Determinants Affecting Taxpayer Compliance

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Abstract: This research is entitled "Determinants Affecting Taxpayer Compliance" (taxpayer survey KPP Pratama Jambi Telanaipura). The purpose of this study is to reveal that fiscus services, taxpayer awareness and tax sanctions affect taxpayer compliance. This research was conducted on individual taxpayers who are registered at Tax Office Pratama Jambi Telanaipura. The data source is primary data obtained from distributing questionnaires. Sampling using the Cohen perspective, there were 130 respondents in this study. Methods of data analysis using the structural equation modeling (SEM) model with the partial least squares (PLS) approach to the research results of fiscus services show that taxpayer awareness has a significant positive effect on taxpayer compliance at KPP Pratama Jambi Telanaipura, while tax sanctions have no effect on taxpayer compliance at the KPP Pratama Jambi Telanaipura.

Keywords: Fiscus Services; Taxpayers Awareness; Tax Sanctions; Taxpayer Compliance.

INTRODUCTION

Data from the Ministry of Finance shows that Indonesia's state tax revenue has fluctuated and has never reached the target in the last 4 years. In 2016, the realization of Indonesian taxation was only 83.480 per cent in 2017 it rose to 91.230 per cent in 2018 it rose to 93.860 per cent in 2019 it fell again to 84.400 per cent and in 2020 it rose to 89.250 per cent. Taxation is one of the most significant revenue contributors to national income (Mansur et al., 2023). One of the state revenues in driving the wheels of the economy is still very dependent on revenue from the tax sector. Various efforts to increase tax revenues in Indonesia need to be massively strengthened and intensified. Especially the most important is regarding taxpayer compliance. As, the attachments shown in the form of tables and figures below are related to the recapitulation of tax revenues in one of the provinces in Indonesia, namely Jambi Province, which shows a decrease in the realization of the planned targets. Based on the table below, there are six classifications of tax sources. However, only one experienced an increase in realization above the planned target.
Table 1. Recapitulation of 2021 and 2020 Tax Revenues in Jambi Province (in Billion Rupiah)

<table>
<thead>
<tr>
<th>Tax Type</th>
<th>2021</th>
<th>2020</th>
<th>Growth (Per cent)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income Tax</td>
<td>2,395.700</td>
<td>1,602.620</td>
<td>2,227.780</td>
</tr>
<tr>
<td>Value-added Tax</td>
<td>2,305.910</td>
<td>1,543.100</td>
<td>1,996.520</td>
</tr>
<tr>
<td>Property Tax</td>
<td>205.900</td>
<td>48.190</td>
<td>174.100</td>
</tr>
<tr>
<td>Other Tax</td>
<td>91.450</td>
<td>65.950</td>
<td>716.810</td>
</tr>
<tr>
<td>Export Duty</td>
<td>49.460</td>
<td>384.630</td>
<td>79.550</td>
</tr>
</tbody>
</table>

Source: Ministry of Finance Directorate General of Treasury

As shown in the table above, Income tax (PPh) and Value Added Tax (VAT) portions are the main tax revenues. However, in the 2021 period, the achievements of these two sectors have decreased from the previous year (Tim, Supendi, 2021).

Figure 1. Comparison of Realization and Target of Tax Revenue for 2020 and 2021 in Jambi Province

Source: Ministry of Finance Directorate General of Treasury

One of the cities in Jambi Province that needs to improve its taxpayer compliance is Jambi City. Because, this city has many potential sources of tax revenue. Both in the trade sector and in the service sector. Thus, efforts are needed to increase taxpayer compliance in paying taxes voluntarily so that national development can run smoothly (Dewi and Merkusiwati, 2018).
Providing good service to taxpayers is very important and is one of the efforts to increase taxpayer compliance. Improving the quality and quantity of good service is expected to increase taxpayer compliance. There are still taxpayers who are dissatisfied with the services provided by the tax apparatus, which leads to a non-compliant attitude toward their tax obligations (Esther, Nangoi, and Alexander, 2017). Research by (Augustine et al., 2020) states that the quality of tax services has a significant effect on taxpayer compliance. However, research by (Esther et al., 2017) obtained research results that stated that the quality of tax authorities did not have a significant effect on taxpayer compliance.

Taxpayer awareness is another factor that influences taxpayer compliance. Public awareness of paying taxes has not yet reached the expected level. This is because people are confused about what and how to tax. Another reason is the difficulty in calculating and reporting tax obligations (Esther et al., 2017). (Asrinanda and Diantimala, 2018) state that knowledge, self-assessment, and tax awareness have a significant effect on taxpayer compliance, both simultaneously and partially. However, the research results of (Karnedi and Amir, 2019) and (Lydiana, 2018) state that awareness of paying taxes has no significant effect on taxpayer compliance.

Tax sanctions are sanctions that will be received by taxpayers who do not comply with taxation. They will be subject to administrative and criminal sanctions. Several studies have succeeded in proving the positive effect of tax sanctions on tax compliance (Darma et al., 2019; Anam et al., 2016; Ismail and Akmila, 2017; Syaiful, 2016). However, (Wahyudi, 2019); (Triandani and Apollo, 2020) state that tax sanctions do not affect tax compliance.

Researchers are interested in knowing more in depth about the problem of taxpayer compliance. This research takes the title "Determinants Affecting Taxpayer Compliance Survey" on the Jambi Primary Tax Service Office (KPP) Service. The problems in this research are: First, does fiscus service affect individual taxpayer compliance at KPP Pratama Jambi Telanaipura? Second, does taxpayer awareness affect individual taxpayer compliance at KPP Pratama Jambi Telanaipura? Third, does tax sanction affect individual taxpayer compliance at KPP Pratama Jambi Telanaipura?

