

STUDY ABOUT COMPLIANCE BEHAVIOR OF INDIVIDUAL TAXPAYER AT PRATAMA OFFICE IN SOUTH JAKARTA

Nora Hilmia Primasari*, Astrid Dita Meirina Hakim**

*Accounting Department, Universitas Budi Luhur

**Management Department, Universitas Budi Luhur

Email: norahilmia@gmail.com*, astrid.dita@budiluhur.ac.id**

ABSTRACT

This study analyzed the influence of religiosity, personal norms, social norms, norms national, audit probability and sanctions on taxpayer compliance through voluntary compliance and forced compliance. The population used in this study is the Individual Taxpayer who does free work in the South Jakarta area. The type of data used in this study is primary data (primary data). The data used in the study were obtained by distributing questionnaires given to respondents directly. Data Research to be analyzed using SEM PLS analysis tools. The results of research on voluntary compliance variables indicate that religiosity, national norms, audit probability and sanctions do not affect voluntary compliance, personal norms and social norms have a positive effect on voluntary compliance. Research on coercive compliance shows that social norms, audit probability and sanctions do not affect coercive compliance, whereas national norms negatively affect coercive compliance. Research on tax compliance with the mediation of forced compliance and voluntary compliance states that religiosity, personal norms, social norms, national norms, audit probability and sanctions through voluntary compliance have no effect on tax compliance, whereas social norms, national norms, audit probability and sanctions through compliance coercion has a positive effect on tax compliance.

Keywords: compliance behavior, religiosity, personal norms, social norms, national norms, audit probability and sanctions

1. INTRODUCTION

Currently the Indonesian Government under the leadership of President Joko Widodo is incessant and focused on promoting infrastructure development. Various developments in various regions of Indonesia were carried out. Some of them are; RI's border

offices with countries neighboring, the Trans Sumatra toll road, the port at Kuala Tanjung in North Sumatra, Makassar New Port, also Trans Papua, Trans Kalimantan, 49 large dams are under construction. *The airport* is also on the outer islands of Indonesia, on Miangas, the Sulawesi railroad track (<https://news.detik.com>).

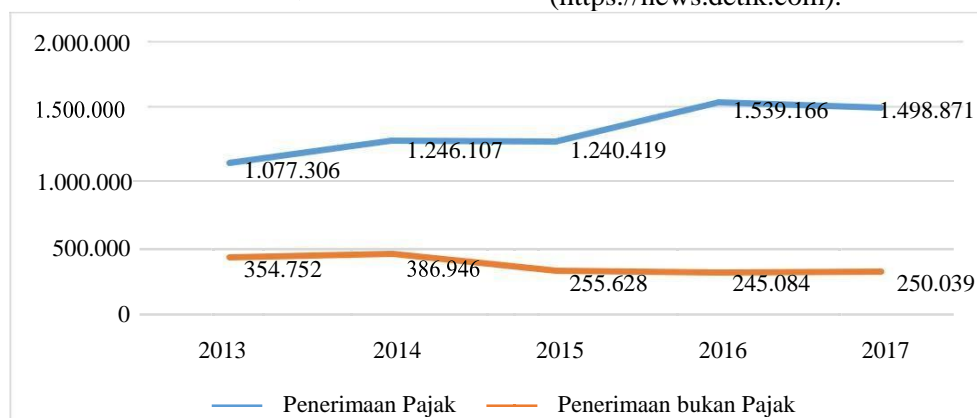


Figure 1: Realization of State Revenue in 2013-2017 (in billions of rupiah)

Source: www.bps.go.id (accessed 18 March 2018)

PROCEEDING

Call for Paper – 2nd International Seminar on Accounting Society
“The Impact of Artificial Intelligence on Accounting for Society 5.0”

Infrastructure development by the government certainly requires a lot of costs so that state revenue needs to be increased. The domestic revenue that must be continuously explored and improved is the taxation sector because the tax sector is the main source of government funding. In Figure 1,1 below shows the comparison between tax revenue and non-tax revenue from 2013- 2017. Where, revenue is tax far greater than non-tax revenue.

