



## Taxpayer Compliance Determinants: Perspective of Theory of Planned Behavior and Theory of Attribution

**MF. Arrozi Adhikara\***

Universitas Esa Unggul Jakarta

Email: [arrozi@esaunggul.ac.id](mailto:arrozi@esaunggul.ac.id)

Indonesia

**Maslichah**

Universitas Islam Malang

Email: [maslichah\\_fe@unisma.ac.id](mailto:maslichah_fe@unisma.ac.id)

Indonesia

**Nur Diana**

Universitas Islam Malang

Email: [dianaadhikara@unisma.ac.id](mailto:dianaadhikara@unisma.ac.id)

Indonesia

**Muhammad Basyir**

Universitas Islam Malang

Email: [m.basjir@unisma.ac.id](mailto:m.basjir@unisma.ac.id)

Indonesia

### ABSTRACT

*Tax compliance is an issue that needs to be resolved by the government to ensure an increase in revenue, so it must develop taxpayer attitudes and awareness towards tax compliance. The purpose of the study was to obtain empirical evidence of the effect of tax knowledge, tax sanctions, and the ability to pay taxes on tax compliance mediated by awareness of paying taxes. The research design uses explanatory causality with the type of hypothesis testing, surveys for data collection, and the data source is primary. The research population is all individual taxpayers (WPOP) who have a Taxpayer Identification Number (NPWP) at the West Jakarta DJP Regional Office in DKI Jakarta Province. The sampling technique is accidental sampling. The research sample is 130 taxpayers (WPOP). The unit of analysis is individual. The time horizon is a cross-section-data analysis using path analysis. The results showed that knowledge of taxation, tax sanctions, and ability to pay taxes partially affected the awareness of paying taxes; knowledge of taxation, tax sanctions, and ability to pay taxes partially affects tax compliance. The research findings show that during the COVID-19 pandemic, taxpayers are pretty aware of paying taxes to comply with tax law regulations according to their abilities by functioning as a mediator to improve tax compliance.*

**Keywords:** *knowledge of taxation, tax sanctions, ability to pay taxes, awareness of paying taxes, paying tax compliance.*

### 1. INTRODUCTION

The COVID-19 pandemic that hit the world, including Indonesia, caused the economy to become turbulent. The impact was that business activities became unsustainable, so the tax revenue target contracted 19.7% from the previous year ([www.kemenkeu.go.id](http://www.kemenkeu.go.id)). As a result, tax revenue reached the realization of 85.65% of the tax target. Meanwhile, the level of taxpayer compliance reached 76.86% and experienced a tax shortfall (Sembiring, 2021). The Indonesian taxpayer compliance index is 2.53 and is still low compared to Singapore with an index of 5.05; Malaysia with an index value of 4.34; and Thailand with an index of 3.41 (Palil, 2010). Obstacles in compliance occur because of implementing the self-assessment system to collect income taxes.

The issue of tax compliance is a significant problem that needs to be resolved by the government to ensure an increase in revenue (Malik and Younus, 2019). Therefore, the government must develop taxpayer attitudes and positive intentions towards tax compliance (Malik & Younus, 2020).

Thus, a better attitude can be acquired by providing tax knowledge and the benefits of cost reduction and ease of use in e-filing (Sadress, Bananuka, Orobias & Opiso, 2019; Zaidi, Henderson & Gupta, 2017) in the application of the self-assessment system.

Knowledge is recognized and known to be related to the learning process. Knowledge of taxation, in general, is related to the ability to understand the basic concepts of taxation applied in a country (Alkhatib & Abdul-Jabbar, 2017). Taxpayers must understand the policies in accepting the tax system and improve compliance. Tax knowledge is an essential component that voluntarily complies, especially in determining real tax commitments.

Knowledge is known or recognized information, knowledge is known related to the learning process, and knowledge of taxation, in general, is the ability to understand the basic concepts of taxation applied in a country (Alkhatib & Abdul-Jabbar, 2017). Understanding tax policies by taxpayer help accept the tax system and increases compliance. Tax



knowledge is an essential component of voluntary compliance, especially determining accurate tax commitments.

The motivation for the self-assessment system is to make taxpayers care about tax obligations, so taxpayers need an understanding of taxation knowledge and sanctions, the ability to calculate the tax payable burden, and honesty (Palil, 2010; Alebede, 2011; Wardani, 2017; Damajanti & Karim, 2017). The implication is that taxpayers will be aware of paying taxes and obediently paying taxes (Alebede, 2011). However, on the other hand, this system opens a gap for taxpayers to manipulate data on their income because the tax authorities do not interfere in calculating taxpayers' income tax (Zaimah, 2016; Hamza et al., 2016).

The results of previous studies on the determinants of tax compliance using the theory of planned behavior are still inconsistent, namely what has been done by Oktaviani (2017), Lesmana et al. (2017), Yasa and Prayudi (2017), and Damayanti et al. (2015). However, replacing one of the variables in the theory of planned behavior, namely the perceived behavioral control variable (Kraft et al., 2005), can develop the theory of planned behavior. The study results stated that perceived behavioral control was changed to self-efficacy because the ability to explain intentions was higher than perceived behavioral control. This study will combine the theory of planned behavior with attribution theory. The control beliefs variable will be changed to the ability to pay taxes, and the behavioral beliefs variable will be changed to tax sanctions.

The research contribution is to develop behavior in tax accounting related to the theory of planned behavior (Fishbein and Ajzen, 2010) that taxpayer compliance behavior can be established in a mandatory and coercive manner through law. Thus, it is carried out in a planned way to form awareness of paying taxes and compels taxpayers because of taxation knowledge (attitude), tax sanctions (norms), and the ability to pay taxes as behavior control over a goal of paying tax compliance to be achieved.

