The Effect of Tax Incentives, Tax Rates, and Tax Sanctions on Taxpayer Compliance During the Covid-19 Pandemic Period Registered at KPP Pratama Badung Selatan

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Abstract: This study aims to examine and analyze the effect of tax incentives, tax rates, and tax sanctions on taxpayer compliance during the COVID-19 pandemic registered at the KPP Pratama Badung Selatan. Data was collected by distributing questionnaires to 100 taxpayers. Analysis of the data in this study using SPSS version 25. The analytical method used is multiple linear regression to test and prove the research hypothesis. The results of the analysis show that tax incentives do not have a positive and partially significant effect on taxpayer compliance during the covid-19 pandemic because the results of the t-test have been carried out stating that the value of t-count (-.205)<ttable (1.98498) and p-value (0.838)> =0.05. Tax rates have a positive but not partially significant effect on taxpayer compliance during the covid-19 pandemic, this can be proven from the results of the t-test, namely the value of t-count (1.352) < t-table (1.98498) and p-value (0.180)> = 0.05. Tax sanctions have a positive and partially significant effect on taxpayer compliance during the covid-19 pandemic, this can be proven from the results of the t-test, namely the value of t-count (2.633)> t-table (1.98498) and p-value (0.010) <α=0.05. Tax incentives, tax rates, and tax sanctions have a positive and significant effect simultaneously on the dependent variable, namely taxpayer compliance during the covid-19 pandemic, this is evidenced by the output of the SPSS program, the value of F-count (10.352) > F-table (3.09) with the influence of the independent variable tax incentives, tax rates and tax sanctions on the dependent variable, namely taxpayer compliance during the covid-19 pandemic, only 24.4%.

Keywords: incentives, tariffs, sanctions, and compliance

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Introduction

To improve the country's development, one of the important components that must always be encouraged and become the concern of all Indonesians is taxes. Efforts to increase the level of taxpayer compliance are carried out as one of the tangible manifestations of the government in optimizing state revenues, especially in the taxation sector which will be distributed to national development and become the main root of the State Budget (APBN). In the covid-19 pandemic situation, of course, tax revenues are also affected both on a national and local scale, especially in Badung Regency, which occupies the lowest regency position in Bali throughout 2020 and is most affected by the Covid-19 pandemic. Quoted on the website (bali.bisnis.com, 2022) Badung Regency became the regency with the lowest economic growth throughout 2020 in Bali with a contraction of up to 16.52 percent on an annual basis. Then Badung is also the regency/city in Bali that has been most affected by the Covid-19 pandemic. in the research Mariani, P., & others (2020) also wrote that the level of WP OP compliance in KPP Badung Utara was found to be normal while the level of compliance of WP OP KPP in South Badung turned out to be decreasing from year to year. Judging from the data obtained from KPP Pratama Badung Selatan, the following is the level of compliance with the WP OP tax return reporting at KPP Pratama Badung Selatan as seen in the following table:

Table 1
WP OP KPP Pratama Badung Selatan Compliance Level
The Year 2018-2021

Year	Total Individual Taxpayers	Total Active Individual Taxpayers	Tax Return Compliance Rate	Criminal Taxpayers	Taxpayers in Arrears
2018	65.761	32.541	63.85%	-	3.025
2019	68.874	37.912	59.67%	-	2.605
2020	77.257	39.714	59.54%	-	3.269
2021	80.439	41.580	69.98%	-	2.630

Source: Tax Office Pratama Bandung Selatan Data, 2022

Viewed in Badung Regency which is the regency/city in Bali that is most affected by the Covid-19 pandemic. The Indonesian government, especially the Directorate General of Taxes of the Republic of Indonesia, responded to the economic recovery due to the Covid-19 Pandemic to increase the amount of tax revenue, namely by issuing several policies. The policy is in the form of tax incentives in the 2021 National Economic Recovery Program and various regulations contained in the Tax Regulation Harmonization Law.

In this study, the policies studied only focused on Income Tax Incentives Article 21 DTP (Borne by the Government), Income Tax Rates Article 21, and Tax Sanctions in the form of administrative sanctions and criminal sanctions. To find out whether the effect of Tax Incentives, Tax Rates, and Tax Sanctions partially and simultaneously can have a positive and significant effect or not on Taxpayer Compliance During the Covid-19 Pandemic Period registered at KPP Pratama Badung Selatan. So that the title used in this research is "The Effect of Tax Incentives, Tax Rates, and Tax Sanctions on Taxpayer Compliance During the Covid-19 Pandemic Period Registered at KPP Pratama Badung Selatan".