According to the Ministry of Finance's Financial Education and Training Agency, tax is the main source of state revenue used to

finance state expenditures and to carry out development that requires a significant amount of funds. However, according to Cahyonowati, Ratmono and Faisal (2012) the tax ratio in Indonesia is still low, which indicates that tax collection in Indonesia is not optimal. The statement of Cahyonowati et al (2012) is supported by the realization data and tax revenue target in table 1,1 below. From table 1,1 we can see that the target set by the government has never been realized 100%. The low tax revenue is most likely related to the level of tax compliance.

Table 1: Targets and Realization of Tax Revenue in the Last 4 Years

Years	TARGET	REALIZATION	PERCENTAGE OFACHIEVEMENTS
2014	1.072 Triliun	981,9 Triliun	91,50%
2015	1.294,25 Triliun	1.055 Triliun	81,50%
2016	1.533 Triliun	1.105 Triliun	81,54%
2017	1.498 Triliun	1.399,8 Triliun	91%

Source: www.liputan6.com, www.detik.com dan www.cnnindonesia.com

Tax revenue that has not reached the target in the last few years according to Utama and Wahyudi (2016) shows a low level of tax compliance. The development of theories in the field of tax compliance at this time therefore views psycho-social variables as important as variables deterrence (Kirchler et al. 2008). Psychological-social variables tend to affect voluntary tax compliance while variables deterrence tend to affect tax compliance based on fear of negative consequences (enforced tax compliance) (Ratmono and Cahyonowati, 2013).

Policies to improve voluntary tax compliance depend on the level of public trust in tax authorities (Utama and Wahyudi, 2016). These non-factors economic come from two perspectives (Mohdali et al, 2013). The first perspective comes from the value of the external Taxpayer which includes the impact on government actions and the treatment of the authority tax to the Taxpayer. The second perspective is the internal values that come from the individual itself, mainly from family, cultural and religious values. One of the nonfactors economic that received less attention was religiosity or religious values (Mohdali, et al 2013).

2. LITERATURE REVIEW

Theory of Planed Behavior

Theory of Planned Behavior According to Ajzen (1991) explains that the intention to behave can lead to behavior that will be carried out by individuals. There are three factors that influence intention to behave. First behavioral belief is the belief in the results of a behavior and an assessment of the results of a behavior which will then form an attitude. Second normative beliefs, namely beliefs about the normative expectations of others and motivation to fulfill these expectations (normative beliefs and motivation to comply), and third control beliefs, namely beliefs about the existence of things that support or inhibit the behavior that will be displayed (control beliefs) and their perception of how strong the things that support and hinder their behavior (perceived power).

Attribution Theory

Attribution is one of the processes of impression formation. Attribution refers to how people explain the causes of other people's behavior or themselves (Sudrajat and Ompusunggu, 2015). Attribution theory introduced by Weiner (1980) in Sudrajat and Ompusunggu (2015) states that attribution theory is the most contemporary theory influential with implications for academic

motivation. Basically attribution theory states that when individuals observe a person's behavior, they try to determine whether the behavior is caused internally or externally (Robbins, 2008).

The "Theory Slippery Slope"

Kirchler (2007) proposes a theoretical concept as a determinant of compliance Tax called the framework Slippery Slope that integrates economic and factors psychological. Tax compliance depends on the climate of

integration of economic and psychological factors between the government and taxpayers (Basri, 2013). Communities need law enforcement so that they comply with taxation or they can work together voluntarily. Tax compliance is assumed to depend on the authority of the authorities and the trust of citizens in the authority of the government. Audit probabilities and fines are important for regulating behavior community, as is fair distribution of the tax burden paid, equality of procedures, and social norms.

