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THE EFFECT OF TAX SANCTIONS, TAXPAYER AWARENESS, AND QUALITY OF TAX SERVICES ON TAXPAYER COMPLIANCE WITH PERSONAL PERSONS AT KPP PRATAMA PATI

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ABSTRACT
Tax is one of the important instruments in the country's economy because it is the largest and most flexible source of state revenue. Adherence to paying taxes contributes to the achievement of the tax targets set by the government, but often there are still many non-compliance, especially on personal taxpayers. This study intends to determine the effect of tax penalties, awareness of taxpayers and the quality of tax services on personal taxpayer compliance at KPP Pratama Pati. The populations in this study are 35,471 personal taxpayers who has had a NPWP more than one year and had a small and medium enterprise in the area of KPP Pratama Pati, and from that number 100 respondents were taken as respondents. Variables in this study were tax penalties (X1), taxpayer awareness (X2), and tax service quality (X3), taxpayer compliance (Y). Methods of data collection are questionnaires and observations. The analytical method is the classic assumption test which consists of normality test, multicollinearity test, autocorrelation test, heteroscedasticity test and multiple regression analysis that consist of F test, t test, and coefficient of determination (R2) test.The results showed that respondents' responses to tax penalties were very good, awareness of taxpayers and the quality of tax office services were also very good, and taxpayer compliance at KPP Pratama Pati was also very high. The results of the t test obtained a value of p <0.05 for the three independent variables with a positive correlation coefficient value of 0.582; 0.293; and 0,980 for variable tax penalties, taxpayer awareness and service quality of the tax office. The explanatory power of the three variables towards taxpayer compliance is 61.9%.The conclusions in this study are: tax penalties, awareness of taxpayers and the quality of tax services have a positive and significant effect on taxpayer compliance. The dominant factor affecting personal taxpayer compliance is the service quality of the tax office.

Keywords: Penalties, Awareness, Service Quality, Taxpayer Compliance

1.   INTRODUCTION

   Welfare for all Indonesian people can be realized by running good governance and carrying out development in all fields, which of course also needs to be supported by adequate sources of financing, one of which is from the tax sector. Taxes function as a source of funds used to finance government expenditures (Waluyo, 2011). The contribution of tax revenues greatly affects the running of the government and the economy, such as development funding for the prosperity of the people, starting from the

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education, health, banking and industrial sectors (Susmita and Supadmi, 2016). The contribution of tax revenue is inseparable from taxpayer compliance in paying taxes.

Taxpayer compliance is defined as the behavior of a taxpayer where in carrying out all tax obligations and exercising his tax rights, the taxpayer remains based on the applicable laws and regulations. If the taxpayer always adheres to the legislation in terms of paying off obligations, the target set by the government will be achieved. On the other hand, if the taxpayer is not obedient in paying the taxes owed, then this will be a very important problem because it can lead to reduced tax revenues to the state treasury.

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The public must first be aware of paying taxes. Taxpayer awareness is a person's good faith to fulfill the obligation to pay taxes based on his sincere and sincere conscience (Susilawati and Budhiarta, 2013). Another factor that is considered to affect compliance with paying taxes is tax sanctions (Widodo, 2016). The implementation of tax sanctions can lead to the fulfillment of tax obligations by taxpayers, so that taxpayers will comply because they think of severe sanctions in the form of fines due to illegal actions in their efforts to smuggle taxes. Tax sanctions are a guarantee that the provisions of tax laws and regulations (tax norms) will be obeyed / adhered to / obeyed, or in other words, tax sanctions are a deterrent so that taxpayers do not violate tax norms (Mardiasmo, 2011).

