

EFFECT OF SANCTIONS TAXATION, KNOWLEDGE OF TAXATION INCLUSION AND TAXATION FAIRNESS TOWARDS MSME TAXPAYER COMPLIANCE

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Abstract

This research aims to analyze and empirically test the research hypothesis of the influence of strict sanctions, knowledge and fairness of the tax system on taxpayer compliance. The research used quantitative methods with a sample of 100 respondents using the Slovin technique. Data collection used a questionnaire which was distributed directly to respondents, namely MSME taxpayers in the North Bekasi area. The research results show that the strictness of sanctions, knowledge and fairness of taxation have a positive effect on Taxpayer Compliance. The implication of the research is that the implementation of strict sanctions in tax regulations can reduce the deviant actions of taxpayers. The aim of providing these sanctions is to educate taxpayers' behavior so that they become taxpayers who are aware and proud to be taxpayers. Good tax knowledge can change negative perceptions into positive ones regarding the tax system, tax management and the role and function of tax in development. Positive perceptions can be aimed at awareness and pride in participating in development. Furthermore, fair treatment in the tax system will encourage appreciation and recognition of policies and implementation by the tax authorities, increase sympathy for taxpayers and this will have a positive impact on taxpayer compliance. It is recommended for future researchers to link the topic of taxpayer compliance with factors of service quality, empowerment and providing incentives, and socialization of tax norms and tax socialization.

Keywords: *Tax sanctions, tax knowledge, tax justice and taxpayer compliance*

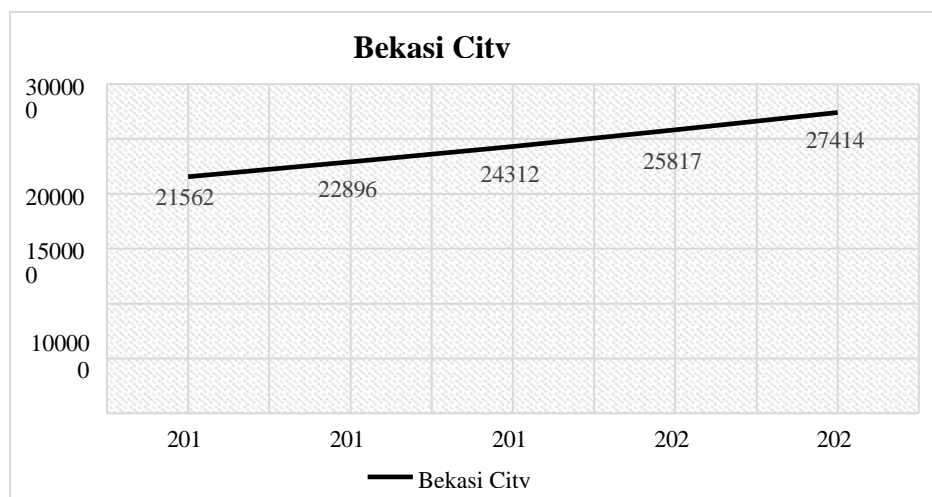
1.1 Introduction

The role of business and industry is very important in efforts to encourage the growth and development of national development. Business actors who are members of the micro, small and medium enterprise (MSME) group show growth and development that continues to increase. Correspondingly, the growth and development of these businesses provides a great opportunity to make them tax objects. However, this growth and development has not been commensurate with the growth and increase in tax revenues from micro, small and medium enterprises. One of the factors causing not yet maximum tax revenue from MSMEs is the compliance factor. MSME taxpayer compliance is still relatively low as a result of their mastery and understanding of tax obligations. Taxpayer compliance shows participation and

moral support to assist the government in encouraging growth and development. The growth and development of development is greatly influenced by the available funding sources, in this case the largest funding resource is taxes. Therefore, taxpayer compliance in fulfilling their tax obligations is the main factor that influences the competitiveness of the development and human resources of the Indonesian nation as a whole. In connection with the realization of tax collection, it requires a good control system, one of which is the imposition of strict, firm and fair tax sanctions.