Research Framework

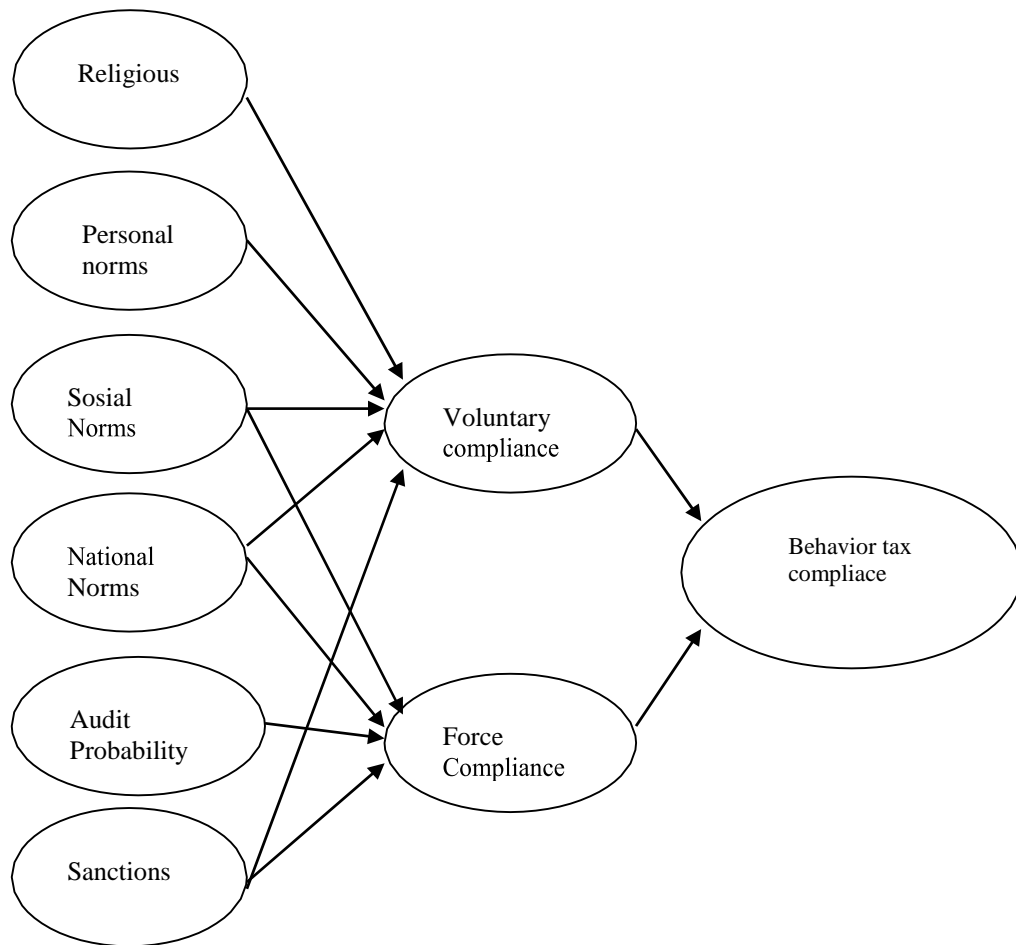


Figure 2: The Research Framework

PROCEEDING

*Call for Paper – 2nd International Seminar on Accounting Society
“The Impact of Artificial Intelligence on Accounting for Society 5.0”*

Religiosity

Imposition of Torgler (2003) states that religiosity increases tax morale. Smith (2010) in his theory of moral sentiment explains religiosity from a rational point of view and notes that religiosity acts as an internal moral. Torgler and Schneider (2004) in Cahyonowati (2011) use a proxy for the frequency of individuals going to church, the results show taxpayers in Austria who often go to church show tax morale higher compared to taxpayers who rarely go to church. Utama and Wahyudi (2016) found that a significant effect on Voluntary Tax Compliance. Then the hypothesis is:

H1: religiosity has a positive effect on voluntary compliance.

