

# Analysis of Factors Affecting Individual Taxpayer Compliance with Sanctions as Moderating Variables at KPP Pratama Kabanjahe

Kusma Linda<sup>1</sup>, Erlina<sup>2</sup>, Muammar Khadafi<sup>2</sup>

<sup>1</sup>Postgraduate Students, Department of Accounting, Faculty of Economics and Business at Universitas Sumatera Utara, Indonesia

<sup>2</sup>Postgraduate Lecturer, Department of Accounting, Faculty of Economics and Business at Universitas Sumatera Utara, Indonesia

Corresponding Author: Kusma Linda

## ABSTRACT

Sanctions are expected to moderate tax knowledge, tax services, tax socialization and financial conditions of taxpayers on individual taxpayer compliance at KPP Pratama Kabanjahe. The purpose of this study is to analyze the factors that influence individual taxpayer compliance with sanctions as a moderating variable at KPP Pratama Kabanjahe. This type of research is causality. The population in this study is an individual taxpayer who is registered at KPP Pratama Kabanjahe. The sampling method used was incidental sampling, in order to obtain 100 samples of individual taxpayers. The type of data used in this study is primary data. The method of collecting data using a questionnaire method. The analytical method used is multiple linear regression analysis and interaction test (moderating). In this study, the results show that tax knowledge does not have a significant effect on individual taxpayer compliance, but tax services, tax socialization and financial conditions of taxpayers have a significant effect on individual taxpayer compliance at KPP Pratama Kabanjahe. Meanwhile, sanctions are not able to moderate tax knowledge, tax services, and financial conditions of taxpayers with individual taxpayer compliance at KPP Pratama Kabanjahe. However, sanctions are only able to moderate tax socialization on individual taxpayer compliance at KPP Pratama Kabanjahe.

**Keywords:** Individual Taxpayer Compliance, Sanctions, Tax Knowledge, Tax Services, Tax

Socialization, Financial Conditions of Taxpayers

## INTRODUCTION

Tax is an obligatory and compelling contribution by an individual or entity to the state, without receiving direct compensation but for the purposes of implementing the development of the State in all fields and is used for the greatest welfare of the people. The government continues to strive to boost and raise the tax revenue target from year to year so that government programs in running the wheels of government to improve people's welfare can be improved.

The tax revenue target continues to increase each year, so the government also continues to strive to increase revenue with the efforts and policies made. One of the government's efforts to maximize tax revenue is by implementing a self-assessment system, namely the full trust from the government which is given to taxpayers to register, calculate, pay, and report themselves how much tax must be paid. The self-assessment system also has consequences in its application, namely making tax revenues very dependent on the compliance of taxpayers. Taxpayer compliance is a classic problem faced by countries that implement a self-assessment system. Taxpayer compliance can be defined as a behavior of a taxpayer who carries out all his tax obligations and enjoys

all tax rights in accordance with the provisions of applicable laws and regulations (Nurmantu, 2003). In order for the tax target to be achieved, it is necessary to develop the maximum compliance of the community to meet tax obligations. Meanwhile, tax compliance arises from knowing that there are tax sanctions. The achievement of taxpayer compliance levels can be seen by the compliance in reporting tax returns (SPT). For the sake of creating taxation order and order, a tax sanction is established for taxpayers who do not fulfill their tax obligations. Sanctions are intended as the basis for the government in determining and determining taxpayers who violate the regulations. This can be said if the taxpayer is negligent in carrying out his tax obligations, there will be legal consequences given to the taxpayer.

Sanctions as a means of preventing negligence are important to create and improve tax compliance and can be used so that taxpayers do not violate norms. That is why it is important for taxpayers to understand tax sanctions so that they know the legal consequences of what is done or not done. The law states that taxes are compulsory levies that are compulsory, in which there will be a risk of tax sanctions imposed on taxpayers who do not carry out their tax obligations in accordance with the applicable law, from this it should be able to control taxpayer compliance. in carrying out tax obligations without having to question the problem of the administration of taxation which is not in accordance with the expectations of the community. Research conducted (Tiraada, 2013) states that tax sanctions have a positive and significant effect on taxpayer compliance. Sanctions as a moderating variable that can strengthen the relationship between taxpayers' knowledge of taxation, willingness to pay taxes, tax services, awareness, taxpayer financial condition, tax audit, tax socialization, taxpayer environment, the amount of tax to be paid, and tax billing with compliance taxpayers at KPP Pratama Medan Kota (Tjen, 2017).

On the other hand, this research is refuted by (Winerungan, 2013) which states that tax sanctions do not have a significant effect on taxpayer compliance.