The purpose of the study was to obtain empirical evidence of the effect of tax knowledge, tax sanctions, and the ability to pay taxes on tax compliance mediated by awareness to pay taxes obediently.

## **2. LITERATURE**

### **2.1. Theory of Planned Behavior**

Theory of Planned Behavior develops the theory of reasoned action that deals with behavior where individuals have incomplete behavioral control (Ajzen, 1991). For example, a person's behavior can be influenced by the intentions possessed, while a person's intentions are formed based on the following factors (Ajzen (1991): 1. Behavioral Belief, namely Belief in the results of behavior that forms attitudes, where individual beliefs about the consequences of behavior and evaluation of the results 2. Normative Belief, namely beliefs about the normative expectations of others and the motivation to fulfill those expectations 3. Control Belief,

namely beliefs about the existence of factors that will facilitate or hinder the performance of the behavior theory of planned behavior (TPB), has limitations; namely, the scope of TPB is only limited to individual rational behavior. In contrast, human behavior cannot be separated from emotions, so TPB does not provide an accurate explanation for behavior related to one's emotions (Zhang, 2018).

### **2.2. Attribution Theory**

Attribution theory assumes that individuals determine why individuals do what they do (Heider, 1958). The process that underlies the attribution includes three stages, namely: a person must see or observe the behavior, the behavior is intentionally carried out, and must determine whether they believe that other people are forced to perform the behavior or not. Next, attribution theory discusses the causes of a person's behavior or ourselves, which will form an impression. Finally, the impression created will be concluded as a factor that influences the behavior of others.

### **2.3. The Relationship of Tax Knowledge to Tax Awareness**

Tax knowledge has been identified as an essential predictor of tax compliance intention, awareness, and behavior (Purba, 2020; Wassermann & Bornman, 2020). High knowledge and understanding of taxpayers make taxpayers determine behavior according to tax provisions (Nugroho and Zulaikha, 2012). However, taxpayers who do not know and understand taxation will make taxpayers unable to decide on tax behavior properly. Therefore, increasing tax knowledge can increase taxpayer awareness. The implication is that taxpayers will comply with paying taxes. The results of research conducted by Nugroho and Zulaikha (2012), Inna and Imanda (2017), and Zainuddin (2018) state that tax knowledge has a positive effect on awareness of paying taxes.

### **2.4. The Relationship of Tax Sanctions and Awareness of Paying Taxes**

Tax sanctions are needed so that tax regulations are not violated. If the taxpayer violates, then this tax sanction punishes taxpayers who violate (Putra, 2014). Tax sanctions will provide an understanding for taxpayers to be aware of paying taxes. Thus, the low level of taxpayer compliance is expected to lead to a better increase in taxpayer compliance (Najib, 2013). Taxpayers tend to be more aware of taxation because they understand the administrative sanctions that arise from delays in tax reporting and do not hide tax objects (Winerungan, 2013). The results of research by Rahmawaty (2014) explain that tax sanctions that do not follow the provisions of the legislation will be given a penalty in the form of sanctions. Winerungan's (2013) results in a state that tax sanctions are expected to be carried out orderly and following the expected target.

### **2.5. The Relationship between Ability to Pay Taxes and Awareness of Paying Taxes**

Motivation to pay taxes is a process to achieve a goal of taxpayers to have the willingness and ability to pay taxes.



The ability to pay taxes can be interpreted as a value that is willing to be contributed by someone so that taxpayers are aware and taxpayers know, understand, and implement tax provisions correctly and voluntarily. The higher the awareness of tax obligations for a person, the better the understanding and implementation of tax obligations will increase compliance. Pay-pay obligations are based on regulations and are used to finance general state expenditures by not directly receiving reciprocal services (contra-achievements) (Tatiana and Priyono, 2009).

### **2.6. The Relationship of Tax Sanctions to Tax Paying Compliance**

Tax sanctions are a factor that can increase taxpayer compliance (Isyadir, 2015; Dewi Kusuma Wardani (2017)). Tax law enforcement that is applied firmly and consistently will create better taxpayer compliance. The implication is that it will increase state revenue from the tax sector. Administrative sanctions for violators of tax provisions are intended to prevent unwanted behavior and improve other taxpayer compliance (Sari and Susanti, 2015; I Gusti Agung and Ni Ketut Lely, 2018). The results of research from Widi Dwi E. (2018) state that tax sanctions guarantee that the provisions of the Taxation Law will be complied with so that they are deterrent (preventive). Strict sanctions should be given to promote the tax system's fairness and effectiveness, prevent non-compliance and encourage taxpayers to fulfill their tax obligations.

### **2.7. The Relationship between Paying Tax Awareness and Tax Paying Compliance**

Awareness is an element that comes from within humans that influences behavior to respond to all existing realities (Trisnawati 2015). Taxpayer awareness is a person's good faith to fulfill the obligation to pay taxes based on a sincere conscience (Susilawati and Budiarti, 2013). The awareness of taxpayers to pay taxes can increase taxpayer compliance and increase state revenues. Therefore, taxpayer awareness of the tax function as state financing is needed to improve taxpayer compliance (Jatmiko, 2006). Sudharini's research (2016) results show that taxpayer awareness positively affects taxpayer compliance. Similar results were also demonstrated by the research of Tiraada (2013), Nurlis and Islamiah (2015), Suyanto and Pratama (2018), and Wardani and Rumiyaatun (2017).

