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by Dewa Gede Jimbar Nugraha

The Effect Of Tax Incentives And Taxpayer Morals On Individual Taxpayer Compliance (Empirical Study At The Gianyar Primary Tax Service Office)

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Abstract: *Tax revenue in Indonesia has never reached the target set from year to year. Likewise, KPP Pratama Gianyar has not been able to optimize tax revenues, especially during the COVID-19 pandemic. This is because the taxpayers are still less obedient in carrying out their tax obligations. The importance of taxpayer compliance and individual taxpayers who dominate the number of taxpayers in Indonesia makes researchers interested in examining indicators that can affect individual taxpayer compliance. The deterrence variable and social psychology variable are believed to have an influence on tax compliance. This theory is supported by attribution theory which explains that individual behavior is influenced by internal and external factors of the individual. So this study aims to examine the effect of tax incentives as a deterrence variable and taxpayer morale as a social psychology variable on individual taxpayer compliance. This research was conducted at KPP Pratama Gianyar by taking a sample of 100 individual taxpayers. Data collection techniques used were interviews and distributing questionnaires to respondents. The data analysis technique used is descriptive quantitative with multiple linear regression analysis assisted by the SPSS version 26.0 application. The results show that tax incentives and taxpayer morale have a positive and significant effect simultaneously on individual taxpayer compliance. However, if examined partially, tax incentives can have a positive and significant effect on individual taxpayer compliance while taxpayer morale has a negative and insignificant effect on individual taxpayer compliance.*

Keywords: *tax incentives, taxpayer morale, tax compliance, individual taxpayer*

Introduction

The tax sector is the largest state revenue sector for Indonesia (Listiyowati et al., 2021). Therefore, tax revenue from the public can be said to be the backbone for the Indonesian economy (Akbar, 2020). This encourages the government to continue to strive to optimize state revenues, especially from the tax sector. One of the efforts made by the government in this case the Directorate General of Taxes (DGT) is through the reform of laws and regulations in the field of taxation with the enactment of a self-assessment system. Self-assessment system as a way for tax authorities to give confidence to taxpayers (WP) to carry out tax obligations (Lasmaya & Fitriani, 2017). So that wp can calculate, pay, and report taxes owed independently in accordance with applicable regulations without government interference unless WP commits a violation in order to achieve optimal state and government revenue (Rizki, 2018). But in reality, state revenue from the tax sector is still not optimal (Akbar, 2020). This shows that various rules and updates to the concept of tax services that are continuously evaluated and addressed by the government have shown positive results. Meanwhile, the Covid-19 pandemic that hit Indonesia became something that could not be avoided by the government, making tax revenues in 2020 decrease significantly by -17.0 percent and in 2021 also decreased by 5.0 percent. Based on the previous data description, the government needs to review the causes of the decline in state revenues and the steps that need to be taken to achieve optimal state revenues. Because in the conditions of the COVID-19 pandemic, the government needs a large state revenue for handling covid-19 cases in Indonesia. However, on the other hand, taxpayers who have tax obligations certainly also experience economic difficulties during the Covid-19 pandemic. This is known from data from the Central Statistics Agency

(2021) which states that as of February 2021 there are 19.10 million people or 9.30 percent of people in Indonesia who are not working because they are affected by Covid-19 either due to termination of employment (LAYOFFS), temporary dismissal, or not getting a job.

