

THE EFFECT OF CHANGING RATES POLICY AND LAYERS OF PERSONAL INCOME TAX ON INDIVIDUAL TAXPAYER'S COMPLIANCE

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Abstract: This study aims to examine the effect of the policy of changing rates and layers of individual income tax on individual taxpayer compliance. This research was conducted at KPP Pratama South Badung. This study uses quantitative method. The population in this study are individual taxpayers who are registered at the Pratama South Badung Tax Service Office. This study analyzed primary data obtained through questionnaires with a total sample of 100 respondents. The test variable in this study uses Simple Linear Regression Analysis using the IBM SPSS version 25 application program. This study shows the results that the policy of changing rates and individual income tax layers has a significant effect on individual taxpayer compliance. This research is expected to add insight for further researchers and further researchers can add other variables besides the policy variable for changing rates and individual income tax layers.

Keywords: rates and layers, personal income tax, taxpayer compliance

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Introduction

The many developments carried out in various sectors are currently aimed at improving the welfare of the community, so that it requires quite a lot of funds to be able to realize the development. One of the sources of funds can be sourced from tax collection as one of the main types of income for the Indonesian government. In order to maximize state revenues from the taxation sector, real efforts are needed, and they are implemented through government policies. Some of these efforts are by intensification or by extensification of taxation. Tax intensification can increase the number of taxpayers and can increase the number of taxpayer compliance. Extensification efforts can be made by expanding the tax object that has not been explored (Utthavi & Ayuni, 2018). Taxpayers are said to be obedient in taxation if they comply with taxation in accordance with applicable laws and regulations. Taxpayer compliance is easiest to see administratively or what is called formal compliance. Formal compliance is a condition for taxpayers to formally fulfill their tax obligations in accordance with the Taxation Law (Nurmantu, 2010). Formal compliance includes the extent to which taxpayers comply with tax procedural and administrative requirements, including tax reporting and filing requirements and tax payment deadlines.

Based on articles published on the official website of the DJP there was a 9.41% decrease in the number of annual income tax return reports as of May 1, 2020 compared to 2019. There were 10.97 million SPT reported in 2020, and The total number of reported Annual SPT was 12.11 million SPT in 2019

Table 1. Ratio of Decrease in Number of Annual SPT Reports in 2020

SPT 1770	SPT 1770 S	SPT 1770 SS	SPT 1771
16,67%	8,20%	10,26%	10,73%

Table 1 shows that the ratio of the largest decline in the number of reported Annual SPTs comes from WP OP, namely the SPT 1770 form by 16,67%, where in 2019 there were 1.2 million SPT reported and in 2020 it was 1 million SPT reported. SPT 1770 S decreased by 8,20%, in 2019 by 6,1 million and in 2020 by 5,6 million SPT reported. SPT 1770 SS decreased by 10.26%, in 2019 by 3,9 million and in 2020 by 3,5 million SPT reported. SPT 1771 decreased by 10,73%, in 2019 it was 736 thousand and in 2020 it was 657 thousand.

Table 2. Total Tax Revenue from Individual Taxpayers KPP Pratama in Bali in 2020

No	Name of KPP Pratama	Employee	Non Employee	Total Receipts
1	Denpasar Barat	33.770.567.009	136.299.645.551	170.070.212.560
2	Gianyar	76.720.954.787	67.252.582.135	143.973.536.922
3	Badung Utara	54.835.768.215	79.823.762.045	134.659.530.260
4	Denpasar Timur	35.860.463.126	96.897.343.951	132.757.807.077
5	Badung Selatan	28.750.365.547	81.148.583.650	109.898.949.197
6	Singaraja	8.697.396.677	85.588.976.570	94.286.373.247
7	Tabanan	12.377.818.467	68.778.779.923	81.156.598.390

Based on the table above, it can be seen that the KPP Pratama Badung Selatan is in the order of the three lowest levels of individual taxpayer receipts.

Table 3. Individual Taxpayer Compliance Level at KPP Pratama South Badung 2018-2020

Tax Year	Number of Registered Taxpayers	Effective Taxpayer	Realization of SPT Receipts	Compliance Rate
2018	47.133	32.662	16.806	51,45%
2019	49.996	35.494	18.762	52,86%
2020	52.694	38.222	17.837	46,67%

Based on table 3, it can be seen that the compliance of individual taxpayers at KPP Pratama Badung Selatan has fluctuated with the realization of SPT submission as an indicator at an average of 50%. Based on this, it shows that taxpayer compliance at KPP Pratama Badung Selatan is relatively low.