At the Pratama Kabanjahe Tax Service Office (KPP) until 2019 there is a taxpayer compliance percentage of 42.52% who submits a notification letter (SPT). This shows that the level of compliance of taxpayers at the Pratama Kabanjahe Tax Office (KPP) is not yet optimal.

The existence of tax socialization is expected to create effective participation in society in fulfilling the rights and obligations as taxpayers. Apart from disseminating information on taxation, the government also provides taxation services to taxpayers to the maximum by not only providing services directly but also online. Tax sanctions are imposed on taxpayers who do not comply with their tax obligations to increase taxpayer compliance in carrying out their tax obligations. Sanctions given to taxpayers range from mild to severe sanctions. Therefore, taxpayers must understand tax sanctions in order to know and understand the legal consequences that are carried out or not carried out by taxpayers (Winerungan, 2013).

Sanctions are expected to moderate tax knowledge, tax services, tax socialization and financial conditions of taxpayers on individual taxpayer compliance at KPP Pratama Kabanjahe. The purpose of this study is to analyze the factors that influence individual taxpayer compliance with sanctions as a moderating variable at KPP Pratama Kabanjahe.

## **RESEARCH METHODS**

This type of research is a causality research. Causality research aims to investigate possible cause-and-effect relationships of an event/phenomenon and attempt to provide empirical evidence about the population is a group of complete entities in the form of people, events or objects that have certain characteristics that are in an area and fulfill certain

requirements related to research problems (Erlina, 2011). The population in this study were individual taxpayers registered at the Kabanjahe Primary Tax Office.

The sample is part of the number or characteristics possessed by a population that must be able to represent that population (Sugiyono, 2012). If the population is large and the research is not possible to study everything in the population. For this reason, samples taken from the population must be truly representative. The sampling method used was incidental sampling, in order to obtain 100 samples of individual taxpayers.

The type of data used in this study is primary data. Primary data is obtained from the first source, namely from individuals or individuals through interviews or filling out questionnaires which are usually carried out by researchers (Umar, 2003).

The method of collecting data using a questionnaire method. The analytical method used is multiple linear regression analysis and interaction test (moderating).

## RESULT

### t Test

The t statistical test basically aims to explain how far the influence of one independent variable individually in explaining the dependent variable. Data analysis in this study was carried out using the SPSS program.

Table 1. t Test

Model		t <sub>hitung</sub>	t <sub>tabel</sub>	Sig.
1	(Constant)	2.113	1.661	.027
	X <sub>1</sub> (Tax Knowledge)	3.078	1.661	.195
	X <sub>2</sub> (Tax Services)	2.974	1.661	.003
	X <sub>3</sub> (Tax Socialization)	3.103	1.661	.001
	X <sub>4</sub> (Financial Conditions of Taxpayers)	3.615	1.661	.027

Source: Data Processed Using SPSS (2020)

Based on the results of the partial test, the significance value of tax knowledge is significant at 0.195, tax services is 0.003, tax socialization is 0.001, financial conditions of taxpayers is 0.27. So it can be concluded that tax knowledge does not have a significant effect, but tax services, tax socialization and financial conditions of

taxpayers have a significant effect on taxpayer compliance.

### Interaction Test of Moderated Regression Analysis

The interaction test of moderated regression analysis (MRA) based on the results of the SPSS test shows that the variable interaction test is as follows:

Table 2. Interaction Test of Moderated Regression Analysis

Model		B	Sig.
1	(Constant)	2.059	.627
	X <sub>1</sub> (Tax Knowledge)	.513	.434
	X <sub>2</sub> (Tax Services)	.295	.659
	X <sub>3</sub> (Tax Socialization)	.778	.013
	X <sub>4</sub> (Financial Conditions of Taxpayers)	-.592	.427
	Z (Sanctions)	.107	.622
	X <sub>1</sub> *Z	-.009	.774
	X <sub>2</sub> *Z	.012	.696
	X <sub>3</sub> *Z	.022	.038
	X <sub>4</sub> *Z	.045	.187

Source: Data Processed Using SPSS (2020)

Testing the moderation interaction from the data above, the results of the interaction between the independent variable and the moderating variable must be significant at 0.05, so based on data processing with SPSS the data is only the tax socialization variable that has a significant effect because it is below 0.05. So it can be concluded that sanctions have not been able to moderate the relationship between tax knowledge, tax services, financial conditions of taxpayers on individual taxpayer compliance.