Personal, social, and national

Norms are norms of behavior, which are divided into three levels, namely: (a) personal or individual level, (b) social level, and (c) national level (Kirchler et al., 2008). Mahmudah and Iskandar (2018) argue that tax morale is the basic non- economic motivation as well as the factors working in the compliance mechanism of paying taxes through a set of motivations basic. Torgler and Schaltegger (2005) explain tax morale helps explain high levels of tax compliance. Tax morale measures individual behavior. the higher the tax morale is expected to increase tax compliance both voluntary and coercive and will result in reduced non- compliance behavior. This, in line with research Liu (2014) which states that voluntary tax compliance is strongly influenced by personal and social norms. Then the hypothesis is:

H2: Personal norms have a positive effect on voluntary compliance

H3: Social norms have a positive effect on voluntary compliance

H4: Social norms have a positive effect on forced compliance

H5: National norms have a positive effect on voluntary compliance

H6: National norms have a positive effect on forced compliance

Probability audit

Social-psychological variables likely to affect the voluntary tax compliance while variables deterrence are likely to affect

compliance tax based on fear of consequences (Ratmono and Cahyonowati, 2013). Audit probability can be categorized as a variable deterrence that tends to affect taxpayer compliance due to the fear of holding audit audits. Gangl, Hofmann and Kirchler (2015) state that the existence of power can be a starting point for compliance tax. In line with the theory slippery slope, Liu (2014) states coercive compliance is influenced by audit probability. Ritsatos (2014) research results prove that audit probability affects tax compliance. Tax compliance will decrease if tax payers tax perceive audits to be modest because they believe that they will continue to commit fraud (Cahyonowati et al, 2012). Based on the description above, the hypothesis is as follows:
H7: Audit probability positively influences voluntary compliance
H8: Audit probability positively influences forced compliance.

Sanctions

Behavioral control influences directly or indirectly (through intention) on behavior (Ajzen, 1991). Direct influence can occur if there is actual control outside the will of the individual so that it influences behavior. In accordance with the conditions of control real in the field (actual behavioral control) the intention will be realized if the opportunity arises. But on the contrary, the behavior that is raised can be contrary to the intention of the individual. In accordance with the theory slippery slope, Kirchler et al. (2008) reveal that fines that are too low can be considered as indicators that the authorities are weak and cannot control lawbreakers, undermining trust among tax payers honest. Liu (2014), Cahyonowati (2011) states that the severity of sanctions is very influential on forced compliance. Meanwhile, Gangl, Hofmann and Kirchler (2015); Ritsatos (2014), sanctions affect taxpayer compliance in general, both voluntary and coercive. based on the description above, the hypotheses in this study are:

H9: Sanctions have a positive effect on voluntary compliance

H10: Sanctions have a positive effect on forced

Compliance Taxpayer

Compliance Taxpayers in carrying out their tax obligations is a very important thing

in optimizing tax revenue (Primasari, 2016). The type of compliance seen from the other side can be divided into two, namely voluntary compliance, and compulsory compliance (Zulaikha and Hadiprayitno, 2016). Voluntary compliance (voluntary compliance) is compliance that arises because of awareness of taxpayers themselves (Sari and Mangonting, 2014). (Enforced Enforce Compliance Compliance) means that taxpayers have a willingness to fulfill their obligations tax due to checks, warnings, or threats and the application of both legal and administrative sanctions (Basri, 2013). The results of Liu's research (2014) state that voluntary compliance contributes to a higher proportion of coercive compliance in the variance of tax compliance behavior

H11: Religiosity, personal norms, social norms, national norms, audit probability, sanctions through voluntary compliance have a positive effect on tax compliance behavior

H12: Social norms, national norms, audit probability, sanctions through coercive compliance have a positive effect on tax compliance behavior.

3. RESEARCH METHODOLOGY

Method of Sampling

Population The population in this study

Table 2: Table of Variables, Dimensions, Indicators and Measuring

Variable	Dimensions	Indicators	Measuring
Taxpayer compliance behavior	Annual Notification Letter (SPT)	1. Late submission of tax return period 2. late submission of annual tax returns	Ordinal Ordinal
	Tax Invoice (STP)	3. Do not accept STP	Ordinal
	Punishment	4. punishment for committing tax crime	Ordinal
Voluntary compliance	Causes of making tax payments	1. obligation 2. support the country 3. for good 4. something reasonable 5. duty as citizens	Ordinal Ordinal Ordinal Ordinal Ordinal
Force Compliance	The cause is required to pay taxes	1. the number of checks 2. The Directorate General of Tax often conducts audits 3. Know will be audited 4. severe violation penalty	Ordinal Ordinal Ordinal Ordinal
Religiosity	Religious values	1. the importance of religion 2. religious lessons for children	Ordinal Ordinal
	Religious organization	3. involved in religious organizations	Ordinal
	Religious leader	4. belief in religious leaders	Ordinal

