₃) with the use of electronic filing (X₃) positively and significantly effect on the payment obligation of individual taxpayers (Y). The theory supporting this study is the TAM

theory, which emphasizes perceived usability, which facilitates the use of technology in an electronic filing system designed to facilitate SPT reporting and more accurate results in SPT reporting in the tax administration. The use of electronic transmission, which is confidential and personal, is possible in real time. Supported by previous research from (Indrianto et al., 2022); (Siregar & Putri, 2022) who found that electronic filing can help taxpayers report tax returns on obligations, rationalizing taxpayer time. Due to the convenience offered by electronic filing, it can promote taxpayer interest to improve taxpayer compliance.

The fourth hypothesis (H4) tax perception X1 on taxpayer compliance (Y) through tax awareness (X2). This study shows that tax awareness may mediate the relationship with tax understanding of individual taxpayer compliance. (Risnan, 2022) to support the results of the study It is explained that tax awareness has a positive and significant nature. The mention of tax awareness supports the link to tax understanding for taxpayer compliance. Therefore, the role of tax awareness can be a mediator between tax understanding and taxpayer compliance. Where better tax understanding includes increasing tax awareness and taxpayer compliance

Conclusion

Based on the results of hypothesis testing and the discussion described in the previous chapter on the effect of understanding taxation, the use of e-filing on individual taxpayer compliance with tax awareness as an intervening variable can be concluded as follows:

1. Understanding of taxation has a positive and significant impact on individual taxpayer compliance at KPP Pratama Gianyar.
2. Tax awareness has a positive and significant effect on taxpayer compliance at KPP Pratama Gianyar. This explains that the more taxpayers are aware of taxation, the compliance of individual taxpayers will increase.
3. E-filing has a positive and significant effect on taxpayer compliance at KPP Pratama Gianyar. This means that the more taxpayers use e-filing in tax reporting or SPT, the higher the tendency for taxpayer compliance.
4. Tax awareness can mediate the relationship between tax understanding and taxpayer compliance at KPP Pratama Gianyar. This explains that awareness can assist taxpayers in increasing taxpayer compliance.

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