The taxpayer who provided the largest state revenue from the tax sector and was most affected during the Covid-19 pandemic was the Individual Taxpayer (WPOP). This is because of the total 42 million WP registered, 38.7 million of them are WPOP and 3.3 million are WP Agencies (Editors of DDTCNews, 2019). Of all WPOP registered in Indonesia, almost all of them were affected due to the Covid-19 pandemic, both from WPOP employees who experienced layoffs and non-employee WPOP who experienced a decrease in turnover during the Covid-19 pandemic. In following up on the Covid-19 pandemic that has attacked the economy of the people in Indonesia, the government has also responded quickly to launch a monetary policy package to be able to ease the tax burden on taxpayers. This policy package is in the form of tax incentives contained in the Regulation of the Minister of Finance which was launched since the April 2020 tax period, namely the Regulation of the Minister of Finance of the Republic of Indonesia Number 23 / PMK.03 / 2020 concerning Tax Incentives for Taxpayers Affected by the Corona Virus Outbreak which then continues to be amended until the last regulation launched in 2021 is the Regulation of the Minister of Finance of the Republic of Indonesia Number 82 / PMK.03 / 2021 concerning Amendments to the Regulation of the Minister of Finance Number 9 / PMK.03 / 2021 About Tax Incentives for Taxpayers Affected by the Corona Virus Disease Pandemic 2019 which is valid until the tax period of December 2021. This tax incentive policy cannot be fully realized if there is no implementation of the WP. It is known in Indonesia that implements a self-assessment system aimed at building WP compliance voluntarily, but there is a possibility that wp does not perform obligations in the form of calculating, paying and reporting according to the provisions, for this reason, a strong intrinsic motivation from WP to fulfill things that must be done according to regulations is very necessary, the motivation that arises intrinsically to fulfill tax obligations is called tax morale (Ioana Alexandra Horodnic, 2018).

Based on research conducted by Zuli Alfina (2020), researchers found that tax incentives have a positive and significant effect on wp compliance registered with the tax service office (KPP) pratama Malang Utara. Meanwhile, a similar study conducted by Dewi et al. (2020) showed that tax incentives did not affect the compliance of taxpayers registered at KPP in the DKI Jakarta area. Research conducted by Fina Putri Damayanthi (2019) shows that WP morals affect WP compliance. Meanwhile, a similar study conducted by Mursalin (2020) shows that WP morals have no effect on WP compliance. In this study, researchers chose the scope for WPOP registered at KPP Pratama Gianyar because KPP Pratama Gianyar is a vertical agency that is under and directly responsible to the DGT in Bali. KPP Pratama Gianyar also houses four districts in Bali, namely Gianyar, Klungkung, Bangli, and Karangasem regencies. So that the population at KPP Pratama Gianyar is believed to be able to represent wp in Bali Province.

Method

This researcher applies a type of quantitative research that emphasizes an objective event and is studied quantitatively (Hamdi and Bahruddin, 2014: 5). The quantitative research carried out is to calculate the number of questionnaire values that have been collected from existing samples. Primary data were obtained through questionnaires distributed to respondents. Secondary data obtained from KPP Pratama Gianyar in the form of information related to registered WPOP. The data collection technique in this research uses the accidental sampling technique, which is a technique for sampling through anyone who happens to meet the researcher and is in accordance with the criteria determined by the researcher (Mahaputri & Noviari, 2016). Meanwhile, the object of the study is to find out the effect of tax incentives and taxpayer moral on WPOP compliance. The data collection technique used is the dissemination of questionnaires. The data analysis used is multiple linear regression analysis, this test is carried out to determine whether or not there is an effect of tax incentives and tax morale on WPOP. This study used independent variables and dependent variables. The independent variables in this study are tax incentives and taxpayer morale . The dependent variable in this study is WPOP compliance. Data analysis techniques in the form of quantifiable data that have been collected then go through the data processing process. In this process, quantitative data is processed using a questionnaire which is then continued with data testing using IBM SPSS software version 26 with the following stages: distributing the

questionnaire to WPOP at KPP Pratama Gianyar next after the data is collected then processed through SPSS software by performing classical assumption tests, t tests, f tests and test the coefficient of determination.