The purpose of this study was to examine the effect of fiscus service, taxpayer awareness, and tax sanctions on individual taxpayer compliance surveys at KPP Pratama Jambi Telanaipura. The expected findings from this study are to obtain information on how the influence of fiscus services, taxpayer awareness, and tax sanctions affect individual taxpayer compliance at KPP Pratama Jambi Telanaipura.

The results of this study are expected to provide input for the tax office regarding factors that can affect taxpayer compliance and for the government as a consideration in making laws.

THEORETICAL REVIEW

Theory of Planned Behavior (TPB). One of the theories of examining taxpayer compliance is Theory of Planned Behavior (TPB). This theory was first introduced by Ajzen in 1991. Theory of Planed Behavior or TPB states that behavior is driven by intention, which is determined by three elements, namely attitudes toward behavior, subjective norms and behavioral control. Benk and research team refer to Theory of Planed Behavior or TPB Theory in the context of taxpayer compliance into three components, namely attitudes of justice, normative expectations, and legal sanctions. (Taing et al., 2020) explain that tax awareness and taxpayer compliance really support increasing tax revenue. Indicators of
taxpayer compliance are the timeliness aspect, the income aspect or the income of the taxpayer, the law enforcement aspect, the payment aspect and the bookkeeping obligation aspect.

Several research findings from (Fitria and Supriyono, 2019; Sulistiyani and Harwiki, 2016) state that behavioral intentions exist due to the following three conditions: First, Behavioral Beliefs, namely a belief from everyone regarding the impact of a behavior. Second, Normative Belief is defined as a belief that is related to the normative expectations of other individuals and then has a high motivation in fulfilling these normative expectations. Third, Control Beliefs, is a belief related to the presence of something that can inhibit or support an action to be displayed and how will the perception (perceived power) be regarding the magnitude of something that inhibits or supports the action. According to research from (Ghouri et al., 2016) reveals that the concept of this theory is present in studying human behavior, especially those related to one's interests, providing a framework for studying individual attitudes and behavior and predicting its types and also individual behavior and interests.

**Taxpayer Compliance.** In terms of tax revenues, the increase was made through various policy breakthroughs, including the implementation of the tax amnesty policy which was successfully implemented in stages one and two in 2016. This policy is expected to strengthen the foundation for expanding the tax base and at the same time increasing taxpayer compliance in the future. So far, the determination of tax targets in the APBN has always used macro assumptions. Macroeconomic indicators such as economic growth rates and inflation play an important role in formulating tax targets. Supposedly, the tax target is calculated from a micro approach such as the number of registered taxpayers, the number of taxpayers, and taxpayer compliance. This formula will produce a tax base that is routine. Then, tax potential is added which will become the basis for additional new taxes, such as potential sectors and disbursement of tax receivables. A combination of the previous year's regular tax base and potential taxes would be a more appropriate tax target (www.pajak.go.id).

Every year a tax base emerges which will continue to grow in line with the performance of the Directorate General of Taxes in extensification and supervision activities. For example, corporate taxpayers or entrepreneurs participating in the tax amnesty program will automatically become the new tax base. Because, by participating in the tax amnesty, it means that the Taxpayer indirectly admits a mistake in calculating his financial capability. They will either become new taxpayers or pay more taxes the following year. Thus, the tax base will become wider, both in quantity and quality.

Taxpayer compliance includes compliance with recording or recording business transactions, compliance with reporting business activities in accordance with applicable regulations, as well as compliance with all other tax regulations (Mansur et al., 2023). Among the three types of compliance, the easiest to observe is compliance with reporting business activities, because all taxpayers are required to submit reports on their business activities every month and/or every year in the form of submitting notification letters (SPT) in each period or yearly.

Tax compliance is obedient behavior, submissive in terms of implementing the applicable tax regulations. Taxpayer compliance is the fulfillment of tax obligations carried out by individuals in paying taxes to be able to contribute to the country's development. (Heliani, 2022). (Rahayu, 2017) states that taxpayer compliance is a condition in which taxpayers comply in carrying out their tax obligations according to the tax law. Compliant
Taxpayers are taxpayers who meet the following criteria: they are on time in submitting their tax return (SPT), have never been in arrears of taxes, and have never received a penalty for a tax violation.

Taxpayer compliance is the awareness of taxpayers to fulfill their tax obligations in accordance with applicable regulations without the need to carry out inspections, careful investigations, warnings or threats and the application of both legal and administrative sanctions. Taxpayer compliance is very important to increase state revenue from the tax sector (Garcia et al., 2020). The importance of this attitude is because it is a condition where a taxpayer must submit and comply with tax obligations and tax rights (Indrawan et al., 2018). Basically, compliance with fulfilling tax obligations is an action that must be taken by taxpayers in fulfilling their obligations based on tax regulations and applicable tax laws (Lazuardini et al., 2018).

Taxpayer compliance in theory is divided into two parts, namely: Formal and Material (Lazuardini et al., 2018). These differences are described as follows: First, formal compliance is the compliance of taxpayers in carrying out their tax obligations based on the applicable Tax Law. While the second is material compliance, which is a condition in which the provisions originating from the Tax Law are fulfilled which are related to the content and spirit that must be implemented by every taxpayer.

Taxpayer compliance can be implemented and improved when taxpayers understand the related tax laws and regulations and know the general provisions of taxation. In addition, taxpayer compliance will also increase when taxpayers know about administrative sanctions that will be imposed by taxpayers who do not carry out their tax obligations (Mansur et al., 2023).