### **2.8. The Relationship of Tax Knowledge to Taxpayer Compliance**

Tax knowledge has been identified as a significant predictor of intention, awareness, and tax compliance behavior (Purba, 2020; Wassermann & Bornman, 2020). Knowledge and understanding of taxation are common sense and capture the meaning of the applicable tax regulations. Knowledge and understanding of tax regulations in question is understanding and understanding of general provisions and taxation procedures (KUP) which include how to submit Surat Pemberitahuan (SPT), payment, place of settlement, fines, and

the deadline for payment or reporting of SPT (Pejabat, 2016; Rusli and Hadiprajitno, 2014). If the taxpayer has sufficient knowledge about taxation, it will create a sense of compliance in paying his tax obligations. The research results by Asbar et al. (2014) show that understanding taxation has a positive effect on tax compliance.

### **2.9. The Relationship of Tax Sanctions to Tax Paying Compliance**

Sanctions and penalties are considered important in ensuring someone pays their taxes. Palil and Mustapha (2011) found that taxpayer awareness of tax sanctions is closely related to the level of tax compliance. Muliari and Setiawan (2010) state that taxpayer awareness is a condition where taxpayers know understand, and implement tax provisions correctly and voluntarily. The higher the level of awareness of one's tax obligations, the better the understanding of legal and administrative sanctions in implementing tax obligations. The implication is that tax sanctions will increase tax compliance for taxpayers. The research results by Harjanti Puspa Arum (2012) concluded that tax sanctions affect tax compliance by taxpayers.

### **2.10. The Relationship of Tax Paying Ability to Tax Paying Compliance**

The ability to pay taxes can be interpreted as a value that someone contributes based on the regulations used to finance public expenditures of the state by not receiving reciprocal services and can be forced directly (Tatiana and Priyono, 2009). The research results conducted by Harjanti Puspa Arum (2012) concluded that taxpayers' ability to pay taxes affects tax compliance. Thus, tax collection is not an easy job; in addition to the active participation of the tax authorities, the willingness of the taxpayers themselves is also required (Fikriningrum, 2012). Therefore, the willingness and ability to pay taxes will affect taxpayer compliance.

### **2.11. Hypothesis Development**

Based on the literature review and the previous studies results, the hypotheses are formulated as follows:

- H1:** Tax knowledge has a positive effect on awareness of paying taxes
- H2:** Tax sanctions have a positive effect on awareness of paying taxes
- H3:** Ability to pay taxes has a positive effect on awareness of paying taxes
- H4:** Awareness of paying taxes has a positive effect on tax compliance
- H5:** Tax knowledge has a positive effect on tax compliance
- H6:** Tax sanctions have a positive effect on tax compliance
- H7:** The ability to pay taxes has a positive effect on tax compliance

## **3. METHODOLOGY**

### **3.1. Research Design**

The research design used causality explanatory and collecting data through surveys. The data is in the form of qualitative with the primary data source. The research





population is all individual taxpayers (*WPOP*) who have a taxpayer identification number (*NPWP*) at the West Jakarta DJP Regional Office in DKI Jakarta Province. The sampling technique is accidental sampling. The research sample is 130 *WPOP*. The unit of analysis is the individual. The time horizon is a cross-section. Data analysis is using path analysis.

### 3.2. Variable Operational Definition

Tax knowledge is the process of changing the attitude and behavior of taxpayers through teaching and training efforts. The measurement instrument was developed from Wardani and Rumiyaun (2017) with indicators such as knowledge of taxes from the mass media, knowing the functions and benefits of taxes, knowing how to fill out an *SPT*, knowing the amount of taxes, knowing taxes are coercive, knowing administrative and criminal sanctions. Measurement of variables using a Likert scale ranging from 1 (very ignorant) to 5 (very knowledgeable) to state the level of tax knowledge.

*Tax sanctions* are sanctions applied in taxation. The measurement instrument was developed from Wardani and Rumiyaun (2017) with sanctions for not fulfilling obligations, sanctions for not reporting tax objects, sanctions for not paying/underpaying taxes due when due, sanctions following applicable rules and regulations, and criminal sanctions by showing fake documents. Measurement of variables using a Likert scale ranging from 1 (strongly agree) to 5 (strongly disagree) to state the level of tax sanctions.

The ability to pay taxes is the value that taxpayers are willing to contribute to financing state expenditures without receiving natural contraception. The measurement instrument was developed by Sa'diah et al. (2019) with indicators that prepare billing identities to pay taxes, seek information on how to pay taxes, know the deadline for paying taxes, allocate taxes, and use allocated funds to pay taxes. Measurement of variables using a Likert scale ranging from 1 (very incapable of paying) to 5 (very capable of paying) to state the level of ability to pay taxes.

Awareness of paying taxes is the willingness of taxpayers to know, understand and implement tax provisions correctly and voluntarily. The instrument for measuring awareness of paying taxes was developed from Oktaviani (2017) with indicators such as willingness to comply with tax regulations, willingness to serve the state, willingness to participate in state development, willingness to pay taxes, and willingness to advance people's welfare. Measure variables using a Likert scale ranging from 1 (very unconscious) to 5 (very aware) to state the level of awareness of paying taxes.

Taxpayer compliance is the behavior of taxpayers to fulfill tax obligations according to applicable regulations without threats and the application of sanctions. The measurement instrument was developed by Ilhamsyah et al. (2016) with indicators are registering to obtain a taxpayer identification number (*NPWP*), having an *NPWP*, knowing the deadline for tax reporting, filling out notification letters, reporting notification letters, calculating income taxes, paying income taxes on time, paying tax shortages income, and willing to pay tax obligations and arrears. Measurement of the variables uses a Likert scale ranging from 1 (very disobedient) to 5 (very compliant) to state the level of compliance in paying taxes.

