

UDC 332

THE INFLUENCE OF KNOWLEDGE OF TAXATION, TAX SERVICES, TAX SANCTIONS, AND MORAL OBLIGATIONS ON INDIVIDUAL TAXPAYER MOTIVATION IN PAYING TAXES: EMPIRICAL STUDY OF INDIVIDUAL TAXPAYERS AT KPP PRATAMA ILIR BARAT PALEMBANG

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ABSTRACT

The level of tax revenue that has continued to decline from year to year, especially since the Covid-19 pandemic has become a special concern for the tax sector. Therefore, the tax authorities must know important factors that can motivate taxpayers to be able to fulfill their tax obligations so that tax revenues can continue to be increased. Taxpayers differ in their motivation to pay taxes, including due to the element of coercion such as sanctions, commitment to the life principles they have and the satisfaction of perceived services, and voluntarily knowing that paying taxes is their obligation. The purpose of this study was to determine the effect of tax knowledge, tax services, tax penalties and moral obligations on the motivation to pay taxes (Empirical Study of Personal Taxpayers at KPP Pratama Ilir Barat Palembang). There is a significant influence between tax knowledge and moral obligation on the motivation of individual taxpayers to pay taxes. This is because taxpayers who know the importance of taxes and their functions for the welfare of society, as well as the moral encouragement possessed by taxpayers can motivate them to fulfill their tax obligations. There is no significant effect between tax sanctions and tax services on the motivation of individual taxpayers to pay taxes. This is due to the still weak enforcement of legal sanctions and the unfair treatment felt by taxpayers so that they can avoid taxes and do not need to pay taxes. Future research on this topic can be developed by adding research variables; such as e-filing systems, tax audits and tax rates and other variables that may affect the motivation to pay taxes. Future research can also expand the research sample by increasing the number of respondents in order to represent the population accurately and more deeply using different research methods such as purposive sampling method and direct interviews with taxpayers and tax officials to obtain deeper data.

KEY WORDS

Knowledge of taxation, tax services, tax sanctions, moral obligations, motivation to pay taxes.

The tax sector is the sector that contributes the most to all state revenues compared to other sources of income. However, in reality, the realization of tax collection is difficult because the level of motivation of taxpayers in paying taxes is still very low. Indonesian tax law adopts a self-assessment system. Taxpayers are required to calculate, pay and self-report taxes that must be paid in accordance with applicable laws and regulations. Thus, this is what makes taxpayer awareness a very important factor in increasing tax revenue. Therefore it is very important to know what can motivate taxpayers so that they are willing to pay their taxes.

To achieve tax targets, of course, the motivation of taxpayers must continue to grow and can be improved so that they are willing to fulfill their tax obligations. Most taxpayers state that they are not motivated and are still reluctant to pay taxes regularly (Hartikayanti & Siregar, 2019). In general, it is assumed that the motivation to pay taxes develops in individuals based on coercion, voluntary and commitment elements (Braithwaite et al., 2007). Some may be motivated to pay taxes because of sanctions; others are motivated because they know their obligations or the activities and services of the tax authorities. Others may pay taxes because they feel a moral obligation to contribute fairly.

However, there is very little empirical research on the factors that influence the motivation to pay taxes. As a result, the tax authorities cannot determine what to do and how to act to increase taxpayer motivation in paying taxes.

THEORETICAL BASIS

This study uses Attribution Theory which states that if individuals observe a person's behavior, they try to determine whether it is generated internally or externally (Robbins & Judge, 2013); and Theory of planned behavior (Ajzen, 2012) is a development of Theory Reasoned Action which is one of the basic theories in psychology which is widely used in various fields of science to predict behavior.

Research conducted by Oktaviani et al., (2020) and Sada et al., (2019) which states that tax knowledge has a positive and significant effect on taxpayer compliance motivation. The tax knowledge possessed by taxpayers will increase taxpayer awareness to be able to fulfill their tax obligations. The higher the taxpayer's knowledge, the better the taxpayer can determine their behavior well and this of course motivates them to follow tax regulations. If taxpayers do not know tax regulations and processes, then taxpayers cannot solve their tax problems properly. Hadiwijaya & Febrianty (2019) and Sada et al., (2019) also conducted research on the effect of service quality from tax authorities on things that motivate increasing tax compliance. From the research results, it is found that tax services from tax officials have a positive and very significant effect in motivating taxpayers to pay their taxes. Thus, if the tax authorities provide good service, this will affect service satisfaction which in turn can increase taxpayer motivation to pay taxes.

