

The Influence of Tax Audit, Administration Sanction, Taxpayers' Understanding, and Tax Amnesty on the Taxpayers' Compliance in KPP Pratama Batam Utara

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ABSTRACT

Abstract: The legal basis for Tax Collection in Indonesia is the 1945 Constitution Article 23A. Not all individual taxpayers registered in KPP Pratama Batam Utara fulfill their obligations to pay the tax, which means very low tax compliance. The Directorate-General of Tax has the authority to assess the taxpayers' compliance to meet the tax obligations. The tax sanction is a (preventive) tax instrument for taxpayers to keep them from violating tax values. Understanding the tax regulations affects taxpayers' compliance with their tax obligations. Tax amnesty helps restructure development through tax. This research aims to partially and simultaneously study the influence of tax audit, administration sanction, regulation understanding, and tax amnesty on taxpayers' compliance as registered in KPP Pratama Batam Utara. The data in the research was collected using a quantitative approach through questionnaires circulated using Google Form and with the Slovin formula and obtained a total of 98 samples. This research results showed that: 1) tax audit positively and significantly affects the Taxpayers' Compliance by 0.5%, 2) Administration Sanction positively and significantly affects Taxpayers' Compliance by 29.8%, 3) tax regulation understanding positively and significantly affects Taxpayers' Compliance by 25%, 4) as for tax amnesty does not affect the Taxpayers' Compliance, and 5) tax audit, administration sanction, regulation understanding, and tax amnesty simultaneously affect 46.4 percent of Taxpayers' Compliance.

Index Term: audit, sanction, understanding, amnesty, compliance

I. Introduction

National development activities require large financing, one way to get funds is by maximizing income in the form of taxes. Taxes are people's contributions to the state treasury based on the law (which can be enforced) without receiving reciprocal services (counter achievements) which can be directly shown and which are used to pay general expenses (Soemitro, 2011). Taxpayer compliance is very necessary for carrying out obligations in terms of paying taxes so that state financing for national development activities can be realized, and thus the government's obligation to prosper and overcome social problems can be carried out. Taxpayer compliance describes a situation where taxpayers can carry out all their obligations and fulfill their rights and relation to taxation (Gunadi, 2013). In recent years, the Government has always failed to achieve its tax revenue target. The Minister of Finance, Sri Mulyani revealed that the main cause of not achieving the tax revenue target was the low compliance of taxpayers in fulfilling their tax obligations.

To determine the level of taxpayer compliance in the self-assessment system regime, a tax audit is an important factor that cannot be missed. In a system where taxpayers are given the full trust to calculate, calculate, deposit, and report their taxes, tax audits are an important instrument to determine whether or not the fulfillment of tax obligations is true or whether a taxpayer is obedient in fulfilling one of his obligations as a citizen.

In addition, based on previous research, some factors can affect taxpayer compliance in paying their tax obligations, namely the provision of Sanctions in the form of Tax Administration Sanctions that are required for taxes for those who do not make payments. Administrative sanctions are the payment of losses to the government, which can be in the form of interest, increases, and fines. Administrative sanctions are given to tax administration violations that do not lead to tax crimes (Tamar, 2019).

In addition to the two factors that have been explained, the taxpayer's understanding of tax regulations is also a dominant factor in its effect on taxpayer compliance. A good and correct understanding of tax regulations must be given to the public, and also tax regulations must have clear tax rates to determine the amount of tax that must be paid. Knowledge of taxation has an important role to grow taxpayer compliance.

In addition to these three important factors, the Government, in this case, the Directorate General of Taxes, seeks to improve taxpayer compliance and pursue tax revenue targets by establishing a tax amnesty policy known as tax amnesty. Tax amnesty or the Voluntary Disclosure Program is a government policy that provides for the elimination of taxes owed by paying a certain amount of ransom.

The phenomenon that occurs in the KPP Pratama Batam Utara is one of the reasons researchers conduct research at the KPP. At first, there was only one KPP Batam, namely KPP Batam. However, in 2016 the division of these KPPs was carried out to become KPP Pratama Batam Utara and KPP Pratama Batam Selatan. Researchers are more interested in conducting a research locus at KPP Pratama Batam Utara because taxpayers at KPP Pratama Batam Utara are more stable than at KPP Pratama Batam Selatan. With a more stable number of taxpayers, it means that the taxpayer population of KPP Pratama Batam Utara is higher than KPP Pratama Batam Selatan, with a larger population it is easier for researchers to determine the research sample and later the influence of independent and independent variables from the research results can be generalized.