is the Personal Taxpayer registered at the Office South Jakarta Tax (KPP). The reason KPP was chosen in South Jakarta as a location is research because South Jakarta has a high taxpayer population besides the large number of tax offices, making South Jakarta representative enough to serve as a research location and can represent Jakarta as a whole. For the questionnaire survey method, the sample was selected by random sampling technique based on the WP Individual database obtained from several Tax Service Offices (KPP) in South Jakarta. The random sampling technique was chosen because to ensure the generalization of the results of this study Determination of the number of samples in this study was based on the opinion of Roscoe (1975) quoted by Sekaran (2014), which stated that the samples in multivariate research were generally 10 times or more than the number of variables in the study. Then based on opinion Roscoe's, the minimum number of samples is 90 respondents, obtained from multiplication (10 x 9 variables). To meet the minimum sample size of 150 distributed questionnaires, with a minimum expectation of 60 percent of the questionnaires to be distributed again.

Variables and Measurement

Variables used in this study, can be seen from table 2 as follows:

PROCEEDING

Call for Paper – 2nd International Seminar on Accounting Society
“The Impact of Artificial Intelligence on Accounting for Society 5.0”

	Frequency of worship	5. how often do religious activities (for non-Muslims) 6. how often to pray (for Muslims)	Ordinal Ordinal
Personal Norms	Honesty	1. honesty in paying taxes	Ordinal
	Do not pay taxes	2. the behavior of not paying taxes	Ordinal
	Avoiding taxes	3. tax avoidance behavior	Ordinal
Social Norms	Someone close / partner	1. spouse's influence 2. influences of believers	Ordinal Ordinal
	Family and friends	3. pengarfamil influence 4. influence of close friends 5. peer influenceuh keluarga	Ordinal Ordinal Ordinal
National Norms	Ways to avoid taxes	1. tax evasion in any way 2. the behavior of most taxpayers in Indonesia	Ordinal Ordinal
Audit Probability	Probably captured	1. how likely is captured	Ordinal
	Possible audited	2. how likely is the audit	Ordinal
Sanctions	Accidentally	1. accidentally not paying taxes	Ordinal
	Intentionally	2. deliberately not paying taxes	Ordinal

Data Analysis Techniques

Analysis of data obtained from questionnaire surveys will use component-based Structural Equation Modeling (SEM) or known as Partial Least Square (PLS). This statistical analysis tool was chosen because the

theoretical model of this research is relatively complex so the use of the terms dependent and independent variables are no longer appropriate. In addition, research uses variables that cannot be measured directly (unobserved variables) or are called constructs.