**Fiscus Service.** One of the concrete manifestations of community participation in Nation-building is paying taxes. The success of tax revenue lies in the role of Fiscus services. Service is the way to help organize or prepare something the needs needed while the fiscus service is a tax officer. Fiscus services can interpreted as the way the tax officer in help organize or prepare everything needs that a person needs in terms of it is a taxpayer (Tanilasari and Gunarso, 2017). Fiscus must provide good service in order to gain the trust of taxpayers. According to (Siglé et al., 2018) one of the fiscus' efforts to realize this trust is to provide the best quality of service to find customer relationships between taxpayers and tax officers. Taxpayers actually want the best quality service from the tax authorities so that the interaction between taxpayers and tax collectors can run well. In line with the previous statement that good fiscus service will give convenience for taxpayers. Fiscus services are obliged to foster taxpayers, issue overpaid tax assessments, keep taxpayer data secret and carry out decisions.

According to (Rahayu, 2017), maximum fiscus services can intensify state revenues. Services with good quality and quantity and in accordance with the wishes of taxpayers are expected to create satisfaction for taxpayers as service users so that taxpayer compliance can increase. Some indicators of quality in tax-authorities services are good quality tax services, speed of service processing, conformity with procedures, the ability of tax authorities to help improve taxpayer understanding of tax rights and obligations, and responsiveness to problems or complaints from taxpayers (Suryanti and Sari, 2018). Whether or not the services provided by Fiscus to taxpayers are one of the factors that have an influence on tax compliance

Fiscus are expected to have competence in the sense of having expertise (knowledge), and experience in terms of tax policy, tax administration and tax laws. In addition, Fiscus
must also have high motivation as a public servant. Effective and efficient Fiskus services are of course highly expected in the tax process. Thus, the plan or target of tax revenue that has been determined can be achieved optimally. Optimization and outreach need to be done, so that people understand the importance of paying taxes. Thus, it can expedite the process of tax revenue and minimize problems or obstacles in tax collection faced.

A quality Fiscus is a Fiscus who is able to provide good service, is reliable, guarantees competence, is responsive, caring, accompanied by a sympathetic Fiscus appearance supported by communication media equipment (www.pajak.com). Qualified Taxpayers are Taxpayers who are experts in their fields, are knowledgeable in taxation, are experienced, and have the motive to serve taxpayers well. This is because the better the Taxpayer's service, the Taxpayer will also have a good attitude towards the taxation process, conversely if the Taxpayer's service is considered not good, then the Taxpayer is also reluctant to fulfill his obligations in paying taxes.

In accordance with the objectives of the Directorate General of Taxes or Direktorat jenderal Pajak (DJP) to provide excellent service, namely high quality, competency-based Fiscal services, and the vision of becoming a government institution that organizes a modern tax administration system that is effective, efficient and trusted by the public with high integrity and professionalism, with the mission of gathering state tax revenue based on the Tax Law which is capable of realizing self-sufficiency in financing the State Revenue and Expenditure Budget (APBN) through an effective and efficient tax administration system (www.pajak.go.id). Taxpayers can recognize taxes from the services provided by Fiscus who are professional, qualified, who are competent in their fields. Taxpayers who have the mentality of being ready to serve taxpayers as well as possible and provide adequate facilities, so that taxpayers feel satisfied in carrying out their tax obligations voluntarily, that by reporting the SPT and disclosing the correct amount of reported income is in line with the implementation of self-assessment, it is expected that the taxpayer Taxes can achieve a level of voluntary tax compliance.

**Taxpayer Awareness.** Increasing the amount of tax revenue is not a simple matter easy for the government as the authority to collect taxes based on legal legitimacy. However, the government in this case does not have psychological legitimacy to force taxpayers to pay obligations the tax. So we need another approach to improve tax compliance. One way is through awareness. Awareness is a state of understanding or knowing. Meanwhile, the awareness of the taxpayer is a situation in which the taxpayer understands or know their tax rights and obligations (Fitria, 2017). The emotional aspect is also important for increasing tax compliance (Enachescu et al., 2019). From these findings we can take the essence that taxpayer awareness is a condition in which taxpayers know, understand and implement tax provisions correctly and voluntarily. In other words, the higher the level of taxpayer awareness, the better the understanding and implementation of tax obligations. So as to increase compliance in tax obligations.

The Directorate General of Taxes will always try to build awareness and concern as well as voluntary taxpayers, because this activity is very significantly correlated with achieving the tax revenue target. However, support from all levels of society is needed. Even the Director General of Taxes stated that increasing public awareness was the DGT's main challenge. Before determining alternative steps to build voluntary awareness and concern for taxpayers, it is necessary to underline our thinking that awareness of paying taxes must come from oneself and be nurtured from childhood.
Several things that need to be paid attention to by the Directorate General of Taxes in building voluntary awareness and concern for taxpayers include: **First**, conducting outreach. As stated by the Director General of Taxes that awareness of paying taxes comes from oneself, so instilling understanding and understanding of taxes can be started from one's own closest family environment, spread to neighbors, then in certain forums and certain mass organizations through outreach. With the high intensity of information received by the public, it can slowly change the people's mindset about taxes in a positive direction. Various forms of socialization can be grouped based on: method of delivery, segmentation and media.

Then the **second**, providing convenience in all matters of fulfilling tax obligations and improving the quality of service to taxpayers. If the service is not right or unsatisfactory, it will cause reluctance for taxpayers to go to the Tax Service office. Service as the face of DGT must have an image of friendliness, elegance and comfort. Quality services are services that can create a dynamic condition related to products, human services, processes, and the environment that meet or exceed taxpayer expectations. Quality services are services that can provide satisfaction to taxpayers and remain within the limits of meeting service standards that can be accounted for and must be carried out consistently and continuously. DGT must continuously improve administrative efficiency by implementing a reliable system and administration and utilizing appropriate technology. Computerized-based services are one of the efforts to use appropriate Information Technology to facilitate services for taxpayers.

