

Correlation of Tax Behavior with Tax Compliance

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Tax as the biggest source of state revenue is an important issue because it is a very large part of the country's management resources. Compliance is mandatory for every taxpayer to increase state revenues and provide welfare for society. This study aims to analyse the behaviour of taxpayers in complying with tax regulations. Data were obtained using a survey questionnaire from 100 accidentally sampled respondents. Moderated regression analysis and factor analysis were used to analyse the data. Results revealed that understanding tax regulations, quality of tax authorities' services and tax sanctions have positive effect on personal tax compliance. Risk preference did not moderate the relationship between understanding tax regulations, the quality of tax services, and tax sanctions to taxpayer compliance. The state may explore various ways in disseminating the latest tax regulations, such as procedures for calculating and reporting tax payable, applicable tax rates, and sanctions or fines that apply so that the public or taxpayers will know and understand the applicable tax regulations. The public may be enlightened about applicable tax regulations so they may be motivated to fulfil their obligations as taxpayers.

Keywords: *Understanding of tax regulations, quality of tax authorities, tax sanctions, risk preferences, tax compliance.*

Introduction

The government's expenditures and development programs are supported by state revenue which is generally sourced through taxes (Adejare & Akande, 2017; Castro & Scartascini, 2015; Fauziati, Minovia, Muslim, & Nasrah, 2016). However, tax compliance is a growing issue in both developed and developing countries (Adejare & Akande, 2017; Alshira'h & Abdul-Jabbar, 2019; Okpeyo, Musah, & Gakpetor, 2019) In Indonesia, the trend of State Revenues for 2012-2017 is declining. Tax revenues in the 2016 APBNP reached 86.2% of

total state revenues, but tax revenues in the 2017 State Budget decreased to reach 85.6% of total state revenues. The government in this case strives to increase tax revenues to finance development (Sere & Choga, 2017). Since policymakers regard the tax gap as a pressing problem (Slemrod & Yitzhaki, 2002), they respond in various ways, including sanctions or penalties (Doran, 2009). One of the efforts made by the Indonesian government is through the reform of legislation in the field of taxation, with the enactment of a self-assessment system. The self-assessment system requires taxpayers to fulfil their tax obligations, entrusting to taxpayers the calculation, payment, and reporting on the amount of tax payable in the Tax Service Office (Muliari, 2011).

In Indonesia, the latest change made by the Directorate General of Taxation, in order to improve services to taxpayers and to improve taxpayer compliance, is the implementation of e-systems (e-registration, e-SPT, e-Filing and e-Billing) since 2015. Implementing the tax system and modern tax administration requires the collaboration of both the fiscal service provider and the taxpayer (Arniati, 2009; Amir, 2010; Gerger, Gerçek, Taşkın, Bakar, & Güzel, 2014). Such collaboration will result in taxpayer compliance, which is an indicator of the strength of government regulation (Kirchler, Hoelzl, & Wahl, 2008).

Many factors affect taxpayer compliance with their tax obligations (Gerger et al., 2014). One factor is the understanding of tax regulations. Understanding tax regulations affects taxpayer compliance (Adiasa, 2013; Julianti, 2014; Kartika, 2015; Liana, 2016; Lubab, 2016; Oktaviani, 2017; Srimindati, 2017; Sulistiyani, 2017; Suntono, 2015). A taxpayer must be able to understand how to pay taxes, report tax returns (SPT) and so forth. According to Hariyani (2017), when a taxpayer can understand the taxation procedure, he can also understand taxation regulations. There are still many taxpayers who do not understand tax regulations (Adiasa, 2013). There are still taxpayers waiting to be billed for just paying taxes, such as tax regulations for a long period. This can reduce both the amount of state tax revenues and the level of tax compliance.

The service of tax officials (tax authorities) also plays a role in generating state revenues, where tax officials are required to serve taxpayers in a professional, honest and responsible manner. However, not all tax officials act accordingly, with some abusing their authority to manipulate taxpayer tax returns for personal gain, even to gain benefits that should not be accepted (Aryobimo, 2012; Ardyanto, 2014; Julianti, 2014). Such is the case of Gayus Tambunan and Dhana Widyatmika, which made the taxpayer's trust in tax officers decline and led to avoidance of tax obligations. If the level of service is of good quality, it will affect an increase in the compliant behaviour of a taxpayer (Aryobimo, 2012).

General provisions and procedures for tax regulations stipulated in the law include tax sanctions or fines. Granting sanctions is needed to provide lessons for tax offenders.