The Government of Indonesia in its efforts to ease the burden on taxpayers who experience a decrease in income is by changing the rates and layers of Personal Income Tax which is subject to the lowest income tax rate of 5% for Taxable Income (PKP) of Rp 60 million from the previous Rp 50 million and adding layers of 35% for PKP above Rp 5 billion while Non-Taxable Income (PTKP) is fixed. The policy regarding tariffs and layers is regulated in UU No. 7 tahun 2021 concerning Harmonization of Tax Regulations. This income tax rate and layer policy is expected to be useful for low and middle income people to pay lower taxes than before, and for individual taxpayers who are more capable and have higher incomes, they will pay more taxes so that it is expected to improve equity and benefit low-income people and medium.

The tax policy to improve individual taxpayer compliance is considered to be less successful because the Article 21 income tax rate does not have a significant effect on income tax income 21, while non-taxable income has a negative and significant effect on income tax income 21 (Pramana, 2021). While changes in tax rates have a significant effect on taxpayer compliance (Apriliawati & Muhammad, 2021).

Based on the background and phenomenon of the policy on changes in rates and layers of Personal Income Tax and there is still no study regarding changes in rates and layers of Personal Income Tax which will come into effect in 2022, especially for individual taxpayer compliance at KPP Pratama Badung Selatan, the problems to be formulated can be formulated. It is known that is, does the policy of changing rates and layers of personal income tax affect the compliance of individual taxpayers?

Method

This research is a quantitative study, which describes the important information obtained from the distribution of the survey. The poll in this study uses a 5-point Likert scale to identify every reaction or opinion of the respondents. The respondents of this study were samples determined by the Stratified Random Sampling technique. The research sample was calculated using the slovin formula, which resulted in 100 taxpayers as the research sample. In this review, the poll was submitted via Google Form. The test variable in this study uses Simple Linear Regression Analysis using the IBM SPSS version 25 application program.

Result and Discussion

A. Description of Research Results

1. Characteristics of respondents

This study categorizes respondents against several characteristics, namely the gender of the respondent, the age of the respondent, the respondent's occupation, and the respondent's income

Table 4. Data on respondent characteristics

Description	Frequency	Percentage
Gender		
Male	54	54%
Female	46	46%
Age		
< 20 Tahun	1	1%
21 - 30 Tahun	78	78%
31 - 40 Tahun	16	16%
> 40 Tahun	5	5%
Profession		
Private employees	28	28%
Civil servant	16	16%
Businessman	23	23%
Other	33	33%
Income		
Rp 60 million	18	18%
>Rp 60 million - Rp 250 million	33	33%
>Rp 250 million - Rp 500 million	12	12%
>Rp 500 million - Rp 5 billion	20	20%
> Rp 5 Billion	17	17%

2. Results Validity test

The test has minimum requirements that must be completed. So, a question item is said to be valid if r count $>$ r table, with r table of 0,197

Table 5. X Variable Validity Test Results

Pernyataan	r Hitung	r Tabel	Keterangan
X1	0,673	0,197	Valid
X2	0,595	0,197	Valid
X3	0,648	0,197	Valid
X4	0,738	0,197	Valid
X5	0,535	0,197	Valid
X6	0,573	0,197	Valid
X7	0,630	0,197	Valid
X8	0,583	0,197	Valid
X9	0,640	0,197	Valid
X10	0,617	0,197	Valid

Table 6. Y Variable Validity Test Results

Pernyataan	r Hitung	r Tabel	Keterangan
Y1	0,614	0,197	Valid
Y2	0,537	0,197	Valid
Y3	0,729	0,197	Valid
Y4	0,746	0,197	Valid
Y5	0,718	0,197	Valid
Y6	0,685	0,197	Valid
Y7	0,725	0,197	Valid