Method

The type of research in this study is quantitative by using a survey method that takes a sample from one population and uses a questionnaire as the main data collection tool. This research was conducted in several places, namely on:

- Some taxable business places in the Kuta Selatan area
- Kantor Pelayanan Pajak (KPP) Pratama Badung Selatan,
- Koperasi Guna Artha Mesari,
- Koperasi Guna Prima Dana,
- Kantor Desa Ungasan,
- Perumahan Korinuansa Ungasan,
- MTs Al-Ma'arif Badung Bali,

The research began from February 24 to July 31, 2022, with primary and secondary types and sources of research, namely primary data obtained directly through questionnaires on a Likert scale and secondary data in the form of statistical data in the field of taxation sourced from KPP Pratama Badung Selatan and other supporting data sourced from books; journals; news; the official website of the Directorate General of Taxes RI, and others. The population used by the researchers in this study was individual taxpayers registered at the South Badung Primary Tax Service Office with a total population of 80,439 Individual Taxpayers (WPOP). Concerning the Slovin formula with a result of 99.87 rounded up to 100 research sampling using the non-probability method. Using a purposive sampling technique whose sample determination uses certain considerations, this study selects samples with the consideration that respondents who are asked to fill out the questionnaire must meet the criteria, namely:

- Some taxable business places in the South Badung area
- Tax Office Pratama Badung Selatan,
- Respondents who have an NPWP (Taxpayer Identification Number)
- Registered as an Individual Taxpayer at KPP Pratama Badung Selatan.
- NPWP number with three digits of the last 2 sequences, xx.xx.xxx.x-(905).xxx which means Tax Office Code Pratama Badung Selatan.

The variables used in this study are bound variables and free variables. The bound (dependent) variable in this study is Taxpayer Compliance During the Covid-19 Pandemic. Meanwhile, the independent variables in this study consist of tax incentives, tax rates, and tax sanctions. Then the analysis technique used in this study is to use the SPSS Program version 25 with Classical Assumption Test (Normality Test, Heteroskedasticity Test, Multicholinearity Test, Autocoleration Test), Multiple Linear Regression Analysis, and Hypothesis Test (Partial Test, and Simultaneous Test).

Result and Discussion

1.1 Characteristic Respondent

Table 1. Characteristics Respondent

Description	Amount	Percentage (%)
Gender		
Male	41	41%
Female	59	59%
Age		
<20	4	4%
21-30	26	26%
31-40	26	26%
41-50	32	32%
>50	12	2%
Types of Work		
Civil Servants	10	10%
Employees of SOEs	6	6%
Private Employees	49	49%
Self-employed	8	8%
Other	27	27%
Civil Servants	10	10%

Source: Primary data processed, 2022

From the processed data it can be concluded that respondents in this study are dominantly female and the dominant age is 41-50 years old, then the dominant type of work is a private employee.

1.2 Validity and Reliability Test

Table 2. Validity Test Results

No	Variable	Statement	r Count	Syarat Valid	Information
1	Tax Incentives	X1.1	0.758	0,3	Valid
		X1.2	0.849	0,3	Valid
		X1.3	0.879	0,3	Valid
		X1.4	0.857	0,3	Valid
		X1.5	0.842	0,3	Valid
2	Tax Rates	X2.1	0.825	0,3	Valid
		X2.2	0.760	0,3	Valid
		X2.3	0.745	0,3	Valid
		X2.4	0.809	0,3	Valid
		X2.5	0.733	0,3	Valid
3	Tax Sanctions	X3.1	0.726	0,3	Valid
		X3.2	0.794	0,3	Valid
		X3.3	0.864	0,3	Valid
		X3.4	0.658	0,3	Valid
4	Taxpayer Compliance During The Covid-19 Pandemic Period	Y1	0.485	0,3	Valid
		Y2	0.705	0,3	Valid
		Y3	0.697	0,3	Valid
		Y4	0.681	0,3	Valid
		Y5	0.635	0,3	Valid
		Y6	0.735	0,3	Valid

Source: Primary data processed, 2022

Based on Tables Validity Test Results, it can be seen that the calculated r value for each question item is greater than 0,3 so it can be concluded that all questions in the research questionnaire are valid.

Table 3. Reliability Test Results

No	Variable	Cronbach Alpha	Information
1	Tax Incentives	0.837	Reliable
2	Tax Rates	0.774	Reliable
3	Tax Sanctions	0.760	Reliable
4	Taxpayer Compliance During the Covid-19 Pandemic Period	0.656	Reliable

Source: Primary data processed, 2022

Based on the effects of the output of IBM SPSS facts version 25, The Cronbach Alpha price of each variable is more than 0.60 so it can be concluded that every variable is dependable.