Result and Discussion

1. **Test of Classical Assumptions**

    a. Normality Test

    This test is performed to find out whether the data has been distributed normally. The test results can be seen as in Table 4.8 below

Table 1 Normality Test Results

Information	Unstandardized Residual
N	100
Asymp. Sig. (2-tailed)	0,140

Source : Data processed on IBM SPSS 26 (2022)

Table 4.8 shows that the data has been normally distributed. This is because a significance value of 0.140 is obtained which is greater than 0.05.

    b. Multicholinearity Test

    This test is carried out in order to find out if there is a high relationship in the regression model. The test results can be seen as in Table 2 below

Table 2 Multicholinearity Test Results

Variable	Tolerance	Bright
Tax Incentives (X_1)	0,999	1,001
Tax Morale (X_2)	0,999	1,001

Source : Data processed on IBM SPSS 26 (2022)

Table 2 shows that no multicollinearity occurs. This is because a VIF value of less than 10 is obtained and a tolerance value of more than 0.10 is obtained.

    c. Heteroskedasticity Test

    This test was performed to observe variance between observers on the regression model. The test results can be seen as in Table 3 below.

Table 3 Heteroskedasticity Test Results

Variable	Itself.
Tax Incentives (X_1)	0,207
Tax Morale (X_2)	0,937

Source : Data processed on IBM SPSS 26 (2022)

Table 3 shows that heteroskedasticity does not occur. This is because the values of all variables obtain a significance value greater than 0.05.

2. **Hypothesis Test**

    a. T test

    This test is carried out to determine whether there is a significant influence of each variable. The test results can be seen as in Table 4 below. :

Table 4 t Test Results

Variable	T	Itself.
Tax Incentives (X_1)	6.292	0,000
Taxpayer Morale (X_2)	-1.800	0,075

Source : Data processed on IBM SPSS 26 (2022)

Table 4 shows the value of the significance of tax incentives obtained by 0.000. Since the value obtained is smaller than 0.05, then the variable of tax incentives has a significant influence on the compliance of the taxpayer. The value of the moral significance of the taxpayer was obtained in the amount of 0.075. Since the value obtained is greater than 0.05, then the mandatory moral variable does not have a significant influence on the compliance of the taxpayer.

b. F Test

This experiment was carried out to test the simultaneous significant influence between all variables. The test results can be seen as in Table 5 below. :

Table 5 Test Results f

Model	Sum of Squares	df	Mean Square	F	Itself.
Regression	249.215	2	124.608	21.820	0,000
Residual	553.945	97	5.711		
Total	803.160	99			

Source : Data processed on IBM SPSS 26 (2022)

Table 5 shows the significance value obtained is 0.000. This value is less than 0.05, therefore it can be concluded that Ho is not accepted and Ha is accepted. This means that the free variable simultaneously affects the bound variable, namely the compliance of individual taxpayers.

c. Coefficient of Determinant

This test is performed to test how much the regression model can explain variations from variables. The test results can be seen as in Table 6 below

Table 6 Determinant Coefficient Results

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0,557	0,310	0,296	2.390

Source : Data processed on IBM SPSS 26 (2022)

Based on Table 6, the value of the coefficient of determination obtained is 0.296. This suggests that individual taxpayer compliance can be explained at 29.6 percent by tax incentive variables and taxpayer morale. The remaining 70.4 percent is explained by other variables.

Conclusion

The tax incentive variable has a positive and significant influence on WPOP compliance rates. The greater the tax incentives given by the government to taxpayers, especially WPOP, the more likely WPOP will be compliant in carrying out tax obligations. This is because WPOP, which has been affected by the COVID-19 pandemic, has directly benefited from tax incentives. Based on the results of the study, it is known that moral variables have a negative and insignificant influence on the compliance of individual taxpayers. This means that

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taxpayer morale is a variable that cannot improve taxpayer compliance in fulfilling their tax obligations. The variables of tax incentives and tax morale together have a significant effect on taxpayer compliance. The results of this study state that tax incentives affect WPOP compliance. Based on these results, the government can figure out how to improve WPOP compliance. The results of the study stated that tax morale cannot affect taxpayer compliance for that it is necessary to conduct research using other variables that have the potential to affect taxpayer compliance.

Acknowledgment

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