Alhempri et al. (2020) and Idrus et al. (2020) found that the existence of tax-related legal sanctions can increase the motivation of taxpayers to comply with taxes. This is because taxpayers are forced to comply to pay taxes because of the sanctions they will get if they don't pay taxes. Azmi et al. (2020) and Purnamasari & Sudaryo (2018) state that taxpayer moral obligations related to tax payments have a positive effect on taxpayer compliance. This means that the motivation to pay taxes will increase along with the number of taxpayers who morally comply with the existing tax regulations. Research conducted by Azmi et al., (2020) and Alhempri et al., (2020) regarding factors that can motivate taxpayers to comply with taxes states that knowledge of taxes, tax morale and tax penalties positively and significantly affects tax compliance.

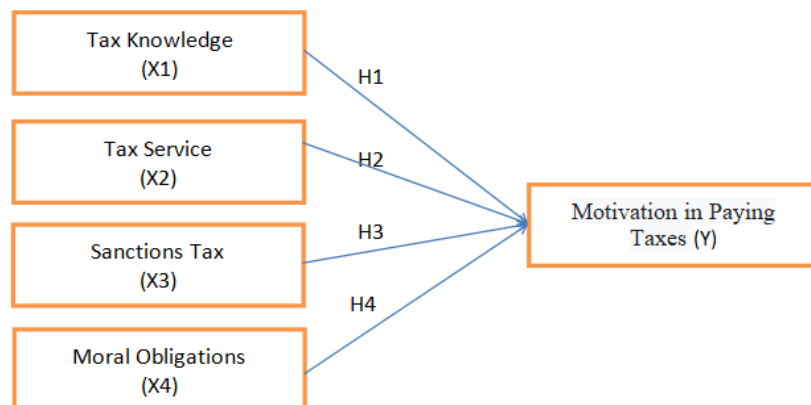


Figure 1 – Hypotheses

The research hypothesis is as follows:

- H1: Knowledge of taxation has a positive effect on taxpayer motivation to pay taxes;
- H2: Tax services have a positive effect on taxpayer motivation to pay taxes;
- H3: Tax sanctions have a positive effect on the motivation of taxpayers to pay taxes;
- H4: Moral obligation has a positive effect on the taxpayer's motivation to pay taxes.

This study uses a quantitative approach which aims to determine the magnitude of the influence between research variables in a systematic, factual and accurate manner. The research was conducted at KPP Pratama Ilir Barat Palembang. The population in this study was 14,374 personal taxpayers in 2020. In this study, researchers used probability sampling with the type of simple random sampling, which is a random sampling method using the Slovin formula with a 10% percent leeway, so that the results are 100 samples of taxpayers. personal. The source of research data is primary data obtained from a group of questions asked in the form of a questionnaire distributed to the subjects who become respondents. Primary data needed is data related to the variables used. The dependent variable or dependent variable is a variable that is influenced by other variables or variables that can change due to the influence of other variables.

In this research, the independent variables are knowledge of taxation, tax services, tax sanctions and moral obligations, while the dependent variable is the motivation to pay taxes. This study uses data analysis techniques Partial Least Square (PLS). Hypothesis test of this research is to examine how much influence between the independent variables, namely knowledge of taxation, tax services, tax sanctions and moral obligations on the dependent variable, namely the motivation to pay taxes. Hypothesis testing uses statistical values for alpha 5%, the t-statistic value used is > 1.96 meaning that the hypothesis is accepted, and vice versa. Meanwhile, to reject or accept the hypothesis using a probability value, H_a is accepted if the p value is <0.05.