The realization of tax revenues is a reflection of taxpayer compliance which can be influenced by the application of educational sanctions, positive taxpayer knowledge and fairness in the system and treatment of taxpayers. Participation and support from the community, especially taxpayers, is a key factor in realizing the achievement of development goals and objectives. Taxes are said to come from the community, by the community and for the community (Riduwani et al., 2021). Because of this, good knowledge will influence positive perceptions of the role, function and benefits of tax. The better taxpayers' knowledge regarding taxation will change their negative mindset into a positive one. This means that taxpayers can see that taxes are not just an obligation but taxes are considered participation, contribution and pride if they can contribute to the country.

Figure 1. 1 Number of Micro, Small and Medium Business Units in Bekasi City in 2017-2021



Source: West Java Open Data Website, West Java Cooperatives and Small Business Service

The growth of MSMEs in the last 5 years in terms of quantity in 2017 - 2022 increased rapidly by 274,143 units (Source: West Java Cooperatives and Small Business Service). The increase in the number of MSMEs has not been matched by an increase in compliance and contribution of MSME owners in fulfilling tax obligations. The new regulations are intended to encourage MSMEs to fulfill their tax obligations and be able to carry out formal economic activities. So that in the future it will provide justice and ease in carrying out tax obligations for MSMEs, so it is hoped that it will be able to encourage greater tax revenues. The government provides MSME actors with the opportunity to contribute to the country, knowledge about the benefits to society of tax benefits. The government hopes that with this taxpayer facility, more people will be aware of these taxpayers.

The phenomenon in the field is that MSMEs stop running their businesses because of people's purchasing power. Of the 2.3 million MSMEs who have new NPWPs, around 201,880 or 10% are taking advantage of tax incentives. The government hopes that by providing a final PPh incentive policy for MSMEs, it can ease the burden of spending on MSMEs and encourage economic growth. The low level of compliance of MSME actors in paying taxes is motivated by several reasons, including: (Hilda Nurhidayah, 2021)

1. Lack of understanding regarding the importance of taxes for general welfare, most of them consider that paying taxes to the government is a loss. In fact, there are many advantages if MSMEs pay taxes, including making it easier to develop their business because NPWP is always required for administrative requirements, and can increase business credibility.
2. MSME actors lack understanding in calculating, paying and reporting taxes. Even though the government has made it easier by providing the facility to pay taxes online.

Factors that influence compliance, such as the strictness of tax sanctions, are a form of punishment for violators. In terms of increasing MSME compliance in paying taxes, the government has also provided tax sanctions for taxpayers who do not pay taxes. The legal basis for tax sanctions is regulated in each article of the General Tax Provisions Law. Tax sanctions can be imposed if the taxpayer commits a violation, especially of the obligations specified in the General Tax Provisions Law (Soda et al., 2021).

Rules are signs of affirmation of what people should and should not do. Sanctions are needed to avoid violations of regulations and laws. Sanctions against taxpayers comply with tax law regulations. This ensures that the penalties/sanctions imposed for tax non-compliance

have a deterrent effect and allow other taxpayers to be monitored (Riduwani et al., 2021).

In enforcing tax sanctions, the state must be able to apply it fairly and wisely, not to apply it randomly but to really select it well and objectively. Basically, taxpayers have various reasons or factors that cause them not to pay their tax debt on time. Some taxpayers are accidentally in arrears or accidentally neglect their tax obligations. However, due to various reasons, one of which is the financial condition of the business which is experiencing liquidity difficulties, the economic condition of the community which is less empowered so that sales are reduced or the collection of business receivables is experiencing problems. Therefore, the enforcement of tax sanctions needs to pay attention to social elements by giving taxpayers the opportunity to pay in installments or postpone their tax payments. This means that giving tax sanctions is the final action of various policies that can be given to taxpayers according to the situation and conditions they are experiencing. By providing tax sanctions it is more educational, nurturing and persuasive.