## 4. RESULTS AND DISCUSSION

### 4.1. Research Result

#### 4.1.1. Sample Demographic Respondent

Demographics of respondents by gender consisted of 53% men and 47% women. In terms of age, respondents indicated the age of 20-30 years with a total of 1.6%, ages 31-40 with a total of 40.7%, and the age of respondents aged 41-51 years with a total of 57.7%. Meanwhile, from marital status, 8.5% of respondents are unmarried, and 91.5% are married. The number of respondents in education shows that 16.2% are undergraduate graduates, 71.5% are masters, and 12.3% are doctors.

**Table 1. Demographic Respondent**

Demographic Variable	Categories	Frequency	Percentages
Gender	Male	69	53%
	Female	61	47%
Age (Years)	20-30	2	1,6%
	31-40	53	40,7%
	41-50	75	57,7%
Marital Status	Unmarried	11	8,5%
	Married	119	91,5%
Education	Graduation	21	16,2%
	Master	93	71,5%
	PhD Scholars	16	12,3%

Source: Processed Data, 2021

### 4.1.2. Descriptive Statistics

The descriptive statistical results show the tendency of individual taxpayers, as shown in table 2.



**Table 2. The Statistical Descriptive Results**

Variable	N	Minimum	Maximum	Mean	Std Deviation
Tax Knowledge (X1)	130	1.00	5.00	4.31	.28744
Tax Sanctions (X2)	130	2.00	5.00	4.24	.27529
Ability to Pay Taxes (X3)	130	2.00	5.00	3.11	.15422
Awareness of Paying Taxes (Z)	130	3.00	5.00	3.17	.15926
Tax Paying Compliance (Y)	130	1.00	5.00	4.54	.49824

Source: Processed Data, 2021

Table 2 shows the respondents' behavior that taxpayers understand tax regulations, know tax sanctions both legally and administratively, can pay taxes, are aware of paying taxes, and are obedient in making payments through *Surat Setoran Pajak (SSP)* and reporting through *Surat Pelaporan dan Pemberitahuan (SPT)*.

**Normality Test**

A normality test is used to test whether the relevant data is usually distributed or not. For example, the multivariate model has generally distributed if the significance value of each variable is the critical ratio (cr) value less than 2.58. The results of the normality test can be seen in Table 3 below:

**Table 3. Normality Test**

Variable	Min	Max	Skew	c.r.	Kurtosis	c.r.
Tax Knowledge (X1)	.500	1.386	-.000	-.000	-.795	-1.725
Tax Sanctions (X2)	.000	1.425	.210	.912	-1.477	-3.204
Ability to Pay Taxes (X3)	.693	1.447	.070	.304	.949	2.059
Awareness of Paying Taxes (Z)	.410	1.130	.905	3.926	.315	.683
Tax Paying Compliance (Y)	.530	1.430	.285	.710	.810	1.847
Multivariate					1.743	1.337
Covariance determinant matrix					0,286	

Source: Processed Data, 2021

Based on table 3 above, the critical ratio value is 1.337 < 2.58, or the skewness value is below 2.58, so the resulting data pattern is typical. Meanwhile, the covariance determinant matrix = 0.286 shows a value above 0; then, there is no multicollinearity relationship between independent variables on tax knowledge, tax sanctions, and ability to pay taxes.

**4.1.3. Data Quality Test**

A validity test is used to measure the concept to be measured. The validity test was carried out using the Kaiser-Meyer-Olkin (KMO) test with the lowest value of 0.718 and the highest value of 0.851. Meanwhile, the reliability test is used to measure the consistency of a variable. For example, a variable is reliable if it gives Cronbach's Alpha value 0.60. The reliability test results showed that the lowest value was 0.884, and the highest was 0.960.

**Table 4. Data Quality Test**

No	Variable	Validity (KMO)	Reliability (Cronbach Alpha)
1	Tax Knowledge (X1)	0,792	0,953
2	Tax Sanctions (X2)	0,780	0,960
3	Ability to Pay Tax (X3)	0,749	0,917
4	Awareness of Paying Tax (Z)	0,718	0,884
5	Tax Paying Compliance (Y)	0,851	0,961

Source: Processed Data, 2021

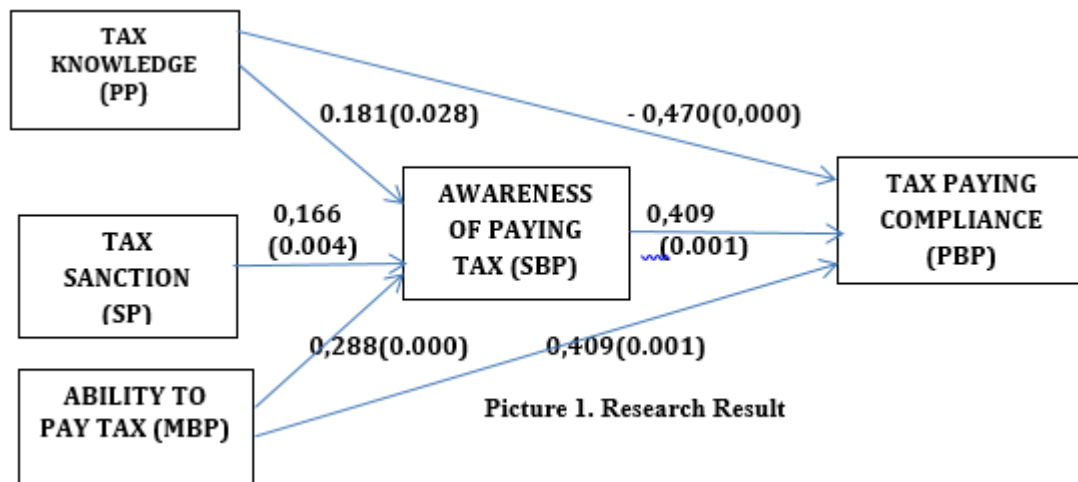
**4.1.4. Hypothesis Test**

Hypothesis testing has been done either simultaneously or partially. The calculation results are in Table 5 below.