RESULTS AND DISCUSSION

Data collection was carried out using a questionnaire by distributing questionnaires personally to respondents, namely individual taxpayers who are registered at KPP Pratama Ilir Barat Palembang. Questionnaires were distributed during December 2020. The number of questionnaires distributed and those received by researchers can be seen in the following table:

Table 1 – Research Sample Data

No.	Information	Respondents	Percentage
1	Number Of Questionnaires Distributed	100	100%
2	Number Of Returned Questionnaires Distributed	100	100%
3	Number Of Questionnaires That Can be Processed	100	100%

Source: Primary Data Processed, 2020.

From the table above, the number of questionnaires distributed is 100 questionnaires using Google form. The questionnaires returned were the same number, that is, 100 questionnaires (response rate 100 percent).

This research was processed using the PLS version 3.0 program. The validity test is done by looking at the value of the two criteria. The first criterion is that all factor loadings exceed 0.60 and the average variance extracted (AVE) values exceed 0.50. Of the 43 questions, there are 7 questions that have a loading factor <0.60, so it can be concluded that there are 36 questions that are declared valid and can be used for research while 7 invalid questions will be deleted in this study. Meanwhile, the reliability test is seen using several criteria, namely Cronbach's alpha and composite reliability and Average Variance Extracted. If each construct has a Cronbach Alpha (α) value, reliability coefficient > 0.70, composite reliability > 0.70 and Average Variance Extracted > 0.50, this means that all variables used in this study are reliable.

The t test is intended to test whether the independent variables consisting of tax knowledge (X1), tax services (X2), tax sanctions (X3) and moral obligation (X4) partially have a significant effect on the independent variable, namely the motivation to pay taxes. From the research results, the structural equation is:

$$Y = 0,262X_1 - 0,008X_2 - 0,087X_3 + 0,689X_4 + e$$

Where: Y = Dependent Variable (Motivation to Pay Taxes); X1 = Tax Knowledge; X2 = Tax Services; X3 = Tax Penalties; X4 = Moral Obligations; e = Error.

The first hypothesis states that tax knowledge has a positive effect on the motivation to pay taxes, it can be seen from the original sample value that there is a positive effect of 0.262. Meanwhile, the level of significance indicates that the t-statistic value is greater than 1.96 (> 1.96) of 2.095 and the P value is less than 0.05, so the results of this study accept the first hypothesis (H1). Thus it can be concluded that the tax knowledge possessed by individual taxpayers has a positive and significant effect on the motivation to pay taxes. The more knowledge the taxpayer has regarding the provisions, systems and functions of taxation in Indonesia will produce a positive attitude which in turn will motivate taxpayers to pay their taxes. And conversely, the less knowledge the taxpayer has regarding taxation, the lower the level of motivation of the taxpayer to pay his taxes. Therefore, the Directorate General of Taxes must continue to carry out activities / socialization related to tax knowledge to taxpayers in a scheduled and consistent manner in order to increase the knowledge of taxpayers and at the same time provide motivation to them how important taxes are to help.

Social welfare as a whole, in order to reduce the level of poverty and the occurrence of equitable development. The results of this study are consistent with research conducted by Andreas & Savitri (2015), Syafriel (2018), Sada et al., (2019), Oktaviani et al., (2020). This study provides support for the attribution theory which states that the behavior that can affect the taxpayer's motivation to comply with paying taxes is determined by the internal strength of knowledge possessed by the taxpayer. These results also support the theory of planned behavior (Theory of Planned Behavior) which states that the higher a taxpayer's positive beliefs and perceptions or views of their experience and abilities regarding tax knowledge, will have a strong influence on the taxpayer's motivation to pay their taxes.

The second hypothesis states that tax service has no significant effect on the motivation to pay taxes, it can be seen that the original sample value shows a value of -0.008. Meanwhile, the level of significance indicates that the t-statistic value is smaller than 1.96 (< 1.96) of 0.126 and the P value is greater than 0.05, namely 0.899, so the results of this study reject the second hypothesis (H2). So, it can be concluded that the tax service has no effect on the motivation to pay taxes. The use of online applications in terms of filing tax returns and tax reporting, which are mostly implemented by taxpayers, makes taxpayers not directly related to tax officials, so that the services of tax officers are not really felt. Thus, this is not an important factor that can motivate taxpayers to pay their taxes. This is different from previous research conducted by Hadiwijaya & Febrianty (2019) Sada et al., (2019) and Syafriel (2018) which state that service quality from tax authorities has a positive and significant effect on motivation to pay taxes. This means that if the tax authorities provide good service, it will affect service satisfaction which in turn can increase taxpayer motivation to pay taxes.