Taxpayer awareness is a requirement for taxpayers to correctly and voluntarily understand, understand and implement tax regulations. Shows that tax sanctions, tax awareness, tax services and increasing the level of understanding have a significant effect on taxpayer compliance (Sabila, Nadia Sal & Furqon, 2020). Taxpayer compliance in carrying out their tax obligations is a very important issue in Indonesia because taxpayers who are not compliant in fulfilling their tax obligations will have a negative impact on the state, namely reducing state treasury revenues. Taxpayer compliance is influenced by two factors, namely internal and external. Internal factors are factors that originate from within the taxpayer himself and are related to individual characteristics that trigger him in carrying out his tax obligations. External factors are factors that originate from outside the taxpayer, such as the situation and environment around the taxpayer (Fitria & Supriyono, 2019).

A person's knowledge of provisions or regulations that relate to him is very important, including matters related to tax regulations which contain the rights and obligations inherent in us as taxpayers. By knowing our tax rights and obligations, we will be helped in fulfilling these tax obligations. Considering that there are many tax provisions or regulations and in addition, sometimes these provisions often undergo changes, taxpayers need to constantly update their knowledge, either through outreach carried out by related parties or independently (on personal awareness) to study it (Saprudin et al., 2020). Understanding the meaning and benefits of taxation can increase taxpayer awareness. Sufficient tax knowledge can influence the level of taxpayer compliance. Tax knowledge that taxpayers have is the

most basic thing that taxpayers must have, because without tax knowledge it will be difficult for taxpayers to fulfill their tax obligations. The government is trying to increase taxpayer knowledge by providing consultations and advertising in the mass media to increase tax payments (Sabila, Nadia Sal & Furqon, 2020).

1.2 Problem Formulation and Research Objectives

The problem of this research is related to the answer to the question of how strict tax sanctions influence tax knowledge and the influence of tax fairness on MSME taxpayer compliance in Bekasi City. Furthermore, the aim of the research is to analyze and test empirically the influence of strictness of tax sanctions, tax knowledge and fairness of tax treatment on taxpayer compliance.

2. Theoretical Foundation

2.1 Attribution Theory

Attribution theory or relationship theory states how to determine the causes or motives of someone's behavior. Attribution theory was introduced by Fritz Heider (1958) who stated that if we observe social behavior, the first thing we do is determine what caused it, which can be seen from situational factors or personal factors or in other words (external factors or internal factors). Internally caused behavior is behavior that originates from oneself, while external factors are behavior that is influenced from outside, which means that individuals are forced to behave because of the situation. In carrying out taxpayer compliance related to the taxpayer's attitude in making tax assessments, it can be influenced by internal and external factors. (Ulfa & Mildawati, 2019). This theory is relevant to describe taxpayers, namely MSMEs, who are influenced by several factors in carrying out their obligations. In this case, tax knowledge is related to internal factors because it is under the individual's own control. A high level of tax knowledge can be used as a basis for considering decisions that will be taken by the taxpayer. The internal factor that is relevant to this attribution theory is tax fairness. This attribution theory explains internal causes which refer to aspects of individual behavior within a person, namely MSME taxpayers. Meanwhile, the tax sanctions severity variable is related to external factors in this attribution theory, because it comes from the environment around or outside a particular individual which can influence a person's behavior, in this case a person will be forced to behave because of this situation.

2.2 Compliance Theory

Compliance comes from the word obedient. According to the Big Indonesian Dictionary, obedient means liking and obeying orders or rules and being disciplined. Compliance is obedient, obedient and subject to regulations. This obedience theory is a condition where a person obeys the orders and rules given. Taxpayer compliance is behavior that is based on a taxpayer's awareness of their tax obligations based on established statutory regulations. Compliance theory can encourage someone to comply more with applicable regulations, just as taxpayers comply with their obligations in paying taxes on time. The advantage of paying taxes on time is that taxpayers are not penalized for being late in paying taxes and the impact is that taxpayers have helped improve infrastructure development to support public services.

