

THE INFLUENCE OF AWARENESS, UNDERSTANDING, AND SERVICE QUALITY ON COMPLIANCE WITH PAYING TAXES AT TAX OFFICE PRATAMA WEST MATARAM

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Abstract

This study aims to determine the effect of awareness of individual taxpayers, level of understanding of taxpayers, and quality of tax services on the level of compliance in paying individual taxpayers' taxes at Tax Office Pratama West Mataram. The independent variables in this study are individual taxpayer awareness, taxpayer understanding, and tax service quality, while the dependent variable is tax compliance. The population in this study consisted of individual taxpayers, with a total of 148,228 taxpayers at the Tax Office Pratama West Mataram. This study uses primary data by distributing questionnaires. One hundred questionnaires were distributed to individual taxpayers at the Tax Office Pratama West Mataram. The research sample was taken using a convenience sampling method. Data analysis used multiple regression analysis. The results show that the understanding of taxpayers does not affect taxpayer compliance. At the same time, the awareness of individual taxpayers and the quality of tax services significantly affect individual taxpayers' compliance with the Tax Office Pratama West Mataram.

Keywords: *Awareness; understanding; service; quality; compliance.*

INTRODUCTION

Taxes are the main source of revenue for the State treasury and the largest source of State revenue for sustaining development financing. The tax itself is sourced from within the country. From an economic point of view, taxes are state revenues that are used to direct people's lives towards prosperity.

Basically, the problem of taxation is not only about submitting part of one's income or wealth to the state; various shades depend on the approach. This shows that taxes can be viewed from various perspectives, including economic, legal, financial, and sociological.

Indonesia adheres to the self-assessment system for tax collection. What is meant by the self-assessment system is a collection system that authorizes taxpayers to determine the amount of tax payable, deposit, and report the tax payable themselves. At the same time, the government (Fiskus) does not interfere and only supervises (Mardiasmo, 2016: 9).

The Self-Assessment System trusts taxpayers to calculate, pay, and report their own taxes. The adoption of the Self-Assessment system depends on taxpayers' awareness and honesty, and adequate technical knowledge of taxation also plays an important role so that taxpayers can carry out their tax obligations properly and correctly.

Through this system, it is expected that every individual subject to taxation is required to fill in and submit an Annual Tax Return (SPT) correctly, completely, and clearly. In the data compiled by the Directorate General of Taxes, the tax return report for the 2018 tax year, the level of compliance in submitting tax returns is in the range of 71.10%, which is dominated by

individual taxpayers employees, not taxpayers entrepreneurs. Tax revenue in 2018 amounted to Rp 1,313.32 trillion, or 92.23% of the target. While the compliance ratio of the SPT report in 2019 was 73.06%. With tax revenue of IDR 1,332.66 trillion or 84.48% of the target, lower than the previous year. For the 2020 SPT report, the compliance ratio for submitting SPT reached 77.63%, but tax revenue amounted to IDR 1,072.11 trillion, or around 89.43% of the target (DGT annual report, pajak.go.id).

Taxpayers' awareness of the function of taxation as state financing and awareness of paying taxes are needed to improve taxpayer compliance. The community must be aware of its existence as a citizen who always upholds the 1945 Constitution as the legal basis for organizing the state. Research conducted by Fitria (2017) shows that taxpayer awareness has a positive and significant effect on the level of taxpayer compliance, while Lestari's research (2018) shows that mandatory awareness does not affect individual taxpayer compliance.

According to the Big Indonesian Dictionary, understanding is the process, action, and how to understand or instill. A lack of understanding of taxes results in a lack of public awareness of paying taxes. The quality of good tax knowledge will greatly affect the compliance of natural taxpayers in fulfilling their tax obligations. The higher the level of knowledge and understanding of taxpayers, the easier it is for them to understand tax regulations and the easier it is for them to fulfill their tax obligations. Research conducted by Mutia (2014) shows that the level of understanding has a significant positive effect on taxpayer compliance, while Pranadata's research (2014) shows that the level of understanding does not affect taxpayer compliance.