Efforts to improve the quality of tax office services are also expected to provide taxpayer satisfaction as customers, so that compliance in the taxation sector will also increase by itself. The phenomenon that occurs in KPP Pratama Pati shows that the level of taxpayer compliance in Pati is still low. This is evidenced by the level of tax revenue in the Regional Office of the Directorate General of Taxes (DGT) of Central Java, which is still low at only 77% or around Rp. 5.3 trillion of the target set at Rp. 6.9 trillion in 2017. Of all the KPPs under the Central Java DGT, KPP Pratama Pati is in the eighth position with an achievement of around 71 percent. This study intends to determine the effect of tax sanction, taxpayer awareness and quality of tax services on individual or personal taxpayer compliance (Case Study at KPP Pratama Pati).

2.   LITERATURE REVIEW
TAXPAYER COMPLIANCE

According to the Big Indonesian Dictionary, as quoted by Rahayu (2010), the term Compliance means submission or obedience to teachings and rules. According to Siti Kurnia (2010) said that taxpayer compliance is the act of taxpayers in fulfilling their tax obligations in accordance with the provisions of the legislation and tax implementation regulations in force in a country.

TAX SANCTIONS

Sanction is an action in the form of punishment given to people who violate the rules. According to Mardiasmo (2016), tax sanctions are a guarantee that the provisions of tax laws or tax regulations will be obeyed, adhered to and obeyed, or in other words, tax sanctions are a deterrent so that taxpayers do not violate tax norms.

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TAXPAYER AWARENESS

According to the General Indonesian Dictionary, awareness is a state of knowing, understanding and feeling. Awareness to comply with the provisions (tax law) in force, of course, involves factors whether these provisions have been known, appreciated, obeyed and recognized.

In this case, taxpayer awareness is a condition where taxpayers understand or know their tax rights and obligations. Awareness of taxpayers on the magnitude of the role played by the tax sector as a source of state financing is needed to improve taxpayer compliance (Jatmiko, 2006).

TAX SERVICE QUALITY

The definition of Tax Service according to the Decree of the Minister of State for Administrative Reform (Men-Pan) No. 81 of 1993. According to Boediono, Service is a process of helping others in certain ways that require sensitivity and interpersonal relationships in order to create success and satisfaction. Services related to taxes can be intended as services provided by the tax apparatus in this case the Directorate General of Taxes to the public to assist the community in fulfilling their obligations and rights in taxation.

3.   DATA AND RESEARCH TECHNIQUE ANALISYS

This research is a causal associative research that aims to determine the effect of two or more variables. The study was conducted on 100 people from a total population of 35,471 private taxpayers who were selected by accidental sampling with the criteria of having had a TIN for more than one year and having small and medium businesses located in the KPP Pratama Pati area. The sample size was calculated using the Slovin formula with a significance level of 10%. The variables studied include taxpayer compliance as the dependent variable as well as independent variables such as: tax sanctions, taxpayer awareness and service quality of the tax office. These variables are primary data obtained from the distribution of questionnaires to individual taxpayers whose validity and reliability have been tested. As for each variable defined operationally contained in Table 1.

The research data were then analyzed descriptively followed by classical assumption test analysis which included normality test of residual data using histogram graph, multicollinearity test using variance inflation factor (VIF) and tolerance values, autocorrelation test using Durbin Watson value rule, and heteroscedasticity test using scatterplot graph. The next test to prove the hypothesis is multiple linear regression analysis which includes t test, F test, and coefficient of determination test. Data analysis was carried out with the help of SPSS version 16.0 computer software.

Table.1. Variable Operational Definition

Variable	Operational Definition	Indicator
Tac Sanctions (X1)	Tax sanctions have an important role in providing lessons for tax violators so as not to underestimate tax regulations	1. Taxpayers know about the purpose of tax sanctions 2. The imposition of a fairly heavy sanction is one way to educate taxpayers 3. Tax sanctions must be