II. Methodology

In this study, the research method used is quantitative research because this research uses data collection methods by distributing questionnaires (Sugiyono, 2018). After the data is collected, it will be processed using the SPSS for Windows program (Ghozali, 2016). The population, in this case, is an individual taxpayer who is required to register an annual tax return in 2020, amounting to 67,390 people at the KPP Pratama Batam Utara. The non-probability sampling technique used is purposive sampling, and the research sampling technique uses the Slovin formula so that the total sample in this study is 97.81 rounded up to 98 respondents.

III. Discussions and Results

Table 1. shows the results of classical assumption testing, in this study classical testing was carried out in three ways. Starting from the normality test, continued with the multicollinearity test, the heteroscedasticity test, and finally the autocorrelation test. Where the test results show that the data is normally distributed because the test results are $0.104 > 0.05$. The multicollinearity test showed that there was no multicollinearity as indicated by the tolerance value for each independent variable greater than 0.10 and the VIF value less than 10. The test results also showed a RES2 significance value above 0.05, meaning that it was free from heteroscedasticity.

Tabel 1.
Hasil Pengujian Asumsi Klasik

Variabel	Normalitas	Multikolinearitas	Heteroskedastisitas
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		<i>Tolerance</i>	VIF	
Pemeriksaan Pajak (X ₁)		0.722	1.386	0.068
Sanksi Administrasi (X ₂)	0.104	0.467	2.141	0.073
Pemahaman Peraturan (X ₃)		0.465	2.149	0.593
Pengampunan Pajak (X ₄)		0.577	1.734	0.385

Sumber: data diolah, 2022

From table 2. below, it can be seen from the results of the regression analysis that the coefficient for the moral obligation variable is 0.567, for the service quality variable is 0.072, for the tax sanction variable is 0.536 with a constant of 0.475.

Tabel 2.
Hasil Analisis Regresi Linear Berganda

Variabel	Koefisien Regresi	Signifikansi
Pemeriksaan Pajak (X ₁)	0.005	0.045
Sanksi Administrasi (X ₂)	0.298	0.003
Pemahaman Peraturan (X ₃)	0.250	0.007
Pengampuna Pajak (X ₄)	0.006	0.945
Konstanta: 7.895	Y = 7.895 + 0.005X₁ + 0.298X₂ + 0.250X₃ + 0.006X₄	
<i>Adjusted R Square</i> : 0.464		

Sumber: data diolah, 2022

Based on the multiple linear regression equation in Table 2., the regression line equation is obtained which provides information that: = 7.895 means: the constant coefficient value of 7.895 indicates that if the value of the tax audit variable (X₁), administrative sanctions (X₂), regulatory understanding (X₃), and tax amnesty (X₄) is zero, then the value of Taxpayer Compliance (Y) is 7,895. X₁ = 0.005 means that if the value of tax audit (X₁) increases by 0.005 then Taxpayer Compliance (Y) increases by 0.5 percent. X₂ = 0.298 means that if the value of administrative sanctions (X₂) increases by 0.298 then Taxpayer Compliance (Y) increases by 29.8 percent. X₃ = 0.250 means that if the value of regulatory understanding (X₃) increases by 0.250 then Taxpayer Compliance (Y) increases by 25 percent. X₄ = 0.006 means that if the value of tax amnesty (X₄) increases by 0.006 then Taxpayer Compliance (Y) increases by 0.6 percent. From the above equation, it can be explained that the pattern of influence of the tax audit variable (X₁), administrative sanctions (X₂), regulatory understanding (X₃), and tax amnesty (X₄) on the Taxpayer Compliance variable (Y) is positive. The positive regression coefficient indicates a unidirectional effect, where if the tax audit (X₁), administrative sanctions (X₂), regulatory understanding (X₃), and tax amnesty (X₄) increase, it will be followed by an increase in Taxpayer Compliance (Y).