Sanctions are imposed on each taxpayer who violates the provisions of tax laws, namely, administrative sanctions, criminal sanctions, or both (Ismawati, 2017). Septiani (2016) argues that the two sanctions are considered burdensome to taxpayers, making taxpayers afraid to violate regulations. Thus, it is expected that taxpayers comply with established regulations. Taxpayers will fulfil tax obligations if they perceive that tax sanctions will be more detrimental to them (Jatmiko, 2006; Ardyanto, 2014).

Another factor is the taxpayer's risk preference (Reinganum & Wilde, 1985). In making decisions on tax payments and fulfilling their obligations, taxpayers face various risks (Alabede, 2011). Risks that are often considered by taxpayers include health risks, financial risks, social risks, employment risks and safety risks (Aryobimo and Cahyonowati, 2012; Adiasa, 2013; Julianti, 2014; Ismawati, 2017). According to Adiasa (2013), in the phenomenon that occurs, there are taxpayers who tend to face existing risks and there are also those who are avoiding risks that arise in taxation. Such risks can affect a taxpayer by increasing tax compliance. Actions and decisions in the face of risks that confront taxpayers are called risk preferences. However, not a few taxpayers ignore this, so that their compliance as taxpayers does not run optimally.

Understanding tax regulations affects taxpayer compliance (Adiasa, 2013; Julianti, 2014; Kartika, 2015; Liana, 2016; Lubab, 2016; Oktaviani, 2017; Srimindati, 2017; Sulistiyani, 2017; Suntono, 2015). The understanding of tax regulations, quality of tax authorities' services, and the presence of tax sanctions are important factors related to taxpayer compliance. Risk preferences may moderate such relationship. As such, there is a need to extensively study the influence of these factors on taxpayer compliance, especially individual taxpayers, because individuals have greater opportunities for avoidance and delinquency of taxes (Jamin, 2001).

Thus, this study investigated the compliance of Individual Taxpayers registered at the East Denpasar Primary Tax Office which has increased in 2016 and 2017. Specifically, this study aimed to determine whether taxpayer compliance is influenced by understanding tax regulations, quality of tax authorities, tax sanctions and risk preferences of the taxpayer. Based on the background described, the main problems in this research are:

1. Does understanding taxation regulations, the service quality of the tax authorities, the tax sanction, and/or the risk preference, affect the compliance of individual taxpayers at the East Denpasar Pratama Tax Office?
2. Can risk preferences moderate the relationship between understanding tax regulations, the quality of tax services, tax sanctions and individual taxpayer compliance at the East Denpasar Pratama Tax Office?

Literature Review

The theory of compliance (compliance theory) is a theory that explains a condition in which a person obeys orders or rules given. People obey norms because of the likely positive outcome of compliance (Morris & Cushman, 2018). Tax compliance can be defined as a condition when the taxpayer tries to understand and carry out his obligations in accordance with established rules and based on applicable laws (Mahangila, 2017). In addition, the Attribution Theory centres on causes which are invoked to explain both intended and unintended outcomes or end results (Weiner, 2010). This theory supports the explanation of factors that cause the behaviour of taxpayers, regardless of their tax compliance. In this study the factors influencing the behaviour of taxpayers is limited to internal factors, namely taxpayer risk preferences, and knowledge and understanding of taxpayers regarding tax regulations, and external factors, namely the quality of services provided by the tax office and the tax penalties that will be given.

Moreover, social learning theory promotes desirable behavioural change based on the idea that we learn from our interactions with others in a social context – by observing the behaviours of others we develop similar behaviours (Weiner, 2010). People would pay their tax if they observe that their acquaintances, friends and other people in the community pay their taxes, too. Also, prospect theory, a theory of decision under risk, considers that people are risk-averse with respect to gains, and risk-acceptant with respect to losses (Levy, 1992). Taxpayers may be reluctant to put to risk the savings they may get by not paying their taxes and they are willing to accept the risk associated with non-payment of their taxes. If a taxpayer is able to refuse the risks that arise and deal with those risks, the preference level is high. Taxpayers who have a high level of risk can influence taxpayer compliance (Aryobimo, 2012; Julianti, 2014).

The social learning theory is based on the idea that we learn from our interactions with others in a social context (Razieh Tadayon Nabavi, 2012).

The purpose of this study is to find out whether understanding tax regulations, quality of tax services, and tax sanctions can affect taxpayer compliance and whether the relationship to understanding tax regulations, quality of tax services, and tax sanctions on individual taxpayer compliance can be moderated by risk preferences.