**Table 5. Path Analysis Regression Weights Test**

Variable Effect	Estimate	S.E.	C.R.	P	Information
PP → SBP	.181	.083	2.196	.028	H1 Accepted
SP → SBP	.166	.058	2.890	.004	H2 Accepted
MBP → SBP	.288	.063	4.562	.000	H3 Accepted
SBP → PBP	.409	.126	3.249	.001	H4 Accepted
PP → PBP	-.470	.071	-6.623	.000	H5 Accepted
SP → PBP	.181	.083	2.196	.028	H6 Accepted
MBP → PBP	.409	.126	3.249	.001	H4 Accepted
<b>Squared Multiple Correlations</b>				Minimum was achieved	
Intention to Pay Taxes = 0,608				Chi-square = .063	
Tax Paying Compliance = 0,764					

Source: Processed Data, 2021



**4.1.5. Intervening Test**

The results of the Path Analysis test in this study indicate that the results of the calculation of the intervening variables are shown in table 6 as follows:

**Table 6. Intervening Test**

Variable	Tax Knowledge		Tax Sanctions		Ability to Pay Taxes	
	Direct Effects	Indirect Effects	Direct Effects	Indirect Effects	Direct Effects	Indirect Effects
Awareness of Paying Tax	0.248	0.000	0.422	0.000	0.364	0.000
Tax Paying compliance	-0.514	0.838	0.292	0.592	0.415	0.648

Source: Data output 2021

Based on the results of table 5, the indirect effect is higher than the direct effect on the relationship between tax knowledge, tax sanctions, and the ability to pay taxes on tax compliance. The variable of tax pay awareness will function as an intervening variable.

**4.2. DISCUSSION**

**4.2.1. The Effect of Tax Knowledge on Awareness of Paying Taxes**

Knowledge of taxation has a positive effect on awareness of paying taxes. It shows that tax knowledge is sufficient to raise awareness of paying taxes (Jatmiko, 2006). The knowledge possessed by a person can be a determining factor for taxpayers, the higher the understanding of taxpayers in fulfilling their obligations and becomes important regarding the importance and fundamentals of taxes. People who lack knowledge and insight into taxation never know the impact if they do not pay taxes. Taxpayers understand the self-assessment system to calculate, produce and report taxes personally. Thus, taxpayers are pretty aware of fulfilling their tax rights and obligations, even though in the Covid-19 pandemic condition, they are relatively aware and obedient to paying taxes.

It is consistent with Alabede's research (2011) which states that taxpayers' tax awareness will strengthen taxpayers' formal compliance from the influence of understanding tax regulations. Knowledge of taxes affects tax awareness so that they understand tax rules and have a willingness to pay taxes (Tatiana and Priyo, 2010; Siregar et al., 2012; Saad, 2014; Oktadini, 2018).

**4.2.2. The Effect of Tax Sanctions on Awareness of Paying Taxes**

Tax sanctions have a positive effect on awareness of paying taxes. It means that tax sanctions can make taxpayers aware enough to comply with paying taxes. This awareness is because taxpayers know the risks they face in administrative, criminal, and sanctions following the provisions and timing of late payments. Tax sanctions clarify their consequences if people do not carry out their obligations. The tax sanctions can encourage taxpayers to be quite aware of paying taxes. Taxpayers feel that the sanctions imposed are substantial but quite aware in psychology (Trisnawati, 2015). Thus, taxpayer discipline has not yet been created in paying and reporting taxes.

Awareness is an element that comes from within humans that influence behavior to respond to all existing realities. For example, taxpayer awareness is a person's good faith to fulfill the obligation to pay taxes based on a sincere conscience (Susilawati and Budiarti, 2013; Isa, 2014).

**4.2.3. The Effect of Ability to Pay Taxes on Awareness of Paying Taxes**

The ability to pay taxes positively affects awareness of paying taxes. Taxpayers can pay taxes because they know that taxable income is above the non-taxable income limit. Therefore, they are aware of paying income tax according to applicable regulations. If the income below is not taxable, the taxpayer knows that he does not pay taxes and only reports income taxes.





It follows the results of research conducted by Widayati and Nurlis (2010; Isa, 2014) Awareness of paying taxes Taxpayers to pay their tax obligations by having their awareness in fulfilling their tax obligations.

#### **4.2.4. The Effect of Awareness of Paying Taxes on Tax Paying Compliance**

Awareness of paying taxes has a positive effect on taxpayer compliance. Empirical results show that taxpayers are aware of paying taxes voluntarily, so they obey tax provisions. *Awareness* is an element that comes from within humans that influences behavior to respond to all existing realities (Trisnawati 2015). Taxpayer awareness is a person's good faith to fulfill the obligation to pay taxes based on a sincere conscience (Susilawati and Budiarti, 2013; Andrea, 2015). Sudharini (2016) and Faisal (2017) have researched taxpayer awareness of tax compliance. The results obtained are that taxpayer awareness positively affects taxpayer compliance. The tax rate that does not put pressure on the small people is also considered to increase the level of public compliance.

The study results follow the results of Bintoro Wardiyanto (2007) that psychologically taxpayers have formed tax morals, which can influence taxpayers to want to pay taxes. Furthermore, it is consistent with research by Jatmiko (2006), Muliari and Setiawan (2010), Santi (2012), and Arum (2012), which state that taxpayer awareness has a positive and significant impact on tax compliance.