The coefficient of determination has a function to explain the extent of the ability of the independent variables, namely tax audit (X₁), administrative sanctions (X₂), regulatory understanding (X₃), and tax amnesty (X₄) on the dependent variable (taxpayer compliance). The results of statistical processing assisted by the SPSS 22 program show that the independent variable can explain the dependent variable by 46.4 percent, while the remaining 53.6 percent is explained by other variables that are not included in this model (not studied).

Based on the test results, the count value is 0.119 with a significance of 0.045 < = 0.05. This means that the tax audit has a positive and significant impact on taxpayer compliance at the KPP Pratama Batam Utara. In addition, based on Table 2, the partial effect of the tax audit on taxpayer compliance is 0.5 percent. The results of this study are in line with research conducted by Windasari and Ernandi (2020); and Prayoga et al. (2021) which previously provided empirical evidence that the audit affected taxpayer compliance. This is different from the research conducted by Nugrahanto and Nasution (2019) which states that there is no significant difference between audited and unexamined taxpayers regarding taxpayer compliance. implement the provisions of tax laws and regulations. This activity is carried out as a form of monitoring the implementation of the self-assessment system to test taxpayer compliance in fulfilling tax obligations that adhere to the Taxation Law. In this study, based on the results of the questionnaire given to taxpayers, taxpayers agree with the statement that tax audits can improve taxpayer compliance. The more efficient the tax audit carried out by the tax officer, the higher the taxpayer's compliance in paying off his tax debt at KPP Pratama Batam Utara.

Based on the results of the tests carried out, the count value was 3.063 with a significant value of $0.003 \leq 0.05$. This shows that this study can provide empirical evidence of administrative sanctions having a positive and significant effect on taxpayer compliance at KPP Pratama Batam Utara. In addition, based on Table 2, the partial effect of administrative sanctions on taxpayer compliance is 29.8 percent. In line with the research conducted by Siamena et al. (2017); Siregar (2017); and Bankruptcy et al. (2020) which in his research found that the existence of administrative sanctions given to taxpayers made taxpayers more obedient to the existing tax rules and should thus increase taxpayer compliance in paying off their tax debts. However, different results were presented by Situmorang and Maksum (2019) in their research which found that tax administration sanctions had no effect on individual taxpayer compliance, and this study was located at KPP Pratama Medan Polonia. Administrative sanctions are penalties given to taxpayers for violating the law in the form of payments for losses to the state and sanctions that can be imposed in the form of fines, interest, and tax increases. The existence of this sanction makes taxpayers understand the consequences if they do not fulfill their tax obligations. This administrative sanction can be used as a reference that the provisions of tax laws and regulations will be complied with and this sanction can be used as a tool so that taxpayers do not violate tax norms.

Based on the data analysis that has been done, the count results are 2,768 with a significance value of $0.007 \leq 0.05$. This means that this study proves that the understanding of tax regulations has a positive and significant effect on taxpayer compliance at KPP Pratama Batam Utara. In addition, based on Table 2, the partial effect given by the taxpayer's understanding of tax regulations on taxpayer compliance is 25 percent. Supported by research conducted by Prajogo and Widuri (2013); Mostofa et al. (2016); and Khodijah et al. (2021) which also shows the results that the more taxpayers understand the applicable tax rules, the more taxpayer compliance will be in paying off their tax debts. Saragih (2014) in his research found different results, namely providing evidence that at KPP Pratama Medan Kota taxpayers who better understand tax regulations do not affect taxpayer compliance compared to taxpayers who better understand regulations. Taxpayers' understanding of tax regulations is a process where taxpayers know about taxation and apply this knowledge to pay taxes. In this understanding, taxpayers are required to understand and understand the provisions that apply to taxpayers. The higher the taxpayer's understanding of the tax rules, the higher the taxpayer's desire to pay taxes voluntarily which of course affects taxpayer compliance in fulfilling the tax obligations he bears.