2.3 Firmness of Tax Sanctions

Tax sanctions are a guarantee that the provisions of tax laws and regulations (tax norms) will be complied with/adhered to/complied with. Or in other words, tax sanctions are a deterrent to prevent taxpayers from violating tax norms. So far, there has been a general opinion in society that tax sanctions will be imposed only if you do not pay taxes. In fact, in reality there are many things that result in the public or taxpayers being subject to tax sanctions, whether in the form of administrative sanctions (interest, fines and increases) or criminal sanctions. The sanctions imposed are expected to increase taxpayers' awareness of fulfilling their tax obligations. MSME individual taxpayers can comply with paying taxes if there are strict tax sanctions (Maharani et al., 2019). Tax sanctions are a guarantee that tax provisions based on tax laws or tax norms will be complied with/understood/complied with, or in other words tax sanctions are a tool to prevent taxpayers from violating (Yenie Eva Damayanti, 2020).

2.4 Tax Knowledge

Tax knowledge is the knowledge possessed by taxpayers about: the rights and obligations of taxpayers, understanding NPWP (Taxpayer Identification Number), tax sanctions, tax rates, PTKP (Non-Taxable Income), how to pay and report taxes. Previously, I didn't know about tax regulations, but now I know about tax regulations. Tax knowledge is how much knowledge the taxpayer has regarding the tax benefits that the taxpayer has paid to the State treasury. Based on the definitions above, it can be concluded that tax knowledge is how much knowledge taxpayers have regarding what taxpayers should do and what they should not do (Anggini et al., 2021). Tax knowledge is one of the internal factors that influences taxpayer compliance. A taxpayer's lack of socialization and knowledge of their obligations is considered

to be one of the factors that influences taxpayer compliance (Hapsari & Ramayanti, 2022). Tax knowledge is the ability of a taxpayer to know tax regulations, both regarding tax rates based on the law that will be paid, as well as tax benefits that will be useful for their lives. Taxpayer attitudes can be improved through better tax knowledge so as to increase compliance and reduce the tendency to avoid taxes.

Tax knowledge that taxpayers have will enable them to know the flow of tax payment money and the tax benefits they will get. Increasing public tax knowledge through formal and non-formal tax education will have a positive impact on taxpayers' understanding and awareness of paying taxes. Increasing the level of tax knowledge can lead to an increase in the level of taxpayer compliance, in addition to increasing taxpayer awareness regarding tax obligations can be further increased through improving tax education services and not just providing them with simple guidelines on how to fill out tax forms (Komang Putra Suardana, 2020).

2.5 Tax Fairness

Justice is an attitude and character. Attitudes and character that make people act and hope for justice are justice, while attitudes and character that make people act and hope for injustice are injustice. The formation of attitudes and character comes from an observation of certain objects that have multiple sides. This can apply to two propositions, namely: (a) If the "good" condition is known, then the bad condition is also known and (b) The "good" condition is known from something that is in a "good" condition.

In general, it is said that an unfair person is a person who does not obey the law (unlawful, lawless) and a person who is unfair, so a just person is a person who obeys the law (law-abiding) and is fair. Because the act of fulfilling or obeying the law is fair, then all acts of lawmaking by the legislature that are in accordance with existing rules are fair. The purpose of making laws is to achieve the advancement of happiness for society. Therefore, all actions that tend to produce and maintain the happiness of society are just. Rawls sees the main interests of justice as (1) guaranteeing the stability of human life, and (2) balance between private life and communal life.

In tax collection, the principle of justice is important, tax justice must be realized for all taxpayers. There are at least 3 (three) aspects of justice that need to be considered in the application of taxes, namely justice in drafting the Tax Law, justice in the application of tax provisions, and justice in the use of tax money. Smeets in Waluyo, states that taxes are

achievements owed to the government through general norms and can be enforced, without any direct counter-performance in individual cases, included to finance government expenditure. Law Number 16 of 2009 concerning General Provisions and Procedures for Taxation (UU KUP) in Article 1 number 1 states that Tax is a mandatory contribution to the state owed by individuals or entities that is coercive based on the Law, with no compensation. directly and used for state needs for the greatest prosperity of the people (Utami, 2022).

