
**THE INFLUENCE OF TAXPAYER AWARENESS AND TAX SANCTIONS ON MSME
TAXPAYER COMPLIANCE AT KPP PRATAMA PURWAKARTA DISTRICT**

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Abstract: This research is motivated by the low level of taxpayer compliance as seen from the increase in the number of MSME taxpayers but not supported by fulfilling obligations to pay taxes, this is influenced by low awareness of taxpayers and tax sanctions. This study aims to determine whether the advice of taxpayers and tax sanctions affect taxpayer compliance of Micro, Small and Medium Enterprises (MSMEs) in Purwakarta Regency. The factors tested in this study suggest that taxpayers and tax sanctions are the independent variables, while taxpayer compliance is the dependent variable. The research method used is the verification method. The population in this study is MSMEs taxpayers who are registered at KPP Pratama Purwakarta Regency, totaling 1,608 MSMEs. The sampling technique used is the convenience sampling technique using the Slovin formula, so that the total sample is 100 MSMEs. The analytical method used is multiple linear regression analysis using the SPSS program. The results showed that the advice of taxpayers and tax sanctions had an effect on the compliance of the MSMEs taxpayers in Purwakarta Regency. In addition, the test results show that the influence of taxpayer advice and tax sanctions on MSME taxpayer compliance is 94.3%

Keywords: Taxpayer Advice, Tax Sanctions, Taxpayer Compliant.

INTRODUCTION

Tax is one of the main sources of state revenue in the framework of the success of national development. In carrying out national development, Indonesia needs funding sources. It is undeniable that one of the pillars of state revenue comes from tax revenues. Taxes have a very vital role in a country, without taxes the life of the country will not run well. Therefore, the community plays a role in helping the country's development work by carrying out its obligations in paying taxes. Taxpayer compliance in carrying out their tax obligations is a very important issue in Indonesia because taxpayers who do not comply in fulfilling their tax obligations will have a negative impact on the state, namely reduced state treasury revenues (Ariyanto et al., 2020)

Taxpayer compliance can be said to be compliance with tax reporting requirements where taxpayers submit and report obligations according to applicable regulations (Devos & Zackrisson, 2015). One of the taxpayers in the business world that has a fairly high development is Micro, Small and Medium Enterprises (MSMEs). This is because the number continues to increase every year and is one of the main drivers of the Indonesian economy. This can be seen from its contribution to national GDP, which is around 61% or IDR 8,573.89 trillion, with the number of MSMEs reaching 64.2 million (Kemenkeu.go.id, 2023).

The dynamic development of small and medium enterprises in various regions in Indonesia makes it difficult for the Directorate General of Taxes to reach them. Even

though they have been given a Taxpayer Identification Number (NPWP) as a tool in tax administration which is used as a taxpayer identity in carrying out their tax obligations, there are still many small and medium business actors who are free from tax bondage. This happens due to the lack of MSMEs actors who are aware and understand the tax obligations that must be carried out, and ignore the threat of tax sanctions that will be given. In addition, the negative perception of taxation that exists in Indonesia is felt to provide no real benefit for the continuity of their business and even reduces their sales turnover. One of the MSMEs whose level of tax compliance still tends to be low is shown by MSMEs in Purwakarta Regency. Below will be presented data on the ratio of taxpayer compliance to MSMEs in Purwakarta Regency, namely as follows:

Table 1.
Taxpayer Compliance Ratio Data for MSMEs in Purwakarta Regency for the 2018-2021 Period

Year	Registered MSME WP	WP UMKM Reporting SPT	Compliance Rati (%)
2018	2.447	1.513	61,83
2019	2.615	1.520	58,13
2020	2.632	1.532	58,21
2021	2.857	1.608	56,28

Source: KPP Pratama Purwakarta (2022)

Based on the data in table 1. above, it shows that the ratio of the level of taxpayer compliance in the MSMEs sector in SPT reporting is still not optimal from 2018-2021. In 2018, the ratio of the taxpayer compliance rate was at a percentage of 61.83%, then decreased in 2019, namely at a percentage of 58.13%. In 2020 it experienced a slight increase again, namely at a percentage of 58.21%, then decreased again in 2021, namely at a percentage of 56.28%. This shows that the increase in the number of MSMEs taxpayers is not in line with the awareness of MSMEs taxpayers in fulfilling their obligations to pay taxes, even though the number of MSMEs taxpayers reporting SPT continues to increase every year. Taxpayer awareness is a factor that can influence taxpayers to fulfill their tax obligations. Taxpayer awareness is a condition in which the taxpayer knows, appreciates and obeys the applicable tax provisions and has the sincerity and desire to fulfill his tax obligations. Awareness is a motivation that comes from within humans, so it cannot be measured by mathematical calculations. In carrying out tax obligations voluntarily, it requires concern from the taxpayer himself (Septirani & Yogantara, 2020).