Compliance by taxpayers can be defined as a condition when the taxpayer tries to understand and carry out his obligations in accordance with established rules and based on applicable laws. There are two kinds of taxpayer compliance, namely formal compliance and material compliance (Asbar, 2015).

As to the understanding of tax regulations, it is viewed as a process whereby taxpayers understand and know about regulations and laws and tax procedures and apply them to carry out tax activities such as paying taxes, report SPT, etc. (Adiasa, 2013; Erlina, 2017). The quality of tax service is a service that can provide satisfaction to taxpayers and remain within the limits of meeting service standards that can be accounted for and carried out continuously or periodically.

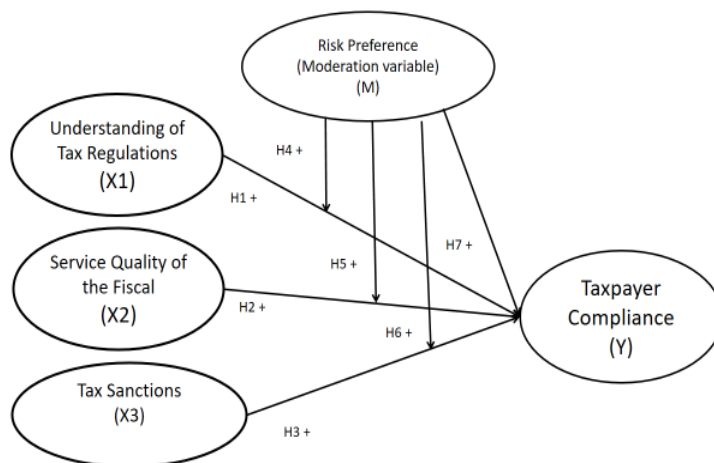
Moreover, taxation sanctions are a guarantee that the provisions of tax laws and regulations will be obeyed. In other words, taxation sanctions are a deterrent so that taxpayers do not violate the norms of taxation (Mardiasmo, 2016: 62).

In addition, the decision of a taxpayer can be influenced by his behaviour towards the risks faced (Torgler, 2003). Taxpayers who have a high level of risk will affect taxpayer compliance.

In this study, the connectedness of the aforementioned factors can be presented in the framework illustrated below.

Conceptual framework

Figure 1. Framework



Research Hypothesis

- H1 : Understanding of Tax Regulations has a positive effect on Taxpayer Compliance
- H2 : Fiscal Service Quality has a positive effect on Taxpayer Compliance
- H3 : Tax Sanctions have a positive effect on Taxpayer Compliance
- H4 : Risk preference has a positive effect on Taxpayer Compliance

- H5 : Risk preferences moderate the relationship between understanding rules taxation and taxpayer compliance.
- H6 : Risk preference moderates the relationship between service quality tax authorities and taxpayer compliance.
- H7 : Risk preference moderates the relationship between tax sanctions and taxpayer compliance.

Research Methods

This research was conducted at the Pratama Denpasar East Tax Office located at Jalan Kaptan Tantular No. 4, Renon, Denpasar. Data were collected using a valid (Correlation Corrected Item-Total values greater than 0.30) and reliable ($\alpha > 0.70$) survey questionnaire. Data were analysed using multiple regression analysis and factor analysis using KMO and Barlett's Test.

Research Result

Analysis Results

The population in this study were all individual taxpayers in the East Denpasar area. Based on data obtained from East Denpasar Primary KPP, the number of personal taxpayers in 2017 is 85,781 people. The sample used is the accidental sampling method.

Model Feasibility Test

The coefficient of determination (*Adjusted R²*) is 0.393 or 39.3 percent. This means that taxpayer compliance can be explained by 39.3 percent by the variable understanding of tax regulations, quality of tax authorities, tax sanctions, and risk preferences as moderating variables. While the remaining 61.7 percent is influenced by other factors not included in the research model. The F statistical test basically shows whether all the independent or free variables included in this method have a simultaneous or overall influence on the dependent or bound variable. The decision-making criteria used are if the profitability is $\alpha < 0.05$, the independent variables simultaneously or as a whole affect the dependent variable (Ghozali, 2016). The F Statistics Test results are presented in the following table:

Table 1: F Statistic Test Results

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	281.762	7	40.252	10.149	.000 ^a
	Residual	364.878	92	3.966		
	Total	646.640	99			