#### **4.2.5. The Effect of Tax Knowledge on Tax Paying Compliance**

Tax knowledge harms individual taxpayers' tax compliance. It means that knowledge of taxation provides an understanding of self-assessment, tax benefits, tax sanctions but reduces compliance to pay taxes. Taxpayers who have little or much knowledge about taxation will undoubtedly be different in understanding taxation in depth. Taxpayers who have more knowledge in taxation tend to reduce the costs that must be incurred. Taxpayers seek reproach from existing regulations to minimize their obligations without violating the law (Mardiasmo, 2010; Andrea, 2015). Knowledge can create an impulse from within the individual to be more or less obedient in his obligations. Thus, taxpayers who have tax knowledge prefer to comply with tax laws rather than look for loopholes to avoid paying taxes.

These results follow research conducted by Wardani and Asis (2017) that the level of knowledge of taxpayers harms taxpayer compliance. The higher the taxpayer's ability to calculate taxes, the more likely the taxpayer is to reduce the tax that must be paid.

#### **4.2.6. The Effect of Tax Sanctions on Tax Paying Compliance**

Tax sanctions have a positive effect on individual taxpayers' tax compliance. These results mean that high tax sanctions will lead to higher individual taxpayers' tax compliance. These results indicate that taxpayers will comply

with a coercive nature because of the severe sanctions if they do not carry out their tax obligations. Tax sanctions against taxpayers can lead to the fulfillment of tax obligations to increase taxpayer compliance itself.

The sanctions contained in the tax law clarify the consequences they will get if the public does not carry out their obligations. The tax sanctions provided can encourage taxpayers to comply in paying taxes. Because taxpayers feel that the sanctions imposed are substantial, there has not been a taxpayer discipline in paying and reporting taxes. Tax Sanctions are guarantees that the provisions of the Taxation Law (Taxation Norms) will be complied with/obeyed/obeyed, or in other words, tax sanctions are deterrent (preventive) so that taxpayers do not violate the Taxation Norms (Widi Dwi E, 2018).

The results of this study are consistent with research conducted by Hadi (2010), which shows that tax sanctions affect individual taxpayer compliance which states that there is a positive relationship between tax sanctions on taxpayer compliance. Tax sanctions are a factor that can increase taxpayer compliance (Isyati, 2015; Wardani, 2017; Mohdalia, 2014).

#### **4.2.7. The Effect of Ability to Pay Taxes on Tax Paying Compliance**

The ability to pay taxes positively affects awareness of paying taxes. Taxpayers who have income above taxable income tend to allocate funds to pay taxes so that tax payments make taxpayers comply with tax obligations. It is because taxpayers know the risks and sanctions that will be accepted if they do not fulfill their tax obligations. These results are consistent with research by Harjanti Puspa Arum (2012), which concludes that the ability to pay taxes affects tax compliance by taxpayers. Collecting taxes is not an easy job; in addition to the active participation of the tax authorities, the willingness of the taxpayers themselves is also required (Fikriningrum, 2012). Therefore, the willingness and ability to pay taxes will affect taxpayer compliance.

### **5. Research Finding**

Awareness of paying taxes is a mediating variable that increases the role of tax knowledge, tax sanctions, and the ability to pay taxes to be obedient in paying taxes. Applying the self-assessment system requires calculating, filling, paying, and reporting taxes through annual tax returns and tax payment letters. With knowledge of taxation, taxpayers who have more knowledge in taxation tend to prefer to reduce the costs incurred. Taxpayers seek reproach from existing regulations to minimize their obligations without violating the law. Knowledge can create an impulse from within the individual to be more or less obedient in his obligations. Thus, taxpayers who have tax knowledge prefer to comply with tax laws rather than look for loopholes to avoid paying taxes. On the other hand, the tax sanctions can encourage taxpayers to be quite aware of paying taxes. Taxpayers feel that the sanctions imposed are stringent, but because they are pretty aware of



psychology, taxpayer discipline has not been created in paying and reporting taxes.

Taxpayers who have more knowledge in taxation tend to choose to reduce costs. Taxpayers will look for existing regulatory loopholes to minimize their obligations without violating the law (Mardiasmo, 2010). Knowledge can create an impulse from within the individual to be more or less obedient in his obligations. Thus, taxpayers who have tax knowledge prefer to comply with tax laws rather than look for loopholes to avoid paying taxes.

### 6. Conclusion and Recommendation

Based on the results of the study showed support for the theory of planned behavior. Taxpayers comply in paying taxes by raising awareness of paying taxes as a mandatory behavior because they earn income. Taxpayers are afraid to risk tax sanctions in the form of administrative and criminal sanctions. The research concludes that awareness of paying taxes can

mediate the relationship between knowledge of taxation, tax sanctions, and the ability to pay taxes on tax compliance.

Recommendations from the results of the research are: raise awareness among taxpayers about the importance of paying taxes for the welfare of the community, participate in socialization held by tax officials to increase tax knowledge, and actively study tax regulations; The next researcher is expected to be the object of *Pengusaha Kena Pajak (PKP)* as respondents so that they can obtain broader answers; as well as opportunities to develop the theory of planned behavior by expanding both independent and moderating variables by adding new variables, namely: tax awareness, implementation of e-filing, tax avoidance, and tax understanding.

Therefore, further research must accurately identify what problems best describe these three factors so that the expected outcomes that lead to behavior can occur.