Another factor that affects taxpayer compliance is tax sanctions. Tax sanctions are an effective policy to prevent taxpayer non-compliance. Tax non-compliance is a taxpayer who does not fulfill his obligation to pay his taxes in accordance with applicable regulations, does not report his tax obligations according to applicable law, and does not pay his taxes according to provisions (Septirani & Yogantara, 2020). Tax sanctions are a guarantee that the provisions of tax laws and regulations (tax norms) will be complied with/obeyed/obeyed, in other words tax sanctions are a deterrent so that taxpayers do not violate tax norms (Mardiasmo, 2018). The government also imposes administrative sanctions, criminal sanctions, or both for taxpayers who violate

the provisions of tax laws and regulations. Administrative sanctions imposed on tax violators are in the form of interest, fines, or increases. Taxpayers will comply (due to pressure) because they think of sanctions in the form of fines as a result of neglecting their obligations as taxpayers (Suandy, 2014). Below will be presented data on taxpayers of the MSMEs sector in Purwakarta Regency who are subject to tax sanctions, namely as follows:

Table 2.
Data on Tax Sanctions for MSMEs in Purwakarta Regency for the 2018-2021 Period

Year	Total Tax Sanctions
2018	140
2019	113
2020	159
2021	188

Source: KPP Pratama Purwakarta (2022)

Based on the data in table 2. The above shows that in 2018-2019 the number of MSMEs in Purwakarta Regency who received tax sanctions tended to decrease. However, in 2019-2021 the number of MSMEs in Purwakarta Regency who receive tax sanctions tends to experience a significant increase. This shows that MSME taxpayers in Purwakarta Regency do not carry out their obligations in taxation.

Some previous research conducted by Sasmita (2015), Perdana & Dwirandra (2020), the results of the research show that taxpayer awareness and tax sanctions have a positive and significant effect on MSMEs taxpayer compliance. Research conducted by Madjodjo & Baharuddin (2022), the results of the study show that taxpayer awareness has a significant and positive effect on MSMEs taxpayer compliance. While research conducted by Septirani & Yogantara (2020), the results of the study show that tax sanctions have a positive effect on MSMEs taxpayer compliance, while taxpayer awareness has no effect on MSMEs taxpayer compliance. Based on the description of the problem and the inconsistency of the results of previous research on the background above, the researcher is interested in conducting further research regarding the effect of taxpayer awareness and tax sanctions on taxpayer compliance in MSMEs in Purwakarta Regency.

Taxpayer awareness is the attitude of the taxpayer in carrying out their tax obligations in accordance with their income without anything being hidden based on the provisions of the tax laws and regulations (Rahayu, 2017). According to Sari (2013) states that indicators of taxpayer awareness are as follows:

1. Knowing the laws and tax provisions
2. Knowing the tax function for state financing
3. Understand that tax obligations must be carried out in accordance with applicable regulations
4. Understand the tax function for state financing
5. Calculate, pay, report taxes voluntarily
6. Calculate, pay, report the correct tax.

Tax sanctions are a guarantee that the provisions of tax laws and regulations (taxation norms) will be obeyed/obeyed/observed. In other words, tax sanctions are a

preventive tool so that taxpayers do not violate tax norms (Mardiasmo, 2018). According to Mulyati & Ismanto (2021) states that indicators of tax sanctions are as follows:

1. Delay in reporting and paying taxes must be subject to sanctions
2. Level of application of sanctions
3. Sanctions are used to increase taxpayer compliance
4. Elimination of sanctions increases taxpayer compliance.