According to Sapriadi (2013: 74), service quality can be interpreted as a comparison between the service felt by consumers and the quality of service expected by consumers. If the perceived quality is the same or exceeds the expected service quality, then the service is said to be of high quality and satisfactory, and vice versa. Quality public services are services that are oriented towards community aspirations and are more efficient, effective, and responsible. The low quality of tax services can also threaten taxpayer compliance because taxpayers will demand maximum tax services if they have paid taxes properly. Fast, friendly service and legal certainty in fulfilling tax obligations are highly coveted by taxpayers. By measuring the level of taxpayer compliance, it can show what service model makes taxpayers feel satisfied or dissatisfied. Research conducted by Mungonting (2014) shows that service quality has a significant effect on tax compliance, while Endaryanti's research (2017) shows the results of service quality do not affect individual taxpayer compliance.

According to Arisandy (2017: 65), tax compliance is a situation where taxpayers fulfill all tax obligations and exercise their taxation rights. The dimensions of taxpayer audits, law enforcement, and tax compensation form Taxpayer compliance. Law No. 28 of 2007 Article 4 Paragraph (1) states that taxpayers fill out and submit notification letters correctly, completely, clearly, and sign them. Taxpayer compliance is a problem most often experienced by tax service offices in Indonesia.

One of them is the Mataram Tax Service Office. At Tax Office Pratama Mataram, the level of taxpayer compliance in paying taxes and reporting their SPT on time is still very low. Taxpayers are required to calculate, deposit, and report the amount of tax payable by the company itself.

Several recent cases in Indonesian taxation have decreased public confidence, and taxpayers are worried about paying taxes. This condition can affect taxpayer compliance because taxpayers do not want the taxes paid to be misused by the tax officials themselves. Therefore, some people and taxpayers try to avoid taxes.

Research Hypothesis

Individual Taxpayer Awareness on Compliance Paying Taxes

Awareness of paying taxes is important because taxpayers must pay taxes. Awareness of paying taxes means a situation where someone knows, understands, and understands how to pay taxes. If taxpayers have knowledge and understanding of tax regulations and quality services to taxpayers, awareness of paying taxes will arise.

The government uses the taxes it pays to finance public services and national development. However, awareness of paying taxes can be influenced by the taxpayer's environment, including the community environment where the taxpayer lives and the taxpayer's economy. Research conducted by (Fitria, 2017) (Mungonting, 2014), (Mutia, 2014) in their research states that awareness of paying taxes has a significant effect on encouraging taxpayers to have a willingness to pay taxes. Based on the theory and research results above, the hypotheses proposed are:

H1: Individual Taxpayer Awareness has a significant effect on Tax Paying Compliance.

Taxpayer Understanding on Tax Paying Compliance

The community should already have an understanding and knowledge of tax regulations because to fulfill their tax obligations, taxpayers must know about taxes first. It is impossible for the community to want to pay taxes if they do not understand taxpayer regulations. The taxpayer environment, including the community environment where the taxpayer lives and the reporting procedure environment, also greatly influences.

The higher the knowledge and understanding of taxpayers, the taxpayer can determine their behavior better and in accordance with tax provisions so that taxpayers have a high level of compliance. It can be seen from research conducted by (Mutia, 2014) and (Fitria, 2017), showing evidence that knowledge and understanding of tax regulations affect tax compliance. Based on the theory and research results above, the hypothesis proposed is:

H2: Understanding taxpayers has a significant effect on tax compliance.

Quality of Tax Services on Tax Paying Compliance

The quality of service at the tax office is one of the facilities that taxpayers deserve. Tax employee services are services provided by Tax Service Office employees to the public in terms of taxation. Tax employees who provide services to taxpayers must behave well, be communicative, understand customers, provide friendly service, and provide a sense of security so that taxpayers feel comfortable making their tax payments. Tax employees must also be trustworthy, open, honest, and provide information clearly, fairly, and on time. Research conducted by (Mungonting, 2014) and (Mutia, 2014) shows evidence that the quality of fiscal services has a positive effect on tax compliance. Based on the theory and research results above, the hypotheses proposed are:

H3: Tax Service Quality has a significant effect on Tax Payment Compliance.