Pernyataan	r Hitung	r Tabel	Keterangan
Y8	0,717	0,197	Valid
Y9	0,580	0,197	Valid

3. Results Reability test

The tests carried out in this study were calculated using Cronbach alpha of each element in a variable. The instrument used for each variable is declared reliable if it has a Cronbach's alpha exceeding 0.70

Table 6. Variable Reability Test Results

No	Variabel	Cronbach Alpha	Keterangan
1	Kebijakan Perubahan Tarif dan Lapisan PPh Orang Pribadi	0,812	Reliabel
2	Kepatuhan Wajib Pajak	0,847	Reliabel

B. Classical assumption test result

1. Normally Test

Normality test was tested using the Kolmogrov-Smirnov with a sig value. > 0,05 is said to be normal. That the results of the Kolmogrov-Smirnov obtained a significant value of the unstandardized residual of 0,200, this value exceeds 0,05. then the conclusion is that the data used in the study is normally distributed.

2. Heteroscedasticity test

The glejser test is used to perform tests with a significance value exceeding 0.05 which is considered a regression model that is free from heteroscedasticity. The results showed that the significance value of the variable Rates Policy and Layers of Personal Income Tax (X) was 0,924. With these results the variable x has a significance value > 0.05, it can be concluded that the regression model used in this study avoids heteroscedasticity.

3. Autocorrelation test

Residuals of the regression model must also meet the assumption of autocorrelation. Residual must not be correlated (autocorrelation) with itself. The autocorrelation test was carried out with the Durbin Watson test where if the calculated d value was greater than dU and less than 4-du (in other words $d_U < d < 4-d_U$). The results showed that the value of $1,694 < 1,730 < 2,306$ or the value of $d_U < d_W < (4-d_U)$, meaning that there was no autocorrelation and the regression model could be continued.

C. Simple Linear Regression Analysis

analysis test is used to analyze the effect of independent variables on the dependent variable. Results of the simple linear regression analysis in this study are as follows:

Table 7. Simple Linear Regression Analysis Results

Model	Coefficients ^a			t	Sig.
	Unstandardized Coefficients	Std. Error	Standardized Coefficients		
1 (Constant)	8,284	2,958		2,801	0,006
Changing Rates Policy and Layers of Personal Income Tax	0,709	0,065	0,740	10,876	0,000

a. Dependent Variable: Individual Taxpayer's Compliance

Based on the table above, the simple linear regression equation can be described as follows:

$$Y = 8.284 + 0.709X$$

The above equation has a constant meaning of 8.284, meaning that if the variables of Policy for Changes in Rates and Layers of Personal Income Tax are assumed to be constant, the value of Taxpayer Compliance is 8.284. The regression coefficient of the Variable Variables of Tariff Changes and Individual Income Tax Layers is 0.709, meaning that if there is a 1% increase in the Variables of Changes in Tariffs and Individual Income Tax Layers, it will cause an increase in Taxpayer Compliance of 0.709

D. Hypothesis test

1. T test

A partial significance test or T test is carried out to detect directly when the independent variable can affect the dependent variable significantly or not significantly. The variable Changing Rates Policy and Layers of Personal Income Tax (X) with t count of 10,876, the value of ttable with $df = N-2$, $100-2 = 98$ of 1,984, which means $t \text{ count} > t_{\text{table}}$, with a significance value of $0.000 < 0.05$. It can be said that the variable Changing Rates Policy and Layers of Personal Income Tax (X) has a positive and significant effect on the Taxpayer Compliance variable (Y).

2. Coefficient of Determination Test (R²)

The Coefficient of Determination (R²) aims to determine how much the independent variable is able to explain and influence the dependent variable. The following is the result of the coefficient of determination

Table 8. Coefficient of Determination Test Results

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,740 ^a	0,547	0,542	2,370

a. Predictors: (Constant), Changing Rates Policy and Layers of Personal Income Tax

The adjusted R Square value is 0.542, which means that the variable Changing Rates Policy and Layers of Personal Income Tax (X), has an influence of 54.2% on the Taxpayer Compliance variable (Y) and the remaining 45.8% is influenced by other variables outside of this study.

Conclusion

Based on the results of testing and discussion, it can be concluded that the policy of changing rates and layers of individual income tax has a positive and significant effect on individual taxpayer compliance. For further research, it is recommended to add research variables so that they can describe the object of research from various points of view.

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