Taxpayer compliance is the action of taxpayers in fulfilling their tax obligations in accordance with statutory provisions and tax implementation regulations that apply in a country (Rahayu, 2017). Decree of the Decree of the Minister of Finance No. 544/KMK.04/2000 of 2000 concerning Criteria for Taxpayers Who Can Be Provided Preliminary Refunds for Overpaid Taxes are as follows:

1. Timely in submitting SPT for all types of taxes in one year
2. Do not have arrears for all types of taxes
3. Never been sentenced for committing a crime in the tax sector for 10-15 years
4. In the last two years, adequate bookkeeping has been carried out and audits have been carried out. Correction at the last inspection for the type of tax payable at most 5%
5. Taxpayers whose financial statements in the last two years were audited with unqualified or qualified opinions do not affect taxable income.

In increasing taxpayer compliance, taxpayer awareness is needed. It can be said that the taxpayer is aware of the existence of laws governing tax provisions and knows the functions of taxes, calculating, paying and voluntarily reporting their tax obligations. Tax collectors need to make efforts to socialize awareness of taxpayers that taxes are people's contributions to development funds. Taxpayer awareness has a significant and positive effect on taxpayer compliance (Sasmita, 2015).

H1: Taxpayer awareness influences MSMEs taxpayer compliance.

Tax sanctions are given to taxpayers who are negligent in fulfilling their tax obligations. These sanctions can be given in the form of administrative sanctions and criminal sanctions. The sanctions given must be clear and firm in their implementation so as to provide a deterrent effect to taxpayers who receive them. With the imposition of tax sanctions, it is hoped that taxpayers can comply more with tax rules and not ignore their tax obligations so that taxpayer compliance can increase. Therefore it is necessary to hold socialization and strict audits to taxpayers to improve the level of taxpayer compliance because public perceptions of the tax sanctions imposed are considered to be less strict which results in many taxpayers being negligent in carrying out their tax obligations. Tax sanctions have a positive and significant effect on MSMEs taxpayer compliance (Perdana & Dwirandra, 2020).

H2: Tax sanctions have an effect on MSMEs taxpayer compliance.

METHODS

The research method used in this study is the verification method. Pratama Purwakarta Regency, totaling 1,608 MSMEs. The sampling technique used is the convenience sampling technique using the Slovin formula, so that the total sample is 100 SMEs. Types and sources of data used primary data, while data collection

techniques using questionnaires. The independent variable is tax liability awareness and tax sanctions, while the dependent variable is MSMEs taxpayer compliance. The data analysis used was multiple linear regression analysis using the SPSS program.

RESULTS AND DISCUSSION

Table 3. Recapitulation of Respondents' Responses Regarding the Variables of Taxpayer Awareness, Tax Sanctions, and MSME Taxpayer Compliance

No	Variable	Actual Score	Ideal Score	%	Mean Score	Category
1	Taxpayer Awareness	4175	5000	83,50	4,18	Good
2	Tax Sanctions	3114	4000	77,85	3,89	Good
3	MSMEs Taxpayer Compliance	2196	2500	87,84	4,39	Very Good

Source: Data processed (2023)

Based on table 3 above, it can be seen that the variable of taxpayer awareness as a whole shows that the awareness of MSMEs taxpayers in Purwakarta Regency is included in the good category. The variable of tax sanctions as a whole shows that the tax sanctions applied by KPP Pratama Purwakarta Regency to MSMEs in Purwakarta Regency are included in the good category. While the MSMEs taxpayer compliance variable as a whole shows the level of adherence of MSMEs taxpayers in Purwakarta Regency to tax provisions and regulations, it is included in the very good category.

Table 4. Multiple Linear Regression Analysis

Variable	Coefficient
C	2,416
Taxpayer Awareness	0,349
Tax Sanctions	0,160

Source: SPSS Output Results (2023)

Based on table 4 above, it shows that the multiple linear regression equation model formed is:

$$Y = 2,416 + 0,349X_1 + 0,160X_2$$

Based on the regression equation above, it shows that the variables of taxpayer awareness and tax sanctions have a positive direction of influence on the MSME taxpayer compliance variable. This means that the higher the awareness of taxpayers and tax sanctions, the higher the compliance of MSME taxpayers, and vice

Tabel 5. Hypothesis Testing

Variable	t-Value	P-Value	Results
Taxpayer Awareness	23,964 > 1,984	0,000 < 0,05	H ₁ Accepted
Tax Sanctions	10,147 > 1,984	0,000 < 0,05	H ₂ Accepted

Source: SPSS Output Results (2023)

Based on table 5 above, it shows that the variables of taxpayer awareness and

tax sanctions have a positive and significant effect on the MSME taxpayer compliance variable.