1.3 Test Assumption Classic

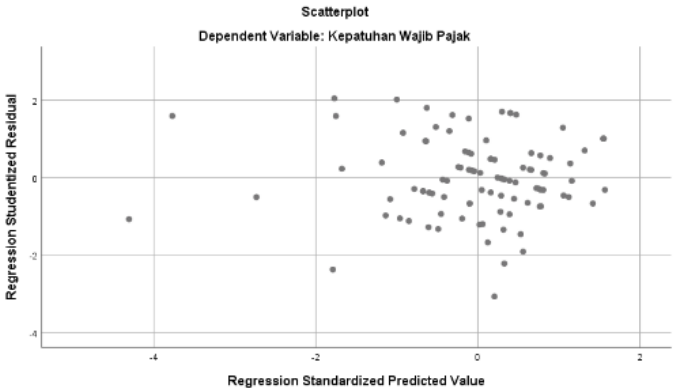
Table 4. Normality Test Results

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		100
Normal Parameters[a,b]	Mean	.0000000
	Std. Deviation	2.29106997
Most Extreme Differences	Absolute	.057
	Positive	.057
	Negative	-.046
Test Statistic		.057
Asymp. Sig. (2-tailed)		.200[c,d]

a. Test distribution is Normal.
Source: Primary data processed, 2022

Based on the results of the output of IBM SPSS Statistics Version 25, table 4 shows that the probability (Asymptotic Significance) with a significance value of 0.200 > 0.05, it is mean the residual value is normally distributed.



Source: Primary data processed, 2022
Figure 1. Uji Heteroskedastisitas Test Results

It can be seen in Figure 1 showing that the spread is residual (irregular). This can be seen in the scattered plot, which is above and below or around the number 0 and does not stick to a certain pattern. With such results, it can be stated that no symptoms of heteroskedastic-itas occur.

Table 5. Multicollinearity Test Results

Coefficients[a]

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.	Collinearity Statistics Tolerance	Collinearity Statistics VIF
1	(Constant)	16.937	1.696		9.988	.000		
	Tax Incentives	-.024	.118	-.032	-.205	.838	.319	3.131
	Tax Rates	.194	.143	.216	1.352	.180	.308	3.248
	Tax Sanctions	.326	.124	.344	2.633	.010	.461	2.170

Source: Primary data processed, 2022

Based on table 4.7, it can be seen that the VIF results are 3.131, 3.248, and 2.170 which means less than 10, and the tolerance results of 0.319, 0.308, and 0.461 are more than 0.1. Then the data does not occur multicollinearity.

Table 6. Autocoleration Test Results

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.494[a]	.244	.221	2.327	1.815

Source: Primary data processed, 2022

N = 100
d = 1,815
dL = 1,6131
dU = 1,7364
4-dL = 4-1,6131 = 2,3869
4-dU = 4-1,7364 = 2,2636 (1)

From the calculation above and looking back at the formula dU<d<4-du, there is no autocoleration or free autocoleration with a dU value of 1.7364 less than d, which is 1.815 d value less than 4-dU, which is 2.2636 so that the results show that there is no autocoleration or free autocoleration.

1.4 Multiple Linear Regression Analysis

Table 7. Multiple Linear Regression Test Results

Coefficients[a]

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.	Collinearity Statistics Tolerance	Collinearity Statistics VIF
1	(Constant)	16.937	1.696		9.988	.000		
	Tax Incentives	-.024	.118	-.032	-.205	.838	.319	3.131
	Tax Rates	.194	.143	.216	1.352	.180	.308	3.248
	Tax Sanctions	.326	.124	.344	2.633	.010	.461	2.170

Source: Primary data processed, 2022

Based on IBM SPSS Statistics Version 25 output results Table 9 can be arranged equality simple linear regression as follows:

$$Y = 16{,}937 + (-0{,}024\ X1) + 0{,}194\ X2 + 0{,}326\ X3 + e \qquad (2)$$

1.5 Hypothesis Test

Test hypothesis conducted to get answers from formula problem research. The data in table 7 Multiple Linear Regression Test Results could know answer hypothesis with using Partial TEST (T-test), there are:

- Variable Tax Incentives (X1) with t count of -0.205, the value of t table with df = n-k-1, 100-3-1 = 96. Then obtained ttabel = t(0.05/2 ; 96) = 1.98498. which means t count < t table, with score significance of 0.838 < 0.05. Could conclude that variable Tax Incentives (X1) is influential by negative and insignificant to variable Taxpayer Compliance (Y).
- Variable Tax Rates (X2) with t count of 1.352, the value of t table with df = n-k-1, 100-3-1 = 96. Then obtained ttabel = t(0.05/2 ; 96) = 1.98498. which means t count < t table, with a score significance of 1.352 < 0.05. Could conclude that variable Tax Rate (X2) is influential by positive and insignificant to variable Taxpayer Compliance (Y).
- Variable Tax Sanctions (X3) with t count of 2.633, the value of t table with df = n-k-1, 100-3-1 = 96. Then obtained ttabel = t(0.05/2 ; 96) = 1.98498. which means t count < t table, with a score significance of 2.633 < 0.05. Could conclude that the variable Tax Sanctions (X3) is more influential by positive and significant than to variable Taxpayer Compliance (Y).