2.6 Taxpayer Compliance

Taxpayer Compliance is a form of Taxpayer awareness in carrying out tax obligations. Taxpayer awareness is a determining indicator that influences state revenues, especially in the self-assessment system which gives responsibility for calculating reports and paying taxes owed to taxpayers. Therefore, every policy to increase tax revenue is not only carried out by increasing the number of Taxpayers, but is also accompanied by increasing Taxpayer compliance. To optimize taxpayer compliance, efforts can be made in several ways, namely through improving tax administration, improving services, systematic and continuous counseling and law enforcement (Wulandari, 2017). Taxpayer compliance in paying taxes can make it easier for local governments to carry out various activities. However, in reality, the average taxpayer in Indonesia is lazy and does not pay much attention to paying taxes. People don't seem to trust the existing tax institutions in this country. Therefore, tax revenue collection needs to be optimized as best as possible (Dewi Ervina Agnys.Febra Robiyanto, 2017).

3.1 Research Methods

The method used in this research is a quantitative research method with descriptive statistical data analysis techniques. This method is called a quantitative method because the data in this research is in the form of numbers and analysis uses statistics. The aim of quantitative research is to develop and use mathematical models, theories and/or hypotheses related to natural phenomena. The measurement process is part of quantitative research. Quantitative research is carried out with a sample size determined based on the existing population. The sample size calculation is carried out using a certain formula. The selection of the formula to be used is then adjusted to the type of research and population homogeneity. The data used in this research uses primary data. Primary data in this research was obtained from taxpayers who carry out MSME business activities in Bekasi City. To obtain primary data, a questionnaire is used which contains several questions based on the indicators contained in

the research to be filled in by respondents based on predetermined criteria.

3.2 Types and Methods of Research

This research aims to analyze and empirically test the research hypothesis. The research method used is a quantitative research method with descriptive statistical data analysis techniques. The number of samples was determined based on the existing population using the Slovin formula. The total population is 1,026. Determining the number of samples using non-probability sampling techniques is a sampling technique that does not provide equal opportunities for each element or member of the population to be selected as a sample. This technique was chosen by taking into account the criteria set by the researcher and efficiency in the process of obtaining the required data so that not all MSME taxpayers were the objects of this research. The convenience sampling technique allows researchers to freely choose populations that have abundant data and are easy for researchers to obtain. Determination of the sample size is calculated using the Slovin formula:

$$\begin{aligned}n &= N / (1+(N \times E ^2)) \\n &= 632 / (1+(632 \times 10\% ^2)) \\&= 632 / 6.32 \\n &= 100\end{aligned}$$

Information:

n = Number of Samples

N = Total Population

E = Standard Error

Based on Slovin's formulation using a margin of error of 10%, the number of respondents is 100 with the criteria for respondents being (a) the taxpayer is domiciled in the North Bekasi city area, (b) has a NPWP as proof of taxpayer and (c) the taxpayer participates in filling out the research questionnaire completely.

4. Analysis and Discussion

4.1 Description of Respondent Characteristics

Respondents in this research are MSME taxpayers who live in Bekasi, specifically North Bekasi. The sample was determined using non-probability sampling so that a sample of 100 respondents was obtained. A description of the characteristics of the respondents who were the research subjects is presented in the following figure: The results of data analysis show

that the respondents for this study were dominated by female respondents who reached 72.6%, while there were only 27.4% male respondents. Most of the respondents were also high school graduates, namely 59.3%, followed by undergraduate graduates at 36.3%, while there were 3.5% of respondents who had studied D3 and only 0.9% had graduated from junior high school. Most of the respondents were aged 20-25 years which reached 69%, then followed by respondents aged 26-30 years which reached 11.5%, respondents aged over 30 years reached 10.6% and there were only 8.8% of respondents who still under 20 years old. Most of the respondents were MSME business actors with a presentation reaching 41.6%, and finally employees and other types of work had the same value presentation, namely 29.2%.