### References

- Aini, A.O., Budiman, J. and Wijayanti, P. (2013) Kepatuhan Wajib Pajak Badan Perusahaan Manufaktur di Semarang Dalam Perspektif Tax Professional. Paper Presented at the Proceeding Simposium Nasional Perpajakan 4, Universitas Trunojoyo, Madura.
- Alkhatib A, A., & Abdul-Jabbar, H. (2017). An Economic Framework for Tax Evasion in Palestine. *American-Eurasian Journal of Scientific Research*, 12(6), 300–304.
- Alkhatib, A. A., Abdul-Jabbar, H., Abuamria, F., & Rahhal, A. (2019). The effects of social influence factors on income tax evasion among the Palestinian SMEs. *International Journal of Advanced Science and Technology*, 28(17), 690–700.
- Ajzen, I. (1991). The Theory of Planned Behavior. *Organizational Behavior and Human Decision Processes*, 50, 179–211.
- Andreas, Enni Savitri, 2015, The Effect of Tax Socialization, Tax Knowledge, Expediency of Tax ID Number and Service Quality on Taxpayers Compliance With Taxpayers Awareness as Mediating Variables, 2nd Global Conference on Business and Social Science-2015, GCBSS-2015, 17-18 September 2015, Bali, Indonesia, *Procedia - Social and Behavioral Sciences* 211 (2015) 163 – 169
- Damayanti, T. W., T, S., Subekti, I., & Baridwan, Z. (2015). The Role of Taxpayer's Perception of the Government and Society to Improve Tax Compliance. *Accounting and Finance Research*, 4(1).
- Damajanti, A., & Karim, A. (2017). Effect of Tax Knowledge on Individual Taxpayers Compliance. *Economics & Business Solutions Journal*, 1(1), 1–19.
- Dartini, Gusti Agung As dan I Ketu Jati. 2016. "Pemahaman Akuntansi, Transparansi, dan Akuntabilitas pada Kepatuhan Wajib Pajak Badan". *E-Jurnal Akuntansi Universitas Udayana* Vol.17.3. ISSN: 2302-8556.
- Faizal, Sellywati Mohd, Mohd Rizal Palil, Ruhanita Maelah, Rosiati Ramli, 2017, Perception on justice, trust and tax compliance behavior in Malaysia, *Kasetsart Journal of Social Sciences*, Vol. 28, pp 226 – 232.
- Hamza Lachheb, Rachid Bouthanoute & Mohammed Bendriouch. "For A Local Tax System Dedicated to Sustainable Development Incorporating Governance, Transparency and Innovation ." *International Journal of Economics and Finance*, Vol. 8, No. 5 ISSN: 1916-971., E-ISSN 1916-972.
- Ilhamsyah, Dkk. 2016. "Pengaruh Pemahaman dan Pengetahuan Wajib Pajak Tentang Peraturan Perpajakan, Kesadaran Wajib Pajak, Kualitas Pelayanan, dan Sanksi Perpajakan terhadap Kepatuhan Wajib Pajak Kendaraan Bermotor (Studi Samsat Kota Malang)". *Jurnal Perpajakan (Jejak)*. Vol. 8 No. 1, 2016.
- Isa, Khadijah Mohd, Salwa Hana Yussof, Raihana Mohdali, 2014, The role of tax agents in sustaining the Malaysian tax system, *Procedia - Social and Behavioral Sciences* 164 ( 2014 ) 366 – 371, *International Conference on Accounting Studies 2014, ICAS 2014*, 18-19 August 2014, Kuala Lumpur, Malaysia.
- Jatmiko, Agus N. 2006, Pengaruh Sikap Wajib Pajak pada Pelaksanaan Sanksi Denda, Pelayanan Fiskus, dan Kesadaran Perpajakan terhadap Kepatuhan Wajib Pajak Studi Empiris terhadap Wajib Pajak Orang Pribadi di Kota Semarang, Tesis: Universitas Diponegoro