Furthermore, The Simultaneous Test to find out jointly (simultaneously) free variables (Tax Incentives (X1), Tax Rates (X2), Tax Sanctions (X3)) have an effect or have no effect on dependent or bound variables (Taxpayer Compliance During the Covid-19 Pandemic Period (Y)).

Table 8. Simultaneous Test Results

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	168.109	3	56.036	10.352	.000[b]
	Residual	519.651	96	5.413		
	Total	687.760	99			

Source: Primary data processed, 2022

Based on the output of the SPSS program, the value of Fcount (10.352) > Ftabel (3.09) then H0 is rejected. This means that Tax Incentives (X1), Tax Rates (X2), and Tax Sanctions (X3) simultaneously affect the bound variable, namely Taxpayer Compliance During the Covid-19 Pandemic (Y).

1.6 Coefficient Test Determination (R)

Table 9. Determination Test Results

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.494[a]	.244	.221	2.327	1.815

Source: Primary data processed, 2022

Based on the output of the SPSS program, the magnitude of the correlation/relationship value is 0.244. From this output, a coefficient of determination (R Square) was obtained of 0.244, which means that the influence of the variables free of Tax Incentives (X1), Tax Rate (X,2), and Tax Sanctions (X3) on the bound variables, namely Taxpayer Compliance During the Covid-19 Pandemic (Y) period is 24.4%. While the remaining 75.6% is influenced by other factors that are not included in this regression model.

Conclusion

Based on the results of the analysis carried out, it can be concluded that:

- Tax Incentives do not have a positive and partial significant effect on Taxpayer Compliance During the Covid-19 Pandemic Because the results of the t-test that has been carried out, state that the calculated value (-.205) < t-table (1.98498) and p-value (0.838)>α=0.05 and with the results of multiple linear analysis of -0.02. Taxpayers affected by the Covid-19 pandemic have not implemented Tax Incentives properly so there is a value that shows that Tax Incentives have nothing to do with Taxpayer Compliance During the Covid-19 Pandemic.
- The tax rate has a positive but not partial effect on taxpayer compliance during the Covid-19 pandemic, this can be proven from the results of the t-test, namely the calculated value (1,352) <t-table (1.98498) and p-value (0.180)>α=0.05 and with the results of multiple linear analysis of 0.194. This means that the tax rate set by the government does not have a significant effect on taxpayer compliance during the Covid-19 pandemic registered with KPP Pratama Badung Selatan.
- Tax Sanctions have a positive and significant effect on Taxpayer Compliance During the Covid-19 Pandemic, this can be proven from the results of the t-test, namely the calculated value (2,633)>ttabel (1.98498) and p-value (0.010)<α=0.05. The magnitude of the influence of the Tax Sanction variable is quite significant on Taxpayer Compliance During the Covid-19 Pandemic Period, namely each Tax Sanction increasing by 1 unit will cause an increase in Taxpayer Compliance During the Covid-19 Pandemic Period by 32.6% assuming Tax Incentives (X1) and Tax Rates (X2) are constant. This shows that if the level of tax sanctions increases and can be known by the wider community, taxpayer compliance will also increase.
- Tax Incentives, Tax Rates, and Tax Sanctions have a simultaneous effect on the bound variables, namely Taxpayer Compliance During the Covid-19 Pandemic, this is evidenced from the output of the SPSS program, the calculated value (10.352) > F-table (3.09) the magnitude of the influence of variables free of Tax Incentives, Tax Rates and Tax Sanctions on the bound variables, namely Taxpayer Compliance During the Covid-19 Pandemic Period is only 24.4% so it can be concluded that the results in this study are not strong enough and other percentages can be influenced by other factors.

To improve taxpayer compliance, KPP Pratama is advised to continue to evaluate the current rules to continue to influence the behavior of taxpayers, and the form of sanctions that are enforced can be a consequence for tax violators fairly and transparently. And it is necessary to improve the quality of services, inspections, and counseling to provide the convenience that can help taxpayers not to be sanctioned with these prevention efforts

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