The third hypothesis states that tax sanctions have no significant effect on the motivation to pay taxes, it can be seen that the original sample value shows a value of -0.087. Meanwhile, the significance level shows that the t-statistic value is smaller than 1.96 (< 1.96) of 0.539 and the P value is greater than 0.05, namely 0.590, so the results of this study reject the third hypothesis (H3). So it can be concluded that tax sanctions have no effect on the motivation to pay taxes. Weak enforcement of tax sanctions against taxpayers who do not pay or report taxes, makes taxpayers able to avoid even completely not paying their taxes according to applicable regulations. Apart from that, the low tax sanctions imposed also make it more likely for taxpayers to avoid taxes and will encourage them to cheat in order to avoid paying taxes (Sabaruddin et al., 2017). This is not in line with previous research conducted by Alhempri et al., (2020), Idrus et al., (2020), Puspita et al., (2016) who found that tax-related legal sanctions can increase the motivation to pay taxes, because taxpayers are forced to comply to pay their taxes because of the sanctions they will get if they don't pay taxes.

The fourth hypothesis states that moral obligation has a positive effect on the motivation to pay taxes, it can be seen from the original sample value that there is a positive effect of 0.689. Meanwhile, the level of significance indicates that the t-statistic value is

greater than 1.96 (> 1.96) of 5.578 and the P value is less than 0.05, which is 0.000, so the results of this study accept the fourth hypothesis (H4). Thus it can be concluded that the moral obligation of individual taxpayers has a positive and significant effect on the motivation to pay taxes. The higher the moral value possessed by a taxpayer will produce a positive attitude which in turn will motivate taxpayers to pay their taxes. Conversely, the lower the moral value owned by the taxpayer, the lower the level of motivation of the taxpayer to pay his taxes. Taxpayers' moral obligations are related to the attitudes, values, or principles held and adhered to by taxpayers that motivate them to pay taxes. This is also driven by an awareness of the public interest related to the understanding that tax collection will contribute to society, which is voluntary. The results of this study are consistent with previous research conducted by Purnamasari & Sudaryo (2018), Alhempri et al., (2020), Azmi et al., (2020). This study provides support for attribution theory which states that the behavior of taxpayers who have the same view of paying taxes will motivate other taxpayers to act the same. These results also provide support for the theory of planned behavior (Theory of Planned Behavior) which states that the higher the normative confidence of a taxpayer, the taxpayer will decide to pay his taxes. From the results of the above research description, an important factor that can motivate individual taxpayers to pay their taxes is the tax knowledge possessed by taxpayers and the moral obligations that taxpayers have regarding life principles, shame or environmental influences.

CONCLUSION

Based on the research results it can be concluded that:

1. There is a positive and significant influence between tax knowledge and moral obligations on the motivation of personal taxpayers to pay taxes. This shows that the higher the knowledge of taxpayers regarding tax provisions and the importance of taxes for development and for the welfare of society, the more they will motivate taxpayers to pay their taxes for the common interest. Meanwhile, moral obligations are an important factor in influencing the motivation of taxpayers to pay their taxes, because this is related to the principles of life adopted and should not be violated by the individual concerned;
2. There is no significant influence between tax services and tax sanctions on the motivation to pay taxes.

SUGGESTIONS

For KPP Pratama Ilir Barat at Palembang, in order to continue to socialize regarding the provisions, roles and functions of taxes, as well as providing knowledge to taxpayers about the importance and benefits of paying taxes for personal and collective interests. Socialization should be carried out consistently and on a schedule, so that taxpayers can know the latest tax regulations.

For future researchers who will conduct similar research, it is advisable to add other factors beyond the scope of this study so that they can be used as a basis for other assessments such as e-filing systems, tax audits and tax rates.

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