METHOD

The type of data used in this research is quantitative data. The type of research used is associative research. According to Sugiyono (2018: 89), associative research aims to determine the relationship between two or more variables. A causal relationship is a relationship that is causal. In this study, associative research was used to determine the relationship between the variables of awareness of paying taxes, understanding of tax regulations, and the quality of tax services and compliance with paying taxes.

The data collection technique used is a questionnaire. The data source used is primary data. According to Sugiyono (2018:14), primary data is data obtained from direct surveys by giving questionnaires to individual taxpayer respondents who happen to be at Tax Office Pratama West Mataram. In this study, the questionnaire contains a number of questions that must be answered by respondents to measure tax awareness, understanding of taxes, and service quality at Tax Office Pratama West Mataram.

The sample of this study is an individual or corporate taxpayer who carries out his taxation activities at Tax Office Pratama Barat. The sample was determined using a random sampling technique, where before withdrawing the population sample, it was first grouped into one region (Sugiyono, 2018: 82). The sample used in this study amounted to 100 taxpayers. The sampling technique uses accidental sampling, namely sampling, based on the fact that they happen to appear at Tax Office Pratama Barat and have NPWP. The sample used in this study was determined using the Slovin formula.

$$n = \frac{148.228}{1 + 148.228(10\%)^2}$$
$$n = \frac{148.228}{1 + 148.228(0.1)^2}$$
$$n = \frac{148.228}{1.483,28} = 99,93$$

RESULT AND DISCUSSIONS

RESULT

Normality Test Results

This normality test used the one-sample Kolmogorov-Smirnov Test approach to determine whether the residual variables in this study are normally distributed :

**Table 1. Normality Test Results
One-Sample Kolmogorov-Smirnov Test**

		Unstandardized Residual
N		100
Normal Parameters ^{a,b}	Mean	.0000000
	Std. Deviation	.47034057
Most Extreme Differences	Absolute	.109
	Positive	.058
	Negative	-.109
Test Statistic		.109
Asymp. Sig. (2-tailed)		.005 ^c
Monte Carlo Sig. (2-tailed)	Sig.	.180 ^d
	99% Confidence Interval	Lower Bound Upper Bound

a. Test distribution is Normal.

b. Calculated from data.

c. Lilliefors Significance Correction.

d. Based on 100 sampled tables with starting seed 2000000.

Source: Data processed 2024

Table 1. shows the normality test results for the One-Sample Kolmogorov—Smirnov Test 100 samples. The Monte Carlo Sig (2-tailed) value is 0.180, more than 0.05 or 5%. Thus, the variables of Individual Taxpayer Awareness (X1), Taxpayer Understanding (X2), Tax Service Quality (X3), and Tax Payment Compliance (Y) exceed the significant level and are normally distributed.

Heteroscedasticity Test Results

The heteroscedasticity test in this study used the Glejser Test correlation coefficient test. This method regresses the independent variable's absolute residual value. It uses a significant level of 0.05 and a 2-sided test :

**Table 2.
Heteroscedasticity Test Results
Coefficients^a**

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	-1.643	.211		-7.797	.000
	X1	-.257	.205	-.208	-1.251	.214
	X2	.347	.237	.268	1.462	.147
	X3	.056	.227	.035	.245	.807

a. Dependent Variable: ABS.Res1

Source: Data processed 2024

Based on Table 2, the results of the Glejser Test heteroscedasticity test show that the sig value of the Taxpayer Awareness variable (X1) is 0.214 > 0.05, the sig value of the Taxpayer Understanding (X2) variable is 0.147 > 0.05, and the sig value of the Quality of Tax

Services (X3) variable is $0.807 > 0.05$. Of the three variables, none experienced hetero or passed the heteroscedasticity test.

Multicollinearity Test Results

The multicollinearity test aims to test whether there is a correlation between the independent variables in the regression model :

Table 3. Multicollinearity Test Results

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	.754	1.082		.697	.487		
	X1	.399	.087	.417	4.577	.000	.312	3.205
	X2	.211	.118	.207	1.797	.075	.195	5.126
	X3	.354	.107	.310	3.314	.001	.296	3.374

a. Dependent Variable: Y

Source: Data processed 2024

Based on table 3. of the multicollinearity test results shows the tolerance value of taxpayer awareness (X1) = 0.312, taxpayer understanding (X2) = 0.195, tax service quality (X3) = 0.296, all values are > 0.1 and all VIF values < 10 , so all variables do not experience multicollinearity or pass the multicollinearity test.