4. RESULTS AND ANALYSIS
Testing of Structural Model (InnerModel)

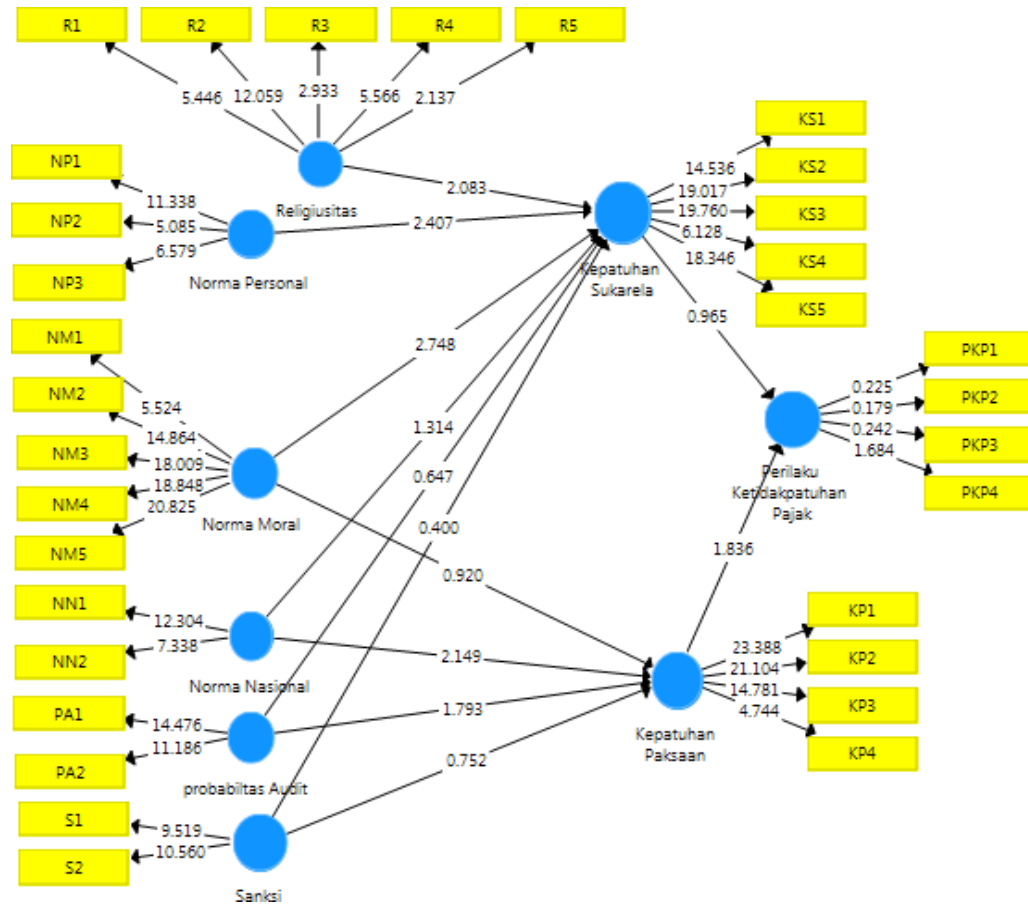


Figure 3: Structural Model 1

Hypothesis test

Hypothesis test results are as follows:

Table 3: Path Coefficients

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics ((O/STDEV))	P Values
Force Compliance -> Taxpayer compliance behavior	0.349	0.353	0.091	3.843	0.000
Voluntary compliance -> Taxpayer compliance behavior	0.109	0.109	0.090	1.208	0.114
Norma Moral -> Force Compliance	0.128	0.132	0.119	1.077	0.141
Social Norms -> Voluntary compliance	0.364	0.375	0.119	3.049	0.001
Norma Nasional -> Force Compliance	-0.195	-0.204	0.091	2.144	0.016
Nasional Norms -> Voluntary compliance	0.101	0.098	0.084	1.203	0.115
Personal Norms -> Voluntary compliance	0.281	0.291	0.115	2.442	0.007
Audit Probability -> Force Compliance	0.204	0.218	0.112	1.822	0.034

PROCEEDING

Call for Paper – 2nd International Seminar on Accounting Society
“The Impact of Artificial Intelligence on Accounting for Society 5.0”

Audit Probability -> Voluntary compliance	-0.041	-0.048	0.075	0.543	0.294
Religiosity -> Voluntary compliance	0.121	0.115	0.065	1.859	0.032
Sanctions -> Force Comply	0.098	0.090	0.127	0.772	0.220
Sanctions -> Voluntary compliance	0.030	0.038	0.075	0.397	0.346

5. CONCLUSIONS

Based on the test results, the following research results are obtained

1. Religiosity has no effect on voluntary compliance
2. Norms have a positive influence towards voluntary compliance
3. Social norms have a positive effect on voluntary compliance
4. Social norms do not affect forced compliance
5. National norms do not affect voluntary compliance
6. National norms negatively affect forced compliance
7. Audit probability does not affect voluntary compliance and forced compliance
8. Sanctions against no effect on voluntary compliance and forced compliance
9. Religiosity, personal norms, social norms, national norms, audit probability and sanctions through voluntary compliance have no effect on tax compliance
10. Social norms, national norms, audit probability and sanctions through coercive compliance have a positive effect on tax compliance.