Table 6. Testing the Coefficient of Determination

Description	Value	Percentage
R-squared	0,943	94,3%

Source: SPSS Output Results (2023)

Based on table 6 above, it shows that the magnitude of the influence of the variable taxpayer awareness and tax sanctions on the MSME taxpayer compliance variable is 94.3%.

The Influence of Taxpayer Awareness on MSMEs Taxpayer Compliance

The results showed that taxpayer awareness had a positive and significant effect on MSMEs taxpayer compliance. Taxpayer awareness is the attitude of the taxpayer in carrying out their tax obligations in accordance with their income without anything being hidden based on the provisions of the tax laws and regulations (Rahayu, 2017). In increasing taxpayer compliance, taxpayer awareness is needed. It can be said to be aware if the taxpayer knows that there are laws governing tax provisions and knows the tax function, calculates, pays and reports his tax obligations voluntarily. Tax collectors need to make efforts to socialize awareness of taxpayers that taxes are people's contributions to development funds. Taxpayer awareness has a significant and positive effect on taxpayer compliance (Sasmita, 2015).

The low awareness of taxpayers in paying taxes can also be due to a lack of tax knowledge. This is in line with research conducted by Hendayana et al., (2021) which states that the reason people are less enthusiastic about paying taxes (less tax compliant) is due to a lack of knowledge about taxes. Theoretically, to foster a positive attitude towards something must come from knowledge about it. The taxation system adopted by a region, including the simplification of tax administration, greatly influences the level of awareness of taxpayers regarding tax knowledge. The results of this study are supported by previous research conducted by Sasmita (2015), Perdana & Dwirandra (2020), Madjodjo & Baharuddin (2022), the results of the study show that taxpayer awareness has a significant and positive effect on MSMEs taxpayer compliance. While this research is in contrast to research conducted by (Septirani & Yogantara, 2020), the results of the study show that taxpayer awareness has no effect on MSMEs taxpayer compliance.

The Influence of Tax Sanctions on MSMEs Taxpayer Compliance

The results showed that tax sanctions had a positive and significant effect on MSMEs taxpayer compliance. Tax sanctions are a guarantee that the provisions of tax laws and regulations (taxation norms) will be obeyed/obeyed/observed. In other words, tax sanctions are a preventive tool so that taxpayers do not violate tax norms (Mardiasmo, 2018). Tax sanctions are given to taxpayers who are negligent in fulfilling their tax obligations. These sanctions can be given in the form of administrative sanctions and criminal sanctions. The sanctions given must be clear and firm in their implementation so as to provide a deterrent effect to taxpayers who receive them. With

the imposition of tax sanctions, it is expected that taxpayers can comply more with tax rules and not ignore their tax obligations so that taxpayer compliance can increase. Therefore it is necessary to hold socialization and strict audits for taxpayers to improve the level of taxpayer compliance because public perceptions of the tax sanctions imposed are considered to be less strict which results in many taxpayers being negligent in carrying out their tax obligations. Tax sanctions have a positive and significant effect on MSMEs taxpayer compliance (Perdana & Dwirandra, 2020). Taxpayer compliance is also influenced by tax officers in applying tax sanctions. Taxpayer compliance can be further developed if tax management is carried out in a disciplined manner and the tax officials work honestly (Hendayana et al., 2021).

In addition, the low compliance of taxpayers in paying taxes is also influenced by the motivation of taxpayers to carry out transfer pricing as a tool to minimize the amount of tax to be paid. This is believed to be able to increase company profits because it can minimize the tax burden to be lower. Therefore the application of tax sanctions is very important in providing a deterrent effect on taxpayers who make efforts to reduce the size of the tax burden (Rachmat, 2019).. The results of this study are supported by previous research conducted by Sasmita (2015), Perdana & Dwirandra (2020), the results of the study show that taxpayer awareness has a significant and positive effect on MSMEs taxpayer compliance.

CONCLUSION

The results of the study show that taxpayer awareness and tax sanctions have a positive and significant effect on taxpayer compliance in MSMEs in Purwakarta Regency. The higher the level of taxpayer awareness and the higher the application of tax sanctions, the higher the MSMEs taxpayer compliance in Purwakarta Regency.

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