Then, Improving the image of Good Governance which can create a sense of mutual trust between the government and the taxpayer community, so that tax payment activities will become a necessity and willingness, not an obligation. Thus a pattern of relations between the state and society is created in fulfilling rights and obligations based on mutual trust. As well as providing knowledge through education, especially education on taxation and law enforcement that is right indiscriminately. Finally, building trust or public trust in taxes (www.pajak.go.id).

Taxpayer awareness is an emotional aspect that is considered to be an important aspect in determining taxpayer compliance. According to (Taing and Chang, 2020), tax awareness is a component of perceived behavioral control in the theory of planned behavior (TPB). Individuals who are aware of their tax obligations tend to have a significant intention to demonstrate tax compliance behavior, even though their trust in the government is relatively small.

**Tax Sanctions.** Sanctions are punitive measures given to someone who does not follow the rules or laws that have been set. Taxpayers who do not comply with taxation will be subject to administrative and criminal sanctions. Tax sanctions when viewed from a perspective based on the law are divided into two parts, namely; First, administrative sanctions. Second, criminal sanctions (Lazuardini et al., 2018). Research by (Cahyani and Noviari, 2019) emphasizes tax sanctions as a factor influencing taxpayer compliance to comply with regulations related to taxation.

The emphasis on tax sanctions is reaffirmed by findings (Mardiasmo, 2018) which explicitly emphasize tax sanctions as guarantees based on the provisions of the tax laws that must be obeyed and internalized. With the implementation of strict tax sanctions, it is of course expected to increase taxpayer awareness to comply with their obligations and fulfill tax obligations (Lazuardini et al., 2018).
Recent findings also show that the application of tax sanctions can make taxpayers aware of their obligations to report and deposit their payable taxes to the state (Mansur et al., 2023). In addition, the implementation of tax sanctions can also be applied in strengthening the relationship between taxpayers who know and understand tax regulations and the compliance of the taxpayers themselves (Mansur et al., 2023).

The Effect of Fiscuss Services on Taxpayer Compliance. Taxpayers actually want the best quality service from the tax authorities so that the interaction between taxpayers and tax collectors can run well. Some taxpayers have poor compliance by not preparing and submitting periodic reports on business activities in a correct, complete and clear manner, either monthly or periodical or annual reports. What is concerning is that this kind of taxpayer is the largest number of all registered taxpayers. The Directorate General of Taxes should pay more serious attention so that this problem can be handled and monitored more closely. Fiscus services are obliged to foster taxpayers, issue overpaid tax assessments, keep taxpayer data secret and carry out decisions. Fiscus must provide good service in order to gain the trust of taxpayers.

According to (Siglé et al., 2018) one of the fiscus efforts to realize this trust is to provide the best quality of service to find customer relationships between taxpayers and tax officers. Fiscus services can interpreted as the way the tax officer in help organize or prepare everything needs that a person needs in terms of it is a taxpayer (Tanilasari and Gunarso, 2017). Tax authorities who are able to provide quality services by acting honestly, competitively, and helping to overcome all tax problems faced by taxpayers can increase their sense of compliance in paying their taxes (Siahaan and Halimatusyadiah, 2018). Thus, the two parties, namely as taxpayers and tax officers or tax officials, must work together, because the success of tax revenue lies in the role of tax administration services or fiscus services.

Some of the findings of previous researchers showed differences in results. Among them; (Sania and Yudianto, 2018); (Yunianti et al., 2019); (Wahyudi, 2019) and (Silva et al., 2019) prove that tax authorities have an effect on taxpayer compliance. However, research conducted by (Handayani and Laily, 2017); (As'ari, 2018) and (Ismail and Akmila, 2017) does not prove the effectiveness of Fiskus service quality on taxpayer compliance. The differences in these findings became the forerunner of researchers formulating hypotheses in this study, namely:

H1: Fiscus Services Affects Taxpayer Compliance

The Effect of Taxpayer Awareness on Taxpayer Compliance. Research findings from (Fitria, 2017) outline the criteria for taxpayers to be said to have awareness if they experience the following conditions: First, knowing that there are laws and tax provisions and knowing tax function for state financing. Second, understand that tax obligations must be carried out in accordance with applicable provision. Third, calculate, pay, report taxes voluntarily and correctly. Taxpayer awareness of their tax obligations can also decrease when news reports are related to tax officials who commit a lot of fraud. Then, there is an opportunity to carry out tax evasion and tax avoidance.

The research findings also show a variety of results where the research conducted by (Rorong et al., 2017); (Anam et al., 2016); (Dewi and Merkusiwi, 2018); (Wicaksana and Supadmi, 2017); (Tanilasari and Gunarso, 2017); (Kusumaningrum and Aeni, 2017); (Wahyudi, 2019) states that taxpayer awareness affects tax compliance. Although several
The Effect of Tax Sanctions on Taxpayer Compliance. Tax sanctions are sanctions that will be received by taxpayers who do not comply with taxation. They will be subject to administrative and criminal sanctions. The emphasis on tax sanctions is reaffirmed by findings (Mardiasmo, 2018) which explicitly emphasize tax sanctions as guarantees based on the provisions of the tax laws that must be obeyed and internalized. With the implementation of strict tax sanctions, it is of course expected to increase taxpayer awareness to comply with their obligations and fulfill tax obligations (Lazuardini et al., 2018).

Several studies have succeeded in proving the positive effect of tax sanctions on tax compliance (Darma et al., 2019; Anam et al., 2016; Ismail and Akmila, 2017; Syaiful, 2016). However, (Wahyudi, 2019); (Triandani and Apollo, 2020) state that tax sanctions do not affect tax compliance. The differences in these findings became the forerunner of researchers formulating hypotheses in this study, namely:

H3: Tax Sanctions Affect Taxpayer Compliance.