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

b. Dependent Variable: Y

Source: Data processed (2018)

Based on table 1 above, a significance value of 0.000 is obtained that is smaller than 0.05. Then the regression model is said to be fit or feasible for the next test. For the Hypothesis Testing Criteria, if the significance is < 0.05 , then H1 is accepted, meaning that the independent variables partially influence the dependent variable. If the significance is > 0.05 , H1 is rejected, meaning there is no partial independent variable influence on the dependent variable (Ghozali, 2016). The *t* test results are presented in the following table:

Tabel 2: Hasil Uji Statistik t

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	6.413	2.899		2.212	.029		
	X1	.141	.065	.176	2.171	.033	.929	1.077
	X2	.209	.095	.205	2.203	.030	.710	1.408
	X3	.382	.120	.314	3.187	.002	.633	1.579
	Mo	2.527	2.892	.989	.874	.385	.005	208.839
	X1*Mo	.009	.111	.075	.084	.934	.008	132.360
	X2*Mo	.010	.079	.087	.133	.895	.014	69.999
	X3*Mo	-.110	.123	-.886	-.894	.374	.006	160.265

a. Dependent Variable: Y

Source: Data processed (2018)

Based on Table 2 it can be explained that: The variable **understanding of taxation regulations (X1)** shows the value of *t* count of 2.171 with a significance value of 0.033 where the value is smaller than 0.05 so the hypothesis is accepted. This means that understanding tax regulations (X1) has a positive influence on tax compliance (Y). **Fiscal service quality variable (X2)** shows the value of *t* count of 2.203 with a significance value of 0.30 where the value is smaller than 0.05 so the hypothesis is accepted. This means that the service quality of the tax authorities (X2) has a positive influence on **taxpayer compliance**

(Y). The **tax sanction variable (X3)** shows the value of t count equal to 3.187 with a significance value of 0.002 where the value is smaller than 0.05 so the hypothesis is accepted. This means that tax sanctions (X3) have a positive influence on taxpayer compliance (Y). **Risk preference variable (Mo)** shows the value of t count of 0.874 with a significance value of 0.385 where the value is greater than 0.05 so the hypothesis is rejected. This means that the risk preference (Mo) has no effect on tax compliance (Y). The variable understanding of taxation rules with risk preferences (X1 * Mo) shows the value of t count of 0.084 with a significance value of 0.934 where the value is greater than 0.05 so the hypothesis is rejected. This means that the risk preference is not able to moderate the relationship between understanding tax regulations and tax compliance. The quality variable of tax authorities with risk preferences (X2 * Mo) shows the value of t count of 0.133 with a significance value of 0.895 where the value is greater than 0.05 so the hypothesis is rejected. This means that the risk preference is not able to moderate the relationship between the quality of tax services and tax compliance. The tax sanction variable with risk preference (X3 * Mo) shows the value of t count at (-0.889) with a significance value of 0.374 where the value is greater than 0.05 so the hypothesis is rejected. This means that risk preferences are not able to moderate the relationship between tax sanctions and taxpayer compliance.

Factor Analysis

Factor analysis is an analysis used to reduce or summarise a number of variables into fewer, but does not reduce the meaning of the original variable (Suyana, 2016). The results of factor analysis are presented in the following table:

Tabel 3: Hasil analisis faktor

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.763
Bartlett's Test of Sphericity	Approx. Chi-Square	156.570
	df	10
	Sig.	.000

Source: Data processed (2018)

Based on table 3 above, KMO and Bartlett's test table, the value of the KMO measure of sampling adequacy (MSA) is 0.763 with a significance value of 0.000 so that the collection of variables can be further processed. In the Anti-Image Matrices table below, there are no variables with MSA < 0.50 so that all five variables qualify for factor analysis.

Moderated Regression Analysis

In this study, moderation regression analysis techniques were used to assess the influence of understanding tax regulations, quality of tax authorities services, and tax sanctions on taxpayer compliance, with risk preferences as a moderating variable (Ghozali, 2016). The results of the moderation regression analysis are presented in the following table:

Table 5: The results of the moderation regression analysis

		Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	6.413	2.899		2.212	.029		
	X1	.141	.065	.176	2.171	.033	.929	1.077
	X2	.209	.095	.205	2.203	.030	.710	1.408
	X3	.382	.120	.314	3.187	.002	.633	1.579
	Mo	2.527	2.892	.989	.874	.385	.005	208.839
	X1*Mo	.009	.111	.075	.084	.934	.008	132.360
	X2*Mo	.010	.079	.087	.133	.895	.014	69.999
	X3*Mo	-.110	.123	-.886	-.894	.374	.006	160.265

a. Dependent Variable: Y

Source: Data processed (2018)

Discussion

Understanding of Tax Regulations. A simply and clearly written tax administration law helps the taxpayer better understand the rules and the process (Gordon, 1996). The higher the level of knowledge and understanding of taxpayers on tax regulations, the higher taxpayer compliance will increase. Thus, taxpayers in the East Denpasar region have high level of tax compliance due to their understanding of tax regulations.