Multiple Regression Analysis

Multiple linear regression models are calculated using SPSS tools. This multiple linear regression analysis determines the influence size between two or more independent variables on the dependent variable. The results of multiple linear regression analysis are presented in the following table:

Table 4. Multiple Regression Analysis

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.754	1.082		.697	.487
	X1	.399	.087	.417	4.577	.000
	X2	.211	.118	.207	1.797	.075
	X3	.354	.107	.310	3.314	.001

a. Dependent Variable: Y

Source: Data processed 2024

From Table 4, coefficients above, a multiple linear regression equation is obtained, which is as follows:

$$Y = 0,754 + 0,399X_1 + 0,211X_2 + 0,354X_3$$

The above equation can be explained:

- a) The constant has a value of 0.754; this indicates that individual taxpayer awareness (X1), taxpayer understanding (X2), and tax service quality (X3) have a value of zero (0). The level of compliance with paying taxes is 0.754 or 75.4%.
- b) The X1 regression coefficient of 0.399 states that every 1% increase in taxpayer awareness will increase compliance with paying taxes by 0.399 or 39.9%, assuming other

variables are constant.

- c) The X2 regression coefficient of 0.211 states that every 1% increase in tax understanding will increase compliance with paying taxes by 0.211 or 21.1%, assuming other variables are constant.
- d) The X3 regression coefficient of 0.354 states that any increase in the quality of tax services by 1% will increase compliance with paying taxes by 0.54 or 35.4%, assuming other variables are constant.

The results of the t-test (partially)

A parameter can be significant or influential if the $t_{count} > t_{table}$ value. The number or value of the t table can be seen in the t statistical table using the formula $df = n - k$ ($df = 100 - 3 = 97$) with an error tolerance level of 5%. Then, the t_{table} value can be determined as 1.660 :

Table 5. The results of the t-test Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	
	B	Std. Error	Beta			
1	(Constant)	.754	1.082		.697	.487
	X1	.399	.087	.417	4.577	.000
	X2	.211	.118	.207	1.797	.075
	X3	.354	.107	.310	3.314	.001

a. Dependent Variable: Y

Source: Data processed 2024

Based on the t-test results in 4.19, it can be concluded as follows:

- a) It is known that the significant value of Taxpayer Awareness (X1) on Taxpayer Compliance (Y) is $0.000 < 0.05$. The t_{count} value is $4.577 > 1.660$, so it can be concluded that H1 is accepted, which means that there is a significant effect of Taxpayer Awareness (X1) on Taxpaying Compliance (Y).
- b) It is known that the significant value of Taxpayer Understanding (X2) on Taxpayer Compliance (Y) is $0.075 > 0.05$. The t_{count} value is $1.797 > 1.660$, so it can be concluded that H2 is rejected, which means that there is no significant effect of Taxpayer Understanding (X2) on Taxpaying Compliance (Y).
- c) It is known that the significant value of Tax Service Quality (X3) on Taxpayer Compliance (Y) is $0.001 < 0.05$. The t_{count} value is $3.314 > 1.660$, so it can be concluded that H3 is accepted, which means that there is a significant effect of Tax Service Quality (X3) on Taxpaying Compliance (Y).

Test Results of the Coefficient of Determination

The coefficient of determination (R^2) essentially measures how far the model's ability (contributes) to explaining the variation in the dependent variable. The test uses the adjusted R^2 value when evaluating the best regression :

Table 6. Test Results of the Coefficient of Determination

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.867 ^a	.751	.743	1.006

a. Predictors: (Constant) X1,X2,X3

Source: Data processed 2024

The results of the coefficient of determination test suggest that the simultaneous effect of Taxpayer Awareness (X1), Taxpayer Understanding (X2), and Tax Service Quality (X3) has a significant effect on Tax Payment Compliance (Y). The contribution can be seen from the Adjusted R Square value of 0.743, or 74.3%, and the remaining 25.7% is influenced by other variables that are not included in the model.