The previous research that is used as a reference source in this article is (Taing, and Chang, 2020), with the research title Determinants of Tax Compliance Intention: Focus on the Theory of Planned Behavior. International Journal of Public Administration The results of the study explain that tax morale, tax fairness, and tax complexity have a significant effect on tax compliance, while trust in the government, tax information, and tax awareness have no effect on tax compliance. In research conducted by (Triandani and Apollo, 2020) with the research title Effect of the Understanding of Taxation, Tax Sanctions, and Taxpayer Awareness of Taxpayer Compliance (Research on Taxpayers of Individual Entrepreneurs in Tangerang Region), The results of the study show that taxpayer understanding and awareness have an effect on taxpayer compliance, while tax sanctions have no effect on taxpayer compliance. In research conducted by (Yunianti et al., 2019) with the title The Influence of Awareness, Moral Obligations, Tax Access, Service Quality, and Tax Sanctions on Taxpayer Compliance in Paying Motor Vehicle Tax, The results of the study show that awareness, service quality, and tax sanctions have a positive effect on taxpayer compliance in paying taxes. And research conducted by (Wijayani, 2019) with the title Effect of Service Quality, Tax Sanctions, Tax Compliance Fees, and the Implementation of E-Filing on Taxpayer Reporting Compliance The results of the study show that the higher the level of application of e-filing, the higher the level of quality of tax services, and the firmer and fairer the application of tax sanctions, the higher the level of compliance.

Based on previous research and developing hypotheses in this study, the authors describe the research model and research hypothesis as follows:
Figure 2 shows, it can be explained that this study was used to examine the effect of three variables, namely Fiscus Services (FS), Taxpayer Awareness (TA), and Tax Sanctions (TS) on the Taxpayer Compliance (TC).

METHODS

This type of research is called descriptive quantitative research, which tests research hypotheses by collecting data. This research was conducted on individual taxpayers registered at KPP Pratama Jambi Telanaipura. The type of data in this study is categorized as primary data. Primary data was obtained directly by researchers from the first hand as direct participants (Sekaran and Bougie, 2018; Sekaran and Bougie, 2020). Then, the research participants as respondents in this study were asked for their perceptions of the questions and statements in the questionnaires which would be distributed in the form of the variables used in this study. In addition, this study also uses research data sources from primary data sources. Primary data sources were obtained from respondents who answered questions and statements in research questionnaires that had been distributed. Then, in terms of research data collection, this study collected data using a survey method in the form of a questionnaire.

The questionnaires in this study were distributed using techniques that were handed over directly to research participants or what are known as hand delivery systems. The questionnaire distribution technique certainly has the goal of creating a strong emotional bond with research participants (Mansur et al., 2023). This bond will have an impact on minimizing the low response rate (Hernando, 2020; Hernando, 2021).

The data for this study was collected using a questionnaire with a scale of 1 to 5 from taxpayers at KPP Pratama Jambi Telanaipura. The total number of individual taxpayers for KPP Pratama Jambi Telanaipura is 214,639. Based on the population size, the sample size uses a sampling technique with the Cohen perspective sampling method and Hair method.
(Cohen's, 1992) uses a significance level that will be used as the basis for determining the minimum number of samples in research. In addition, this approach also determines how much R-squared is desired in the study. After that the researcher can determine the minimum sample size based on the number of hypotheses arrows expressed. In this approach in line with the approach of (Hair et al., 2017) where, the determination of the minimum number of samples is based on the number of hypothetical paths multiplied by 10.

Based on the two approaches it is concluded that if the number of hypothetical lanes is four and wants a significance of 1.000 per cent with R-squared 0.500 per cent then the minimum sample is 48 (Cohen, 1992). Not much different from (Hair et al., 2013) with the calculation of four hypothetical paths multiplied by 10 so that the minimum sample is 40. It can be concluded that the two approaches are not much different. Even though the minimum sample size ranges from 40 to 50 respondents, researchers are trying to maximize the sample size of 130 respondents who will be observed in this study. With a note, the amount will be tested for validity and reliability.

The operational details of the variables for each variable indicator in this study are described in the Table 2.

Table 2. Operational Research Variables

<table>
<thead>
<tr>
<th>No</th>
<th>Independent Variable</th>
<th>Indicator</th>
<th>Scale</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>FS: Fiscal Services</td>
<td>Fiscus gives tax service procedure, How to pay and paying taxes is easy and efficient Awareness in participating in the country's development by paying taxes, and reducing tax payments,</td>
<td>Intervals</td>
</tr>
<tr>
<td>2</td>
<td>TA: Taxpayer Awareness</td>
<td>Perceptions of tax sanctions administrative sanctions (can be in the form of fines and interest); criminal sanctions (KUP Tax) Compliance in registering with the tax office, compliance in reporting SPT on time, Compliance in calculating and paying taxes correctly, and Compliance in paying tax arrears</td>
<td>Intervals</td>
</tr>
<tr>
<td>3</td>
<td>TS: Tax Sanctions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>TC: Taxpayer Compliance</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Processed for research, 2023

Table 2 shows, all variable indicators in this study use an interval scale for both the independent variable and the dependent variable.

Making the design of the instrument in this study using the design of the instrument from previous research which is then combined into a single unit. Of course, the design of the instrument was modified based on the results of the pilot test in a group discussion forum with the research team and academic teams from various departments. Like; accounting, and psychology as well as representatives of practitioners as taxpayers in Jambi City. The results of the group discussion forum were used as a guideline for the author to improve the design of the instrument as a research questionnaire in accordance with the suggestions and input from the group discussion forum participants before being distributed to the respondents of this study.