4.2 Multiple Linear Regression Test

Linear regression analysis aims to test the influence of one variable on another. The variable that is influenced is called the dependent variable, while the variable that influences is called the independent variable. Based on the calculation of multiple linear regression analysis carried out through statistical tests using the SPSS version 24 program, the following results were obtained:

Table 4. 10 Multiple Linear Regression Test Results

Model	Coefficients ^a				
	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	6,587	1,897		3,473	,001
Tax Sanctions	,111	,066	,146	1,674	,097
Tax Knowledge	,371	,090	,410	4,106	,000
Tax Justice	,174	,082	,214	2,115	,037

a. Dependent Variable: Taxpayer Compliance

Source: SPSS 24 output

Based on the data table above, you can see the numbers in the Unstandardized Coefficients beta, so the multiple linear regression equation can be formulated as follows: $Y = 6.587 + 0.111 X_1 + 0.371 X_2 + 0.174 X_3 + e$

This equation model means that:

1. The constant is 6.587, which means that without the variables of firmness of tax

sanctions, tax knowledge and tax fairness, MSME taxpayer compliance is 6.587.

2. The regression coefficient for the tax sanctions severity variable is 0.111, which means that every time the tax sanctions severity variable increases, there can be an increase in MSME taxpayer compliance in Bekasi City by 0.111.
3. The regression coefficient for the tax knowledge variable is 0.371, which means that if the tax payment mechanism variable increases, there could be an increase in MSME taxpayer compliance in Bekasi City by 0.371.
4. The regression coefficient on the tax justice variable is 0.174, which means that if the tax justice variable increases, it can cause an increase in MSME taxpayer compliance in Bekasi City by 0.174.

Table 4. 11 t statistical tests

Model	Coefficients ^a			t	Sig.
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	Tax Knowledge	,371	,090	,410	,000
	Tax Justice	,174	,082	,214	,037

a. Dependent Variable: Taxpayer Compliance

Source: SPSS 24 output

Based on the table above, the results of hypothesis testing can be formulated as follows:

1. Statistical testing of the tax sanctions variable has a significant value of 0.097, where this value is greater than 0.05. So hypothesis H1 is accepted, meaning that the imposition of tax sanctions has a positive effect on MSME taxpayer compliance in Bekasi City.
2. Statistical testing of the Tax Knowledge variable has a significant value of 0.000, where this value is smaller than 0.05. So hypothesis H2 is accepted. This means that tax knowledge has a positive and significant effect on MSME taxpayer compliance in Bekasi City.
3. Statistical testing of the Tax Justice variable has a significant value of 0.037, where this value is smaller than 0.05. So hypothesis H3 is accepted. This means that tax fairness has a positive effect on MSME taxpayer compliance in Bekasi City.

4.3 Discussion of Research Results

4.3.1 The Influence of the Firmness of Tax Sanctions on Taxpayer Compliance

Based on table 4.11, partial test calculation results were obtained with a value of 1.674 (t-count) > 1,660 (t table) with a significant value of $0.97 < 0.05$. So it can be concluded that the strictness of tax sanctions influences taxpayer compliance. Applying firmness in imposing tax sanctions can increase MSME taxpayer compliance. This means that the aim of imposing sanctions is to educate taxpayers to comply, be aware of taxes and appreciate the role and development that has been implemented by the government. So it can be said that imposing sanctions is not merely to provide rewards but rather to increase taxpayer discipline. The results of this research are supported by research by Sabila, Nadia Sal & Furqon (2020), which concluded that strict enforcement of tax sanctions has a positive effect on taxpayer compliance. The results of the same research from Hapsari & Ramayanti (2022), concluded that the implementation of tax sanctions has a positive effect on taxpayer compliance for e-commerce MSMEs, especially on the Gojek platform. As well as the results of research conducted by Nalik et al., (2021), the strictness of tax sanctions has a positive effect on fulfilling the tax obligations of MSME entrepreneurs in the city of Yogyakarta. The implication of the results of this research is that strict enforcement of sanctions will have a deterrent effect on taxpayers so that they do not repeat actions that violate tax regulations, in this case being in arrears or ignoring tax obligations.