Understanding tax regulations is a process whereby taxpayers understand and know about regulations and laws and procedures for taxation; it is an understanding of the tax collection system that exists in Indonesia and all kinds of applicable tax regulations (Pranadata, 2014). Taxpayers tend to be more compliant with tax regulations if they have high knowledge about tax regulations (Tan & Braithwaite, 2018). Tax knowledge influences compliance behaviour of taxpayers (Loo, Evans, & McKerchar, 2010) and is also significantly correlated with compliant attitude (Ali, Fjeldstad, Sjursen, & Insitute, 2013). Educating taxpayers of their social responsibility to pay tax can influence their intention to comply (Gitaru, 2017).

Taxpayers may be willing to comply but are unable to do so due to lack of awareness and understanding of the extent of their tax responsibilities (James & Alley, 1999). Lack of tax knowledge influences taxpayers' voluntary compliance attitude with the tax system

(Deyganto, 2018). The lack of adequate tax knowledge can be addressed by hiring the services of tax consultants and lawyers in preparing their tax returns (Musimenta, Nkundabanyanga, Muhwezi, Akankunda, & Nalukenge, 2017)

Fiscal Service Quality. Functional organisation of tax administration law makes it easier for the taxation authority, as well as for other government officials involved in the taxation process, to follow and interpret the law (Gordon, 1996). In Indonesia, each taxpayer is assigned an Account Representative at the tax office where he registers. The Account Representative takes charge in monitoring the fulfilment of the taxpayer's tax compliance (KPMG Asia Pacific Tax Centre, 2018). A good tax office service can improve taxpayer compliance. the quality of service provided by tax authorities to taxpayers in the East Denpasar area is already good, sot taxpayers are obedient in carrying out their obligations. The creation of better, faster, and more pleasant conditions of service for taxpayers will have a positive impact, namely the willingness of taxpayers to carry out their obligations to pay taxes (Kusuma, 2016). The government and tax officials carry out the applicable procedures. Considering the risks that will be faced by the taxpayers, the services of the tax authorities influence and are closely related to taxpayer compliance . The tax agency can improve its public perception by providing taxpayer services, such as the use of digital public services (Fanea-Ivanovici, Muşetescu, Pană, & Voicu, 2019), prefilling information; the increased service level would translate into higher compliance (Alm, Jones, & Mckee, 2007).

Moreover, the relationship between tax authority and taxpayer have an overall significant impact on tax behaviour in European Union countries (Pukelien & Kažemekaitytė, 2016). The authority's trustworthiness and fairness helps to close the perceived social distance between taxpayers and the authority (Tan & Braithwaite, 2018). Basic trust in the tax authorities with respect to the honesty of taxpayers and the respectful treatment of taxpayers by the tax authorities must be accompanied by incentives for taxpayers to observe the rules of the game (Gerger et al., 2014). Defiance over the way an authority carries out its duties could be reduced by fostering trust (Tan & Braithwaite, 2018). As fairness and trust in the administration have a significant impact on taxpayers' perspectives (Gerger et al., 2014), tax authorities have to ensure that their service delivery caters to the changing requirements (Ayuba, Saad, & Ariffin, 2018). The better the quality of service provided, the better the level of tax compliance (Ali et al., 2013).

Tax Sanctions. Tax sanctions are one of the government's efforts to bind taxpayers to their responsibilities. In this case, the imposition of tax sanctions aims to create taxpayer compliance in fulfilling its tax obligations. The existence of tax sanctions has increased taxpayer compliance in the East Denpasar area.

Ardyanto (2014) explains that the higher or the severity of sanctions, the more it will harm the taxpayer, thus taxation sanctions have a positive effect on the level of taxpayer compliance in paying taxes. Tax sanctions guarantee that the provisions of tax laws and regulations will be obeyed; in other words tax sanctions are a deterrent so that taxpayers do not violate taxation norms (Mardiasmo, 2016).