The testing of this research was carried out using structural equation modeling analysis techniques with partial least squares in WarpPLS 7.0 software as an aid in analyzing and testing several hypotheses proposed in this study. Structural equation modeling with partial least squares is very often used by researchers because it has many benefits in terms
of testing various forms of model structures (Sholihin and Ratmono, 2021). In addition, this technique is also a multivariate analysis which has an exploratory nature and has two constructs at once, both formative and reflective constructs. This multivariate analysis has several objectives, including increasing the R2 value of the criterion variable that can be translated by predictive variables and being able to reduce the error value in a research test (Sholihin and Ratmono, 2021).

A validity test is a test to find out how a research instrument measures what should be measured. Validity tests can be divided into two tests, namely, the convergent test and the discriminant test (Hernando, 2020). The criteria required for testing convergent validity when the scores from a different instrument are measured in the same construct have such a high correlation (Hernando, 2020). There are several criteria for determining convergent validity, as explained by (Sholihin and Ratmono, 2021), including the outer loading value must be greater than 0.700, the communality value must be greater than 0.500, and (AVE) value must be greater than 0.500. Then, the rule of discriminant validity testing is achieved when the score of another instrument is measured in a construct without a correlation which will produce a score that is not correlated (Hernando, 2020); (Hernando, 2021); (Sholihin and Ratmono, 2021). The rule of thumb for discriminant validity uses the root square of AVE, which must be greater than the correlation of latent variables and can also use cross loading, which must be greater than 0.700 in one variable.

A reliability test is a test that shows how a level of consistency and research instruments or the stability of measuring instruments is in measuring a construct or concept. This test is needed to be able to find out how consistent the results of the measurement of the construct or research concept are. This test uses the following criteria; first, cronbach's alpha must have a value greater than 0.700. Then, the second is composite reliability, with the criteria that the value requirement must be greater than 0.700.

To test the hypothesis, numerical data are processed using statistical methods. The data analysis used is PLS, the reflective model is measured through the fit model which consists of the inner and outer models (Kock, 2019). This analysis is used to determine the effect of Fiscus Services, Taxpayer Awareness, and Tax Sanctions on Taxpayer Compliance.

RESULTS

To analyze the effect of Fiscus Services, Taxpayer Awareness, and Tax Sanctions on Taxpayer Compliance in this study the authors used structural modeling (Structural Equation Model-SEM) with the (Partial Least Square-PLS) approach. The data used comes from data observations. Structural Equation Modeling with the Partial Least Square approach, there are two stages of assessment of a research model (Ghozali and Latan, 2016). Namely by looking at the results of the measurement model (Outer model) and the results of the structural model (inner model) of the model studied. Evaluation of the outer model was carried out through three criteria in the reflective model, namely convergent validity, discriminant validity and composite reliability.

Convergent validity is determined by the cross loading value for each indicator in the study. An indicator can be said to be valid if the convergent validity value is greater than 0.070 or the range between 0.050 to 0.060 is acceptable (Ghozali and Latan, 2016). The results of the calculation of the loading factor for each of the indicators obtained have met Convergent Validity where the loading factor is greater than 0.600 and the p-value is less.
than 0.050. So testing the latent variables on the indicators in the study can be well understood.

Discriminant validity testing can be seen from the Average Variance Extracted (AVE) value. According to (Hair et al., 2017) AVE value must be less than 0.500. The AVE value can be seen in Table 3.

**Table 3.** Discriminant Validity Test (Average Variance Extracted)

<table>
<thead>
<tr>
<th></th>
<th>FS</th>
<th>TA</th>
<th>TS</th>
<th>TC</th>
</tr>
</thead>
<tbody>
<tr>
<td>FS</td>
<td>0.741</td>
<td>0.982</td>
<td>-0.094</td>
<td>0.758</td>
</tr>
<tr>
<td>TA</td>
<td>0.982</td>
<td>0.736</td>
<td>-0.101</td>
<td>0.783</td>
</tr>
<tr>
<td>TS</td>
<td>-0.094</td>
<td>-0.101</td>
<td>0.646</td>
<td>0.007</td>
</tr>
<tr>
<td>TC</td>
<td>0.758</td>
<td>0.783</td>
<td>0.007</td>
<td>0.706</td>
</tr>
</tbody>
</table>

Source: Processed data 2023

Discriminant Validity Assessment use value average variance extracted (AVE) shows the calculation results for variable of Fiscus Services (FS) of 0.741, variable of Taxpayer Awareness (TA) of 0.736, variable of Tax Sanction (TS) of 0.646, variable of Taxpayer Compliance (TC) of 0.706. The AVE value obtained already meets the recommended AVE criteria greater than 0.500 (Hair et al., 2017) which means it has fulfilled the validity requirements based on AVE.

**Composite reliability** is a measure of internal consistency that shows the reliability of the latent variable (construct) formed from the manifest variable. The ideal composite reliability to form a suitable structural model is 0.700 or 0.600 to 0.900 (Hair et al., 2017). The test results for composite reliability in this study are shown in the Table 4.

**Table 4** Composite Reliability Test

<table>
<thead>
<tr>
<th></th>
<th>FS</th>
<th>TA</th>
<th>TS</th>
<th>TC</th>
</tr>
</thead>
<tbody>
<tr>
<td>R-squared</td>
<td>0.144</td>
<td>0.992</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adj. R-squared</td>
<td>0.132</td>
<td>0.992</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Composite Reliability</td>
<td>0.858</td>
<td>0.875</td>
<td>0.780</td>
<td>0.873</td>
</tr>
<tr>
<td>Cronbach's Alpha</td>
<td>0.793</td>
<td>0.828</td>
<td>0.646</td>
<td>0.829</td>
</tr>
<tr>
<td>Average Variance Extracted</td>
<td>0.549</td>
<td>0.541</td>
<td>0.417</td>
<td>0.498</td>
</tr>
</tbody>
</table>

Source: Processed data 2023

The results of the calculation of the composite reliability of the variables in the study are variable of Fiscus Service (FS) of 0.858, variable of Taxpayer Awareness (TA) of 0.875, variable of Tax Sanctions (TS) of 0.780 variable of Taxpayer Compliance (TC) of 0.873.