4.3.2 The Influence of Tax Knowledge on Taxpayer Compliance

Based on table 4.11, partial test calculation results were obtained with a value of 4.106 (t-count) > 1,660 (t table) with a significant value of $0.000 < 0.05$. So it can be concluded that tax knowledge has proven to influence taxpayer compliance. The tax knowledge variable partially has a positive effect on MSME taxpayer compliance. These findings explain that the better tax knowledge related to tax norms and the role and function of the tax system, the better the perception of MSME actors so that they can change negative perceptions into positive perceptions. Taxpayers who have a good perception of the role and benefits of tax will consider tax not just an obligation but there is participation and support and commitment to assist the government in administering government. Pride in being a taxpayer can be realized in the awareness of paying taxes voluntarily and sincerely. This will increase awareness which will have a positive impact on MSME taxpayer compliance. The research results are supported by research by Perdana & Dwirandra (2020) which reveals that tax knowledge has a positive and significant effect on the compliance of MSME taxpayers

registered with KPP Pratama Tabanan. Eriananda's research (2019) found that tax knowledge has a positive effect on MSME taxpayer compliance. These results are in line with research conducted by Hapsari & Ramayanti (2022) showing that tax knowledge has a positive effect on taxpayer compliance. The implication of this research is that knowledge obtained by taxpayers through various media such as articles, magazines and writings in the mass media can increase taxpayers' positive perceptions, especially changing negative mindsets related to taxes into positive mindsets where the perception that taxes are an obligation can be considered as participation and contribution to country. The better taxpayers' knowledge about taxation will increase awareness and positive perceptions of taxes, thereby having a positive impact on taxpayer compliance itself.

4.3.3 The Influence of Tax Fairness on Taxpayer Compliance

Based on table 4.11, the results of statistical test calculations show that the calculated t-value is $2.115 > 1,660$ (t table), with a significant value of $0.037 > 0.05$. Therefore, it can be concluded that tax fairness has a positive effect on taxpayer compliance. This means that the implementation of a fair tax system will encourage positive perceptions of taxpayers towards the tax authorities so that this reduces negative perceptions of taxpayers towards the services provided by the tax authorities. Fair treatment can increase sympathy and positive appreciation and recognition of the role and function of the government in implementing the taxation system and regulations. This finding is in line with the research results of Darmawan & Pusposari (2018) which concluded that tax justice has a positive effect on taxpayer compliance. Ratna Handayani Zendrato's research results (2022) also concluded that tax justice has a positive and significant effect on taxpayer compliance. Also, research conducted by Rahayu & Suaidah (2022) shows that partially justice has a significant positive effect on taxpayer compliance. This shows that fairness in the implementation of the tax system will encourage taxpayer compliance. Thus, the element of justice in taxation is an important thing that needs to be improved and implemented by the government through the Directorate General of Taxes. The implication of the results of this research is that providing a sense of justice for taxpayers has a positive impact on the government's efforts to increase state income from tax sources. Implementation of a fair tax system will increase awareness of complying with applicable tax regulations.

5. Conclusions and Research Implications

5.1 Based on the data obtained from the analysis results, the following conclusions can be

drawn:

1. The strictness of tax sanctions has a positive effect on taxpayer compliance. This means that providing strict sanctions will reduce non-compliant behavior from taxpayers or reduce deviant actions in implementing the tax system. The more firmly the Tax Sanctions implemented, the higher Taxpayer Compliance will be because it is driven by an understanding of the purpose of imposing sanctions to educate and influence taxpayer awareness.
2. Tax Knowledge has a positive and significant effect on Taxpayer Compliance. This means that the better the taxpayer's knowledge, the more positive their understanding will be and increase awareness of the importance of the role and benefits of taxes, thereby increasing taxpayer compliance
3. Tax Justice has a positive effect on Taxpayer Compliance. This means that the better the implementation of the tax system, demonstrated by fairness in the treatment and provision of tax incentives, will encourage taxpayer awareness and compliance. Appreciation and recognition of positive tax treatment and policies will increase taxpayer sympathy and this will have a positive impact on taxpayer compliance.

5.2 Managerial Implications

The results of this research provide implications for government agencies in the form of input so that they can continue to maintain and improve the quality of better tax services for the community. It is hoped that the research results can provide information for MSME taxpayers to further increase their knowledge and understanding in carrying out their tax obligations. Researchers are advised to link the topic of taxpayer compliance with factors of service quality, empowerment and providing incentives, and socialization of tax norms and tax socialization.

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