Moreover, awareness of non-compliance acts (Musimenta et al., 2017), threat of punishment (Mohdali, Isa, & Yusoff, 2014), penalty, probability of being audited (Deyganto, 2018), transparency of enforcement (Castro & Scartascini, 2015), and difficulty of evading taxes influence taxpayers' voluntary compliance with the tax system (Ali et al., 2013).

However, their willingness to comply probably deteriorates because they are being threatened for things they do not have any intention of doing (Mohdali et al., 2014). The implementation of strict tax sanctions that are considered detrimental to taxpayers can be strengthened by the presence of risk preferences, so that taxpayers who have a high level of risk preference may be more willing to comply with their tax obligations.

Risk preference. Taxpayers in the East Denpasar area neglect risks; they do not think of the risks that arise in taxation activities. According to Torgler (2003) the decision of a taxpayer can be influenced by his behavior towards the risks faced. A person's risk preference is one component of several theories related to decision-making, including tax compliance theories such as rationality theory and prospect theory. The taxpayers in the East Denpasar region are not too concerned about the risks that they will receive regarding their compliance in fulfilling their tax obligations. When taxpayers know what risks they will face, they will determine whether they pay taxes or not, because risk preference is the selection of risks that will be borne by the taxpayer himself. From the perspective of the taxpayer, the risks that may possibly arise do not affect their tax compliance. The behavior of taxpayers in dealing with risk cannot be interpreted to guarantee that the taxpayer will not fulfill his tax obligations (Aryobimo, 2012). The existence of strict sanctions cannot be strengthened by the presence of risk preferences, thus it cannot affect taxpayers in carrying out their tax obligations.

Tax compliance. Tax compliance refers to the reporting and paying of tax liabilities in order to comply with tax laws (Mahangila, 2017) and depends on institutions serving as intermediaries between taxpayers and the fiscal service (Viswanathan, 2017), and the cooperation of the public (Gitaru, 2017). Tax evasion, which is a complicated phenomenon that cannot be addressed by tax officials alone (Franzoni, 1999), occurs when individuals deliberately fail to comply with their tax obligations (Gitaru, 2017).

In some parts of the world, there are who individuals pay their taxes regardless of the financial incentives they face from the enforcement regime (Alm, 1999). Taxpayers' voluntary compliance with the tax system is influenced by the simplicity of the tax system, the demographic, such as gender and age (Smulders, 2013), tax morale (Pukelien & Kažemekaitytė, 2016), social and moral attitudes (Franzoni, 1999), institutional and economic factors (Deyganto, 2018), information about public goods provision, and the compliance behavior of other taxpayers (Castro & Scartascini, 2015).

Encouraging taxpayers' positive attitudes and tax compliance (Torgler & Herren, 2003) may be done through behaviourally informed interventions and the efficiency of tax administration (Hernandez, Karver, Negre, & Perng, 2019), the transparent use of revenues for maintaining and improving the public services (Resnick, 2018), and fairly treating ethnic groups (Ali et al., 2013).

Conclusions

Understanding of Tax Regulations has a positive effect on Taxpayer Compliance, Fiscal Service Quality has a positive effect on Taxpayer Compliance, Tax Sanctions have a positive effect on Taxpayer Compliance, Risk Preference does not affect Taxpayer Compliance, Risk preference is not able to moderate the relationship between understanding tax regulations and tax compliance, Risk preference is not able to moderate the relationship between the quality of tax services and tax compliance, Risk preference is not able to moderate the relationship between tax sanctions and taxpayer compliance.

Future Directions

This research is inseparable from several limitations that can later be refined by further research,. Hopefully the suggestions in this study are useful for further research. The suggestions for this study are:

For the Government (Director General of Taxes), it is better to increase socialisation in disseminating the latest tax regulations, such as procedures for calculating and reporting tax payable, applicable tax rates, and sanctions or fines that apply, so that the public or taxpayers can know and understand the applicable tax regulations. For taxpayers, it is better to broaden their horizons about applicable tax regulations in order to make it easier to fulfill their obligations as taxpayers. This can be done by actively following the latest tax regulations. The next researcher should conduct research by adding other variables such as taxpayer awareness, tax socialization and financial conditions of taxpayers so that they can know how far each of these variables plays a role in increasing tax compliance. For the next researcher, it is better to increase the number of respondents by increasing the number of the population



so that the results of the research can represent all the opinions of the broader individual taxpayer.

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