Assessing the structural model (inner model) formed in Structural Equation Modeling (SEM) with the Partial Least Square (PLS) approach is done by looking at the model fit test, R-square value, predictive-relevance value (Q2) and path coefficient. Test the suitability of the test model, namely average path coefficient (APC), average R-squared (ARS), Average adjusted R-squared (AARS) and average variance factor (AVIF) with APC, ARS, AARS criteria accepted with conditions \( p-values \) less than 0.050 and AVIF is less than 5.300. The following are the output results for the fit and quality indices model.
The results of testing the fit indices model can be presented in the Table 5.

**Table 5 Models of Fit and Quality Indices**

<table>
<thead>
<tr>
<th>Index</th>
<th>P-Value</th>
<th>Criteria</th>
<th>Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>APCs</td>
<td>0.435</td>
<td>Less than 0.001</td>
<td>P Less than 0.050</td>
</tr>
<tr>
<td>ARS</td>
<td>0.992</td>
<td>Less than 0.001</td>
<td>P Less than 0.050</td>
</tr>
<tr>
<td>AARS</td>
<td>0.992</td>
<td>Less than 0.001</td>
<td>P Less than 0.050</td>
</tr>
<tr>
<td>AVIF</td>
<td>1.949 Good if Less than 5</td>
<td>AVIF Less than 5</td>
<td>Be accepted</td>
</tr>
</tbody>
</table>

Source: Processed Data 2023

Based on the criteria, APC, ARS and AARS met the criteria because they had a small p value of 0.050. Likewise with the AVIF value which must be less than 5 has been fulfilled because based on the data AVIF value is 1.949 thus, the inner model can be accepted.

The R-square value is used to measure the level of variation in the independent variable changes to the dependent variable. R-square value for the Taxpayer Compliance variable obtained at 0.992. This result shows that 99.200 per cent of the Taxpayer Compliance variable is influenced by the Fiscus Service variable (FS) Taxpayer Awareness variable (TA) Tax Sanctions variable (TS) While the rest of 0.800 per cent is explained by other variables outside this research model.

Test the significance of the effect of exogenous variables (independent variables) on endogenous variables (dependent variables) in accordance with the existing hypothesis. The correlation results between constructs are measured by looking at the path coefficients and their level of significance. WarpPLS output on hypothesis testing in this study is shown in the figure and table below:

![Figure 3. SEM - PLS Model Path Diagram](image-url)
The results of calculating the value of the hypothesis test are presented in the Table 6.

**Table 6. Hypothesis Test Results**

<table>
<thead>
<tr>
<th>No</th>
<th>Variable</th>
<th>Path coefficient</th>
<th>P Values</th>
<th>Conclusion</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Fiscus Services -&gt; Taxpayer Compliance</td>
<td>0.243</td>
<td>0.002</td>
<td>Significant Influence</td>
</tr>
<tr>
<td>2</td>
<td>Taxpayer Awareness -&gt; Taxpayer Compliance</td>
<td>1.009</td>
<td>Less than 0.001</td>
<td>Significant Influence</td>
</tr>
<tr>
<td>3</td>
<td>Tax Sanctions -&gt; Taxpayer Compliance</td>
<td>0.052</td>
<td>0.275</td>
<td>No effect</td>
</tr>
</tbody>
</table>

Source: Processed Data 2023

The Effect of Fiscus Services on Taxpayer Compliance. The path coefficient value of 0.243 with a p-value of 0.002 indicates the results of testing the effect of the tax service variable on taxpayer compliance. This indicates that the fiscus service has a significant positive effect on taxpayer compliance. The results of this study indicate that the good quality of service at KPP Pratama Jambi Telanaipura can lead to increased taxpayer compliance. Because if the tax authorities' service is not good, it can cause taxpayers to feel lazy to pay taxes which can cause taxpayer compliance to decrease. This means that the higher the quality of service provided by the tax authorities as tax officers, the easier it is for taxpayers to pay taxes. Competent tax authorities can provide the best service to taxpayers so that they feel satisfied and can foster a sense of trust in taxpayers when it comes to paying their taxes. Because if the tax authorities' service is not good, it can cause taxpayers to feel lazy to pay taxes which can cause taxpayer compliance to decrease.

Taxpayers can recognize taxes from the services provided by Fiscus who are professional, qualified, who are competent in their fields. Taxpayers who have the mentality of being ready to serve taxpayers as well as possible and provide adequate facilities, so that taxpayers feel satisfied in carrying out their tax obligations voluntarily, that by reporting SPT and disclosing the correct amount of reported income is in line with the implementation of self-assessment, it is expected that taxpayers Taxes can reach the level of voluntary tax compliance.

A quality Fiscus is a Fiscus who is able to provide good service, is reliable, guarantees competence, is responsive, caring, accompanied by a sympathetic Fiscus appearance supported by communication media equipment. A qualified Taxpayer is a Taxpayer who is an expert in his field, masters-taxation, is experienced, and has the motive to serve taxpayers well. This is because the better the Taxpayer's service, the Taxpayer will also have a good attitude towards the taxation process, conversely if the Taxpayer's service is considered not good, then the Taxpayer is also reluctant to fulfill his obligations in paying taxes.