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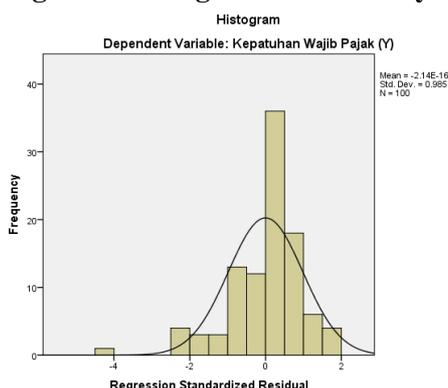
			imposed on taxpayers who violate without tolerance
Taxpayer Awareness (X2)	Taxpayer awareness is a state of knowing or understanding about taxes without coercion from other parties	1. 2. 3.	Awareness of the rights and obligations of taxes to fulfill the obligation to pay taxes Public trust in paying taxes for state and local financing Self-motivation to pay taxes voluntarily
Service Quality (X3)	Service quality is the level of excellence expected and control over the level of excellence to meet customer desires.	1. 2. 3. 4.	Physical evidence Reliability Responsiveness Assurance, Empathy
Taxpayer Compliance (Y)	Taxpayer compliance where the taxpayer fulfills his tax obligations and exercises his tax rights properly and correctly in accordance with the applicable tax laws and regulations	1. 2. 3. 4.	Fulfilling tax obligations in accordance with applicable regulations Paying taxes on time Taxpayers meet the requirements in paying their taxes Taxpayers can find out the payment due

The data analysis method is a stage of the research process where the data has been managed in order to answer the problem formulation, Processing the data obtained from the questionnaire and has been tabulated in the form of numbers using statistical analysis of the SPSS program. The analysis stages include Classical Assumption Test, Multiple Linear Regression and Hypothesis Testing

4. RESULT AND DISCUSSION

The results of the classical assumption test show that the regression model meets the criteria for the distribution of normal residual data as seen from the histogram graph above which is symmetrically shaped not skewed to the right or left (Figure 1)

Figure 1: Histogram of Normality Test

Histogram
Dependent Variable: Kepatuhan Wajib Pajak (Y)

Mean = -2.14E-16
Std. Dev. = 0.985
N = 100

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Regression model that is free from multicollinearity symptoms because each independent variable has a tolerance value > 0.1 and a VIP value of more than 10 (Table 2)

Table 2: Multicollinearity Test

Variabel	Collinearity Statistics	
	Tolerance	VIF
Tax Sanctions (X1)	,984	1,116
Taxpayer Awareness (X2)	,376	1,658
Tax Service Quality (X3)	,377	1,653

The results of the autocorrelation test obtained that the DW value of 1.981 was between the values of -2 to +2 so that the regression model was declared free from autocorrelation symptoms. Heteroscedasticity test seen from the scatter plot graph also shows plots that are spread out so that it can be concluded that the regression model is free from heteroscedasticity symptoms (Figure 2).

Figure 2: Scatter Plot Graph of Heteroscedasticity Test
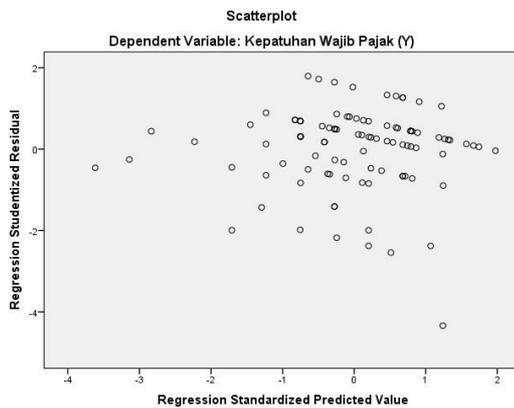
Based on the results of multiple linear regression analysis (Table 3), the following regression equation was obtained: Y=12,987 + 0,582 X1 + 0,293 X2 + 0,980 X3. Each independent variable has a positive regression coefficient value indicating that tax sanctions, taxpayer awareness, and tax service quality contribute positively to taxpayer compliance.

Table 3: Multiple Linear Regression Test

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	12,987	2,342		7,546	,000
Tax Sanctions (X1)	,582	,449	,357	7,542	,002
Taxpayer Awareness (X2)	,293	,221	,179	8,393	,000
Tax Service Quality (X3)	,980	,318	,290	6,968	,000

a. Dependent Variabel: Taxpayer Compliance (Y)

Partial hypothesis testing is obtained that the results of the three independent variables which include tax sanctions, taxpayer awareness and tax service quality all have a positive and significant effect on taxpayer compliance. Tax sanctions have the most dominant influence on taxpayer compliance.