DISCUSSIONS

The Effect of Individual Taxpayer Awareness on Taxpaying Compliance

Based on statistical analysis in this study, it is found that the first hypothesis, namely tax awareness, has a significant positive effect on compliance with paying taxes. The higher the awareness of taxpayers, the more compliance with paying taxes will certainly increase as well. Taxpayers need to be aware of the function of taxation as state financing is needed to increase compliance with paying taxes. Taxpayer awareness is a condition in which taxpayers know, understand, and implement tax provisions correctly and voluntarily.

This study explains the importance of high tax awareness for increasing compliance. Taxpayers must realize and consider that taxes are a form of participation in supporting state development. By realizing this, taxpayers want to pay taxes because they feel they are not disadvantaged by tax collection. The research conducted by Fitria (2017) shows that taxpayer awareness positively and significantly affects tax compliance. Meanwhile, Lestari's research (2018) shows that awareness does not affect taxpayer compliance.

The Effect of Taxpayer Understanding on Taxpaying Compliance

The results showed an insignificant relationship between the level of understanding of taxpayers and taxpaying compliance. The higher the understanding of individual taxpayers, the more tax compliance will be achieved.

Tax knowledge is a process by which taxpayers understand and apply the regulations, laws, and procedures of taxation to carry out tax activities such as paying taxes, reporting tax returns, and so on. If someone has understood taxation, there will be an increase in taxpayer compliance (Wijayanti et al, 2015: 311).

Thus, understanding taxation in the form of tax information and regulations will increase one's compliance with tax obligations. This agrees with research conducted by Pranadata (2014) showing that taxpayer understanding has no effect on taxpayer compliance. Meanwhile, Mutia's research (2014) shows that understanding taxpayers has a significant effect on compliance with paying taxes.

The Effect of Taxpayer Service Quality on Taxpaying Compliance

The results showed a significant positive relationship between the Quality of Tax Services and Tax Paying Compliance. The quality of tax services increases taxpayer interest in fulfilling their tax obligations, and it is hoped that tax service officers will be competent in all matters relating to taxation in Indonesia (Pradanata, 2014).

The activities carried out by the tax authorities to encourage the public to submit tax returns on time, including continuous counseling through various media and the NPWP care parade on the road, should be commended. With continuous counseling to the public to know, recognize, appreciate, and obey tax provisions, the goal of tax revenue is hoped to be successful.

In this study, tax authorities' services have a positive effect on tax payment compliance, meaning that several indicators of the quality of tax services have been fully met or implemented properly. Tax Service Quality is one of the various factors that influence Tax Payment Compliance.

Tax Service Quality includes five service dimensions designed and implemented to ensure that service targets for taxpayers have been met. The service elements are (1) Reability (reliability); (2) Responsiveness (responsiveness), (3) Assurance (certainty/guarantee), (4) Empathy (empathy), and (5) Tangibles (tangible/direct evidence). Service quality is effective if the five elements are running well. If the service is effective, the implementation of taxation will go well. This research conducted by Mungonting (2014) shows that the quality of tax services affects taxpayer compliance. Meanwhile, research conducted by Endaryanti (2017) shows that the quality of tax services does not significantly affect compliance with paying taxes.

CONCLUSIONS

Based on the data that has been collected and tests that have been carried out on problems using multiple regression models, it can be concluded as follows: The Individual Taxpayer Awareness variable significantly influences the level of Tax Paying Compliance at Tax Office Pratama West Mataram. The higher the awareness of taxpayers, the more compliance with paying taxes will certainly increase as well. The Taxpayer Understanding variable does not significantly influence the level of Taxpaying Compliance at Tax Office Pratama West Mataram. The higher or lower the taxpayer's understanding of tax regulations will not affect tax compliance. The Tax Service Quality variable significantly affects individual taxpayer tax compliance at Tax Office Pratama West Mataram. This means that the increasing services provided by tax officials increase taxpayers' interest in fulfilling tax compliance.

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