The results of this study are in accordance with the theory put forward by (Rahayu, 2017), which states that if an administration system runs effectively, it can have an impact on improving the quality of tax services that will be provided by the tax authorities to taxpayers. This can make taxpayers willing to pay their taxes to the state without expecting compensation directly. The results of this study are in line with research conducted by (Arifin and Nasution, 2017); (Riada and Saryadi, 2019); (Sania and Yudianto, 2018); (Yunianti et al., 2019); (Wahyudi, 2019) and (Silva et al., 2019), where the results of this study state that the quality of Fiskus' services has a positive influence on taxpayer compliance. However, the results of this study are not in line with the research conducted by (Handayani and Laili, 2017).
The Effect of Taxpayer Awareness on Taxpayer Compliance. Where the path coefficient value is 1.009 with a p value of 0.001. This result means that taxpayer awareness has a significant positive effect on taxpayer compliance. We can understand from these results that the majority of respondents at the Jambi Telanaipura Primary Tax Service Office have understood and implemented tax provisions properly and correctly. This means that taxpayers are aware of their obligation to pay taxes, which can increase taxpayer compliance.

Awareness and voluntary concern of taxpayers is very difficult to realize if in the definition of 'tax' there are no phrases "which can be forced" and "which are coercive." Starting from this phrase, paying taxes is not merely a voluntary act or because of an awareness. This phrase provides understanding that the community is required to carry out state obligations by paying taxes voluntarily and with full awareness as an actualization of the spirit of mutual cooperation or national solidarity to build the national economy.

This awareness of paying taxes not only raises an attitude of obedience, obedience and discipline but is followed by a critical attitude as well. The more advanced the society and its government, the higher the awareness of paying taxes but it doesn't just stop there, they are even more critical in addressing taxation issues, especially regarding policy matters in the field of taxation, for example the application of tariffs, the mechanism for imposing taxes, regulations, clashes in practice in the field and the extension of its subject and object. Communities in developed countries have indeed felt the benefits of the taxes they pay. The fields of health, education, social affairs as well as transportation facilities and infrastructure that are quite advanced as well as the operational costs of the state apparatus come from their taxes. Free medical services, low-cost schools, social security and modern means of transportation are proof that the government is managing tax funds properly. With increased awareness of this tax, it is hoped that Indonesia will lead to the prosperity that has been expected.

In the theory of planned behavior, there are motivational factors that cause taxpayers to comply with tax regulations by paying taxes. Taxpayers will not object because taxpayers have the motivation and awareness that if they pay their taxes on time, it can lead to an increase in state revenue or regional revenue. Taxpayer awareness can increase with adequate knowledge of taxation (Siahaan and Halimatusyadiah, 2018). Increased knowledge of taxation requires taxpayers to understand the taxation system, understand that one of the state's income is through taxes and is willing to pay taxes in accordance with applicable regulations, and not delay in paying taxes which is one of the impacts that can be detrimental to the state. So that it can be a form of contribution in supporting and increasing the country's development.

The results of this study are in line with the research of (Ghassani, 2017); (Rorong et al., 2017); (Anam et al., 2016); (Dewi and Merkusiwati, 2018); (Wicaksana and Supadmi, 2017); (Tanilasari and Gunarso, 2017); (Kusumaningrum and Aeni, 2017) and (Wahyudi, 2019), which state that taxpayer awareness affects tax compliance. Although the results of this study are not in line with several other studies, such as (Taing and Chang, 2020; Syaiful, 2016; and Ismail and Akmila, 2017) state that taxpayer awareness does not affect tax compliance.

The Effect of Tax Sanctions on Taxpayer Compliance. The results of testing the effect of tax sanctions on taxpayer compliance are shown by the path coefficient value of 0.052 with a p value of 0.275. This result means that tax sanctions have no effect on taxpayer compliance.
compliance. Tax sanctions are penalties given by the government to taxpayers who violate tax regulations.

In this case, the sanctions received by the taxpayer cannot affect the level of taxpayer compliance at the Jambi Telanaipura Pratama Tax Service Office in complying with tax obligations. This is because the tax sanctions given by the government to taxpayers who violate tax regulations do not deter them from doing it again. Because taxpayers believe that tax penalties are only legal under certain conditions, government officials' actions have not been targeted specifically at taxpayers. Tax sanctions must be more stringent regulations, so that taxpayers will be afraid if they do not pay taxes and will feel that they are doing tax calculations in accordance with the income earned. Tax sanctions can be a motivation in increasing taxpayer compliance in paying taxes. (Safitri, 2020) states that the relationship between tax sanctions and taxpayer compliance in paying taxes is one-way, the higher the tax sanction, the more tax-compliant the taxpayer is in paying taxes to the state. The lower the tax sanction, the lower the compliance of individual taxpayers in paying taxes.

The results of this study are in line with the research of (Triandani and Apollo, 2020; Wicaksana and Supadmi, 2017; Anam et al., 2016; Ismail and Akmila, 2017; Syaiful, 2016; Dewi and Merkusiwati, 2018). But other findings show different results, where tax sanctions have an effect on taxpayer compliance (Yuniiani et al., 2019; Mansur et al., 2023; Wahyudi, 2019).

CONCLUSIONS

Based on the results of the study, it can be concluded that fiscus services have a significant positive effect on taxpayer compliance. The results of this study indicate that the good quality of service at KPP Pratama Jambi Telanaipura can cause taxpayer compliance to increase and that taxpayer awareness has a significant positive effect on taxpayer compliance. We can understand from these results that the majority of respondents at the Jambi Telanaipura Primary Tax Service Office are aware of their obligation to pay taxes and can increase taxpayer compliance. Then tax sanctions do not affect taxpayer compliance. In this case, the sanctions received by these taxpayers cannot affect the level of taxpayer compliance at the Jambi Telanaipura Pratama Tax Service Office in complying with tax obligations.

Based on the results of this study, further research can be carried out by comparing individual taxpayers who are entrepreneurs with individual taxpayers who are employees. Besides that, the government should strictly enforce tax sanctions so that the level of taxpayer compliance can increase.

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