- Kraft, P., Rise, J., Sutton, S., & Røysamb, E. (2005). Perceived difficulty in the theory of planned behavior: perceived behavioural control or affective attitude? *The British Journal of Social Psychology / the British Psychological Society*, 44(Pt 3), 479-96. <http://doi.org/10.1348/014466604X17533>
- Langham, J.A., Paulsen, N. and Härtel, C.E.J. (2012) Improving Tax Compliance Strategies: Can the Theory of Planned Behavior Predict Business Compliance? *eJournal of Tax Research*, 10, 364-402.
- Lesmana, D., Panjaitan, D., & Maimunah, M. (2017). Tax Compliance Ditinjau dari Theory of Planned Behavior (TPB): Studi Empiris Pada Wajib Pajak Orang Pribadi dan Badan yang Terdaftar Pada KPP di Kota Palembang. *Jurnal InFestasi*, 13(2), 354–366.
- Malik, M. S., & Younus, S. (2019). Determinants of Tax-Compliance Behaviour Explored by Slippery Slope Framework and Theory of Planned Behaviour: An Evidence from Small Business Owner. *Journal of Management Sciences*, 6(2), 33-47.
- Mardiasmo. 2011. *Perpajakan Edisi Revisi*. Yogyakarta: Penerbit ANDI.
- Mohdalia, Rohani, Khadijah Isab, Salwa Hana Yusoffb, 2014, The impact of threat of punishment on tax compliance and noncompliance attitudes in Malaysia, *Procedia - Social and Behavioral Sciences* 164 ( 2014 ) 366 – 371, International Conference on Accounting Studies 2014, ICAS 2014, 18-19 August 2014, Kuala Lumpur, Malaysia.
- Nguyen Tran Hung, Le Hoang Anh, Do Thi Thu Hien, & Hang, V. T. T. (2020). A Studying on Factors Affecting Decision to Use Smart Tourism Applications using extended TAM. *WSEAS TRANSACTIONS on BUSINESS and ECONOMICS*, 17, 288-299. doi:10.37394 /23207.2020.17.30
- Nugroho, A. P., Hidayat, A., & Kusuma, H. (2017). The Influence of Religiosity and Self-Efficacy on the Saving Behavior of the Islamic Bank. *Banks and Bank Systems*, 12(3), 35–47.
- Malik, M. S., & Younus, S. (2020). Voluntary Tax-compliance Behavior in SMEs; Evidence from Pakistan and Turkey. *Review of Economics and Development Studies*, 6(4), 905-918.
- Nugroho, R.A., Zulaikha, Z., 2012. Faktor-Faktor Yang Mempengaruhi Kemauan Untuk Membayar Pajak Dengan Kesadaran Membayar Pajak Sebagai Variabel Intervening (Studi Kasus Wajib Pajak Orang Pribadi Yang Melakukan Pekerjaan Bebas Yang Terdaftar Di KPP Pratama Semarang Tengah Satu). *Diponegoro Journal of Accounting* 1, 150–160.
- Oktaviani, Ayu Aulia, Florencia Trisna, Juang Dwi Ayu Kusumaningtyas, 2017, The Effect of Knowledge and Understanding Taxation, Quality of Tax Services, and Tax Awareness on Personal Tax Compliance, *Indonesian Management and Accounting Research*, ISSN: (e) 2441-9724, (p) 1411-8858 Volume 16, Number 02, July 2017
- Oktadini, Raja Rensa., Amir Hasan., dan Andreas. 2018. “Analysis of Factors Affecting Taxpayers Compliance Paying Local Taxes with Taxpayers Awareness as Intervening Variable (Study on Local Revenue Board of Pekanbaru City)”. *Procuration* Vol. 6 No. 1. E-ISSN 2580-3743
- Palil, M. R. (2010). Tax knowledge and tax compliance determinants in self-assessment system in Malaysia (Doctoral dissertation, University of Birmingham).
- Palil, M. R., & Mustapha, A. F. (2011). Determinants of tax compliance in Asia. *European Journal of Social Sciences*, 24(1), 7-32.
- Pope, J. and Mohdali, R. (2010) The Role of Religiosity in Tax Morale and Tax Compliance. *Australian Tax Forum*, 25, 565-596.
- Putra, Afuan Fajrian. 2017. “Pengaruh Etika, Sanksi Pajak, Modernisasi Sistem, dan Transparansi Pajak Terhadap Kepatuhan Pajak”. *Jurnal Akuntansi Indonesia*, Vol. 6 No. 1 hal 1-12.
- Purba, H. (2020). Effect Of E-Filing System Implementation and Tax Knowledge on Taxpayer Compliance with Account Representative Services As Mediation Variable. *EPRA International Journal of Research and Development*, 5(10), 66-80.
- Sa’diah, N., Sari, R.N., Ratnawati, V., 2019. FaktorFaktor Yang Mempengaruhi Kemauan Membayar Pajak (Studi Empiris Wajib Pajak Orang Pribadi Non Karyawan). *Jurnal Akuntansi (Media Riset Akuntansi & Keuangan)* 7.
- Saad, Nastrah, 2014, ax Knowledge, Tax Complexity and Tax Compliance: Taxpayers’ View, *Procedia - Social and Behavioral Sciences* 109 (2014) 1069 – 1075, 2nd World Conference On Business, Economics And Management- WCBEM 2013.
- Sadress, N., Bananuka, J., Orobia, L., & Opiso, J. (2019). Antecedents of tax compliance of small business enterprises: a developing country perspective. *International Journal of Law and Management*.
- Sembiring, 2021, <https://www.cnbcindonesia.com/news/20210128154652-4-219466/ya-tuhan-12-tahun-ri-tak-pernah-capai-target-pajak>
- Siahaan, Marihot P. 2013. *Pajak Daerah dan Retribusi Daerah*. Jakarta: Raja Grafindo.
- Siregar, Y. A., Saryadi, dan S. Listyorini. 2012. “Pengaruh Pelayanan Fiskus dan Pengetahuan Perpajakan Terhadap Kepatuhan Wajib Pajak (Studi Empiris Terhadap Wajib Pajak di Semarang Tengah)”. *Jurnal Ilmu Administrasi Bisnis*. pp: 1-18



- Wassermann, M., & Bornman, M. (2020). Tax knowledge for the digital economy. *Journal of Economic and Financial Sciences*, 13(1), 1-11. doi:10.4102/jef.v13i1.461.
- Wardani, Dewi Kusuma. 2017. The Influence of Taxpayer Knowledge of Taxpayers' Awareness of Motor Vehicle Tax Sanctions and the Samsat Drive-Thru System on Motor Vehicle Taxpayer Compliance. *Accounting journal*. Vol.5 No.1. p. 17
- Yasa, I. N. P., & Prayudi, M. A. (2017). Perilaku Kepatuhan Perpajakan dalam Perspektif Teori Perilaku Terencana. *Seminar Nasional Riset Inovatif*, 3, 247–252.
- Zaidi, S. K. R., Henderson, C. D., & Gupta, G. (2017). The moderating effect of culture on e-filing taxes: evidence from India. *Journal of Accounting in Emerging Economies*.
- Zainuddin, Z., 2018. Pengetahuan dan Pemahaman Aturan Perpajakan, Kualitas Pelayanan dan Persepsi atas Efektivitas Sistem Perpajakan terhadap Kemauan Membayar Pajak dengan Kesadaran Membayar Pajak sebagai Variabel Intervening. *JurnalAkunNabelo* 1.
- Zhang, K. (2018). Theory of Planned Behavior: Origins, Development and Future Direction. *International Journal of Humanities and Social Science Invention*, 7(5), 76–83
- Yasa, I. N. P., & Prayudi, M. A. (2017), Perilaku Kepatuhan Perpajakan dalam Perspektif Teori Perilaku Terencana. *Seminar Nasional Riset Inovatif*, 3, 247–252.