Implications

It is hoped that the government through the Directorate General of Taxes (DGT) will

make regulations clear and explicit tax to increase compliance with individual taxpayers and is expected to increase state revenue through taxation income.

The state must manage tax revenue better, such as the eradication of corruption by development tax officers are evenly distributed in all fields and geographical areas, so that taxpayers believe in the government and the applicable laws in Indonesia and will increase the love of Indonesian citizens who in this study are proxied by normative variables such as personal, social and national.

Suggestions

Suggestions are expected in subsequent studies including:

- Testing factors outside the studied variables such as; tax services, modernization of the administration system, motivation and level of understanding
- Expanding the research population not only on individual taxpayers in the Jakarta area South but also DKI Jakarta as a whole, or replacing the population of non-individual taxpayers but corporate taxpayers, because corporate taxpayers has contribution more to state revenue than individual taxpayers.

REFERENCES

- Ajzen, I., 1991. *The Theory of Planned Behavior*. Organizational Behavior and Human Decision Processes, 50, pp. 179–211
- Basri, Yesi Mutia and Surya, Raja Adri Satriawan. 2014. Pengaruh Keadilan, Norma Ekspektasi, Sanksi dan

Religiusitas Terhadap Niat dan Ketidakpatuhan Pajak. *Akuntabilitas* Vol. VII No. 3. Halaman 162 - 176

- Basri, Yesi Mutia. 2013. Kepercayaan dan Kekuasaan Dalam Otoritas Pemerintah sebagai Determinan Tingkat Kepatuhan Pajak Dan Penggelapan Pajak: Pengujian Assumsi Kerangka *Slippery*