Tax knowledge of KPP Kabanjahe based on hypothesis testing shows that taxation knowledge has a negative and not significant effect on taxpayer compliance. This result is not in accordance with the research conducted by research from Lianty and Kurnia (2017) which states that tax knowledge has a significant effect on individual taxpayer compliance. The higher the knowledge and understanding of the taxpayer, the taxpayer should be able to better determine his behavior and comply with tax provisions so that the taxpayer has a high level of compliance. However, if the taxpayer does not understand the tax regulations and processes, the taxpayer

cannot determine their behavior appropriately so that the taxpayer's compliance is low. The results of the acquisition of respondent characteristics based on education at KPP Pratama Kabanjahe taxpayers, there are 33% of respondents or 33 out of 100 who are undergraduate education. This education is not a guarantee that knowledge of taxation and sanctions will affect tax compliance. Then seen from the type of work in the characteristics of job respondents, there are 42% or 42 people out of 100 who are taxpayers' respondents, but this cannot affect the taxpayer's knowledge of tax compliance even though it is moderated by existing tax sanctions. Civil servants only regularly pay taxes because it is a routine obligation of the salary they receive each month to be deducted from their place of work. Thus, research by Imelda and Haryanto (2014) states that knowledge and understanding of tax regulations regarding taxpayer compliance is positive and significant.

Based on the results of hypothesis testing that sanctions are not able to significantly moderate tax services on individual taxpayer compliance. Judging from the results of data processing is at significant  $> 0.05$ , this means that it has no significant effect but has a positive effect. This is not in line with the research of Lianty and Kurnia (2017) which has a simultaneous influence, services have a significant effect on taxpayer compliance. At this time, the quality of tax services provided by the tax authorities is straightforward with the service as is, the tax authorities serve with a polite standard, smile, answer taxpayer questions. However, it has not been able to make taxpayers feel that the services provided by KPP Pratama Kabanjahe have received a satisfactory assessment. This is also influenced by several obstacles from the tax office itself, for example the internet network is not stable, often has connection problems, causing taxpayers to take a little longer to stay at the Kabanjahe tax office. the website

does not update and information about KPP Pratama Kabanjahe which requires taxpayers to take care of it directly at the tax office for all tax matters.

The results of the moderation interaction hypothesis test showed that sanctions were able to significantly moderate socialization of individual taxpayer compliance at KPP Pratama Kabanjahe with a significant value  $< 0.05$  and had a positive effect. The socialization efforts that have always been carried out by the KPP Pratama Kabanjahe tax agency so far can provide perceptions from within the taxpayer as well as impressions formed from the surrounding environment to tax agencies which of course will affect personal assessments of the tax itself. Then that impression will be manifested by a person through the act of becoming obedient. Socialization in direct forms such as seminars, visits to government agencies and institutions, as well as to the community has been carried out well, even socialization in the form of electronic media, social media has also been carried out well. This is what makes taxpayers improve their taxpayer compliance. Wardani and Wati (2020) Tax socialization can have a positive effect on taxpayer compliance. Research by Tjen (2017) on tax socialization has a positive and significant effect on taxpayer compliance at KPP Pratama Medan Kota.

The results of the SPSS test obtained for moderating sanctions, turned out to be unable to moderate the financial condition of the taxpayer on taxpayer compliance with no significant effect, namely  $> 0.05$  and had a positive effect on the taxpayer of KPP Pratama Kabanjahe. The tax base must be in accordance with the ability and financial condition of a taxpayer himself. The tax burden for everyone is of course equally heavy. That taxes must be paid in accordance with the "carrying capacity" of each taxpayer (Mardiasmo, 2009). The financial condition of taxpayers is one of the obstacles for taxpayers to pay taxes and also individual taxpayers who have sufficient income.

## CONCLUSION AND SUGGESTION

The results show that tax knowledge does not have a significant effect on individual taxpayer compliance, but tax services, tax socialization and financial conditions of taxpayers have a significant effect on individual taxpayer compliance at KPP Pratama Kabanjahe. Meanwhile, sanctions are not able to moderate tax knowledge, tax services, and financial conditions of taxpayers with individual taxpayer compliance at KPP Pratama Kabanjahe. However, sanctions are only able to moderate tax socialization on individual taxpayer compliance at KPP Pratama Kabanjahe.

Suggestions are as follows, it is better if tax socialization can be further improved so that it can make it easier for taxpayers to carry out their tax obligations to comply with their obligations. It is better if tax sanctions are applied more firmly in order to increase tax compliance. Researchers who are interested in researching in the same field and problem should increase the number of other research variables that affect individual taxpayer compliance.

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