Based on the data analysis that has been done, the count results are 0.069 with a significance value of $0.945 \leq 0.05$. This means that this study proves that the existence of amnesty for tax debts is not able to affect taxpayer compliance at KPP Pratama Batam Utara. Sari and Fidiana (2017) and Anggarini et al. (2019) also found similar results that the existence of a tax amnesty policy will increase the voluntary willingness of taxpayers to pay off their tax debts, which means increasing taxpayer compliance. Research conducted by Kusumaningrum and Aeni (2017) and Arifin (2018) found different results. In both studies, empirical evidence was found that the existence of a tax amnesty policy or tax amnesty did not affect taxpayer compliance in paying off their tax obligations. Tax amnesty is the provision of tax facilities in the form of exemption within a certain period from the imposition, examination, investigation, and prosecution of assets or income that were previously not or have not been fully taxed, based on an acknowledgment of guilt from the Taxpayer by disclosing assets and paying a ransom. Should there be a government policy to provide forgiveness for the amount of tax debt borne by taxpayers will increase taxpayer compliance to pay off their tax debts. However, in this study, tax amnesty was not able to affect taxpayer compliance at KPP Pratama Batam Utara. Based on the results of respondents' answers conducted by WP KPP Pratama Batam Utara, WP is aware of the tax amnesty, but WP does not feel that the implementation of the tax amnesty will affect taxpayer compliance in paying off their tax debts.

Looking at the results of data analysis, the Fcount value is 14,875 with a significance value of $0.000 \leq 0.05$. These results show empirical evidence that tax audits (X1), administrative sanctions (X2), regulatory understanding (X3), and tax amnesty (X4) have a positive and significant effect on taxpayer compliance at KPP Pratama Batam Utara. In addition, based on Table 2, the simultaneous effect shown by tax audits (X1), administrative sanctions (X2), regulatory understanding (X3), and tax amnesty (X4) on taxpayer compliance is 46.4 percent. Tax audit is the authority given to the DGT to conduct audits to test compliance with the fulfillment of taxpayers' tax obligations. In addition, the existence of administrative sanctions is used as a tool to monitor taxpayers not violating the tax norms that apply at that time. Understanding of tax regulations by taxpayers will also affect taxpayer compliance in fulfilling tax obligations. Lastly, there is a tax amnesty which is the government's way of accelerating economic growth and restructuring through the transfer of assets, which will have an impact on increasing domestic liquidity, improving the rupiah exchange rate, lowering interest rates, and increasing investment, encouraging tax reform towards a more equitable taxation system and the expansion of a more valid,

comprehensive and integrated tax database has an impact on the compliance of the taxpayers of KPP Pratama Batam Utara in fulfilling their tax obligations.

IV. Conclusions

Based on the research results, several conclusions can be conveyed in this study. (1) The results of the H1 test provide empirical evidence that the tax audit (X1) has a positive and significant effect of 0.5 percent on KPP Pratama Batam Utara; (2) The results of the H2 test are empirical evidence that partially sanctioned taxes give (X2) a positive and significant effect of 29.8 percent on Mandatory Compliance (Y) at KPP Pratama Batam Utara. (3) The results of the H3 test provide empirical evidence that regulatory understanding (X3) has a positive and significant effect of 25 percent on taxpayer compliance (Y) at KPP Pratama Batam Utara. (4) The results of the H4 test provide empirical evidence that tax amnesty (X4) has no effect on Taxpayer Compliance (Y) at KPP Pratama Batam Utara. (5) The results of the H5 test provide empirical evidence that tax audits (X1), administrative sanctions (X2), regulatory understanding (X3), and tax amnesty (X4) have a positive and significant simultaneous 46.4 percent effect on Taxpayer Compliance (Y) at KPP Pratama Batam Utara.

Some suggestions that can be submitted by researchers based on the conclusions that have been presented are as follows for the tax authorities to provide an understanding of tax audits that may be carried out on taxpayers who are late in submitting their SPT. The government should conduct more detailed socialization regarding the reasons for being given a fine of 50 percent for underpaid taxes if the SPT is filled out incorrectly. The government re-socializes the regulations regarding sanctions that will be borne by taxpayers if the taxpayer experiences delays in paying taxes which leads to the imposition of tax bills. The government should provide a further understanding of the tax amnesty program so that taxpayers know more about the benefits of the tax amnesty policy. The government gives appreciation taxpayers who deposit their taxes on time so that the desire of taxpayers arises to deposit their taxes voluntarily without any coercion.

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