- Slope. Simposium Nasional Akuntansi XVI*. Manado, 25-28 September. SESI III/1. Pp 938- 968
- Basri, Yesi Mutia. Raja Adri Satriawan Surya. Resy Fitriasari. Rahmat Novriyan Tengku Septiani Tani. 2012. Studi Ketidapatuhan Pajak: Faktor yang Mempengaruhinya (Kasus pada Wajib pajak Orang Pribadi yang terdaftar di KPP Pratama Tampan Pekanbaru). *Simposium Nasional Akuntansi 15*. Banjarmasin
- Bobek, D. & Hatfield, R. 2003. An Investigation of the Theory of Planned Behavior and the Role of Moral Obligation in Tax Compliance. *Behavioral Research in Accounting*, 15(1), 13-38.
- Cahyonowati, Nur, Dwi Ratmono, Faisal. 2012. Peranan Etika, Pemeriksaan, dan Denda Pajak Untuk Meningkatkan Kepatuhan Wajib Pajak Orang Pribadi. *Jurnal Akuntansi dan Keuangan Indonesia*. Volume 9 Nomor 2, hal 136-153
- Cahyonowati, Nur. 2011. Model Moral dan Kepatuhan Perpajakan: Wajib Pajak Orang Pribadi. *Jurnal Akuntansi dan Auditing Indonesia (JAAI)*. Volume 15 No. 2, Desember 2011: 161-177
- Gangl, Katharina. Eva Hofmann, Erich Kirchler. 2015. Tax authorities' interaction with taxpayers: A conception of compliance in social dilemmas by power and trust. *New Ideas in Psychology*. 37 (2015). 13-23
- Kirchler, Erich. Erik Hoelzl, Ingrid Wahl. 2008. Enforced versus voluntary tax compliance: The “slippery slope” framework. *Journal of Economic Psychology*. 29 (2008) 210–225
- Kogler C, Batrancea L, Nichita A, Jozsef P d, Alexis B e, Kirchler E. 2013. Trust and power as determinants of tax compliance: Testing the assumptions of the slippery slope framework in Austria, Hungary, Romania and Russia. *Journal of Economic Psychology*. 34 (2013), 169–180
- Liu, Xin. 2014. Use Tax Compliance: The Role of Norms, Audit Probability, and Sanction Severity. *Academy of Accounting and Financial Studies Journal*. Volume 18, Number 1. Page 65-80
- Mahmudah, Muslimah and Iskandar, Deden Dinar. 2018. Analisis Dampak *Tax Morale* Terhadap Kepatuhan Pajak Umkm: Studi Kasus Kota Semarang. *Jurnal Dinamika Ekonomi*. Volume 1 No. 1.
- Mohdali, Raihana and Pope, Jeff .2013. The influence of religiosity on taxpayers' compliance attitudes: Empirical evidence from a mixed-methods study in Malaysia. *Accounting Research Journal*, Vol. 27 Iss: 1, pp.71 – 91
- Primasari, Nora Hilmia. 2016 Faktor- Faktor yang Mempengaruhi Kepatuhan Wajib Pajak Orang Pribadi yang Melakukan Pekerjaan Bebas. *Jurnal Akuntansi dan Keuangan Universitas Budi Luhur*. Vol. 5 No. 2 Oktober 2016
- Ratmono, Dwi dan Cahyonowati, Nur. 2013. Kepercayaan Terhadap Otoritas Pajak Sebagai Pemoderasi Pengaruh *Deterrence Factors* terhadap Kepatuhan Wajib Pajak Pribadi. *Jurnal Akuntansi Indonesia*. Vol. 2 No. 1 Januari 2013 Hal. 1-15
- Ritsatos, Titos. 2014. Tax evasion and compliance; from the neo classical paradigm to behavioural economics, a review. *Journal of Accounting & Organizational Change*. Vol. 10 No. 2, 2014. pp. 244-262
- Robbins, Stephen. 2008. Organizational Behaviour, Tenth Edition (*Perilaku Organisasi*). Edisi ke Sepuluh)
- Sari, Elizabeth Permata and Mangoting, Yenni. 2014. Pengaruh Keadilan Dan Komunikasi Terhadap Kepatuhan Sukarela Melalui Kepercayaan Sebagai Variabel Intervening. *Tax & Accounting Review*, Vol. 4, NO.1.
- Sekaran, Uma. 2014. *Research Methods for Business - Metode Penelitian Untuk Bisnis*. Salemba Empat. Jakarta
- Smith, Adam. (2010). The Theory of Moral Sentiments. <https://books.google.co.id/books>
- Sudrajat, Ajat dan Ompusunggu, Arles Parulian. 2015. Pemanfaatan teknologi Informasi, Sosialisasi Pajak, Pengetahuan Perpajakan, dan Kepatuhan Pajak. *Jurnal Riset Akuntansi dan Perpajakan JRAP*. Vol. 2, No. 2, Desember 2015, hal 193 – 202
- Torgler, Benno. 2003. “*Tax Morale: Theory and Empirical Analysis of Tax Compliance*”. Disertasi. Universitas

PROCEEDING

Call for Paper – 2nd International Seminar on Accounting Society
“The Impact of Artificial Intelligence on Accounting for Society 5.0”

Basel

Torgler, Benno, dan Christoph A. Schaltegger.
2005. “Tax Morale and Fiscal Policy”.

Journal Management and the Arts (CREMA). Working Paper. No. 2005 - 30.

Torgler, Benno and Friedrich Schneider. 2004.

Does Culture Influence tax moral
Evidence from Different European
Country. *Journal Management and the
Arts (CREMA). Working Paper. No.
2004 – 17.*

Utama, Andhika and Wahyudi, Dudi. 2016.

Pengaruh Religiusitas terhadap Perilaku
Kepatuhan Wajib Pajak Orang Pribadi di
Provinsi DKI Jakarta. *Jurnal Lingkar
Widyaiswara
(www.juliwi.com). Edisi 3 No. 2, Apr –
Jun 2016, p.01 – 13*

Zulaikha and Hadiprajitno, Paulus Th. Basuki.

2016. Resumptive Taxation Scheme:
Dampaknya Terhadap Beban Dan
Kepatuhan Sukarela Wajib Pajak.
*Simposium Nasional Akuntansi 19.
Lampung.*

www.bps.go.id (accessed 20 Juni 2018)