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The feasibility test of the model obtained an F Count value of 15.345 with a significance value of 0.000 <0.05, so it can be concluded that the model is a fit model where tax sanctions, taxpayer awareness, and tax service quality simultaneously have a positive and significant effect on taxpayer compliance. . The coefficient of determination test obtained the Adjustes R-Square value of 0.619, meaning that tax sanctions, taxpayer awareness and tax service quality were able to explain taxpayer compliance by 61.9% while the remaining 38.1% was influenced by other variables outside the study.

Tax sanctions are proven against taxpayer compliance. The results of this study are in accordance with research by Arum (2012), Muliari and Setiawan (2011), Patmasari (2016), Putra and Jati (2017) that tax sanctions have a positive effect on taxpayer compliance in paying taxes. Increasing the perception of taxpayers about tax sanctions will increase taxpayer compliance in paying tax obligations (Putra and Jati, 2017).

The application of tax sanctions to taxpayers is intended so that taxpayers do not neglect their obligations to comply with tax laws and regulations. The application of legal sanctions is intended to provide a deterrent effect to taxpayers who violate tax norms so as to create taxpayer compliance in fulfilling their tax obligations. Taxpayers will be obedient to pay if they see that tax sanctions will harm them more. The results of the study also agree with the theory that the view of taxpayers on the application of sanctions that are likely to cause more harm to them will encourage taxpayers to fulfill their tax obligations (Jatmiko, 2006).

Taxpayer awareness is also proven to have an effect on taxpayer compliance. Taxpayer awareness is a person's good faith to fulfill the obligation to pay taxes based on his sincere conscience. The higher the level of awareness of taxpayers, the better understanding and implementation of tax obligations so as to increase taxpayer compliance. The results of this study are in line with research by Arum (2012), Mahaputri and Noviari (2016), Muliari and Setiawan (2011), Patmasari (2016), Pratiwi (2014), and Putra and Jati (2017) that taxpayer awareness has a positive effect on compliance taxpayer.

The effect of tax service quality on taxpayer compliance is also significant. The results of this study are in accordance with research by Arum (2012), Mahaputri and Noviari (2016), as well as research by Muliari and Setiawan (2011) that the service quality of tax officers has a significant effect on taxpayer compliance. The contribution of tax service quality can be seen from various theories.

Based on the attribution theory, the quality of tax services is an external contributor carried out by the tax authorities so that it can affect the perception of taxpayers in carrying out attitudes and actions to carry out tax obligations. Based on social learning theory, taxpayers can carry out the attention process and motor reproduction process through observation and experience by tax officials in providing services to taxpayers. Tax officials who provide good service quality to taxpayers are closely related to taxpayers in fulfilling their tax obligations. Quality services are services that are provided to the maximum and obtain good satisfaction results by taxpayers within the limits of meeting service standards that can be accounted for and must be carried out continuously. If the services provided by the tax authorities do not meet or exceed the expectations of the taxpayer, the services provided are of poor quality. The better the quality of tax services provided by the tax authorities, the taxpayers will feel satisfied so that taxpayers will tend to comply in fulfilling their tax obligations.

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5. CONCLUSION

Tax sanctions, taxpayer awareness, and quality of tax services both simultaneously and partially have a significant effect on taxpayer compliance at KPP Pratama Pati. The quality of tax services shows the most dominant influence on taxpayer compliance, so it is hoped that KPP Pratama Pati will further improve the provision of the best service and act professionally in serving taxpayers. KPP Pratama Pati is also expected to increase the firmness of the application of tax sanctions for taxpayers and raise awareness of taxpayers in complying with tax obligations and provide knowledge about the importance of compliance in paying taxes.

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