The Analysis of Tax Payers' Obidient Behaviour (In Case Study of University Mercu Buana Jakarta Students on Post-graduate Programme)

Ermi Margaretha Simbolon
Student of Magister Management, Mercu Buana University
Jakarta, Indonesia

Dr. Mirza, S.T., M.M.
Lecturer of Postgraduate, Mercu Buana University
Jakarta, Indonesia

Abstract:- This research has an purpose to find out and examine those Taxpayer obidient Behavior (Case study of the Post-graduate Program at Mercu Buana University Jakarta). These research method currently used a multiple linear regression analysis to examine these five independent variables i.e tax expenses ,taxpayer attitudes / behaviour , tax penalties / Fine and tax knowledge. The total of 169 respondents from this research were post-graduated students from Mercu Buana University Jakarta. These results showed that the variable of tax expenses and tax knowledge had a significant positively correlated influence against taxpayer obidient behaviour , while the variable of tax penalties and attitudes had a positive but not significant one. Therefore the results of these research could be good input to the Directorate General of Taxation as an suggestion to level up the tax revenue by stepping up the education and outreach on a regular and innovative basis about the benefits, the tax payments process, counting and reporting employee tax in companies or the government bodies. Aswell as for millennial generations by giving different tax expenses for each individual taxpayers (for millennial generation) and would expected to be obedient to pay those taxes if the tax penalties which carried out by the tax officer run properly, thus providing deterrent effect to those individual taxpayer who trespass the law.

Keywords:- Taxpayer Obidient Behaviour, Tax Expenses, Tax Penalties, Taxpayer Attitudes And Taxes Knowledge.

I. INTRODUCTION

Based on the 1945 Constitution Article 23 paragraph (1) concerning about the management of state finances, where the largest contribution to state revenue comes from tax. The tax revenue comes from Domestic Tax Revenue and International Trade Tax Revenue. The 2018 State Budget recorded that the amount of state revenue from Domestic Tax was Rp1,893.5 trillion from tax revenue of Rp1,618.1 trillion and Non-Tax State Revenues was only Rp275.4 trillion. An increase in tax revenue target in 2017 of IDR 1,472.7 trillion, increased to IDR 1,618.1 trillion in 2018, as shown in the table below.

Num.	Description	2017	2018	% to Outlook	Difference
		Outlook	**APBN**	**2017**	
A.	Country Income	1.734,1	1.894,7	109,1	158,7
	I. Domestic Income	1.733,0	1.893,5	109,3	160,6
	1.Tax Revenue	1.472,7	1.618,1	109,9	145,4
	2.Non-tax State Revenue	260,2	275,4	105,8	15,2
	II. Grants Received	3,1	1,2	38,5	(1,9)
B.	State Budget	2.098,9	2.220,7	105,8	121,7
	I. Center State Budget	1.343,1	1.454,5	108,3	111,4
	1. K/L Budget	769,2	847,4	110,2	78,2
	2. Non K/L Budget	573,9	607,1	105,8	33,2
	a.I.a. Debt interest payments	218,6	238,6	109,2	20,0
	b. Subvention	168,9	146,2	92,5	(12,6)
	c. Other Budgets	56,0	67,2	120,1	11,2
	II. Regional Transfer and Funds	755,9	766,2	101,4	10,3
	1.Transfer to Region	697,7	706,2	101,2	8,5
	a.I.a. Revenue Sharing Fund	95,4	89,2	93,5	(6,2)
	b. General Allocation Funds	398,6	401,5	100,7	2,9
	2. Village Funds	58,2	60,0	103,1	1,8
C.	Primary Funds	144,3	(87,3)	60,5	57,0

		Outlook	APBN	2017	Difference
D.	Budget Surplus (/Deficit) (A-B)	(362,9)	(325,9)	89,8	36,9
	% surplus / (deficit) Budget to GDP	(2,67)	(2,19)		
Num.	Description	Outlook	APBN	2017	Difference
E.	Budget Financing (I+II+III+IV+V)	362,9	325,9	89,8	(36,9)
	I. Debt Financing	427,0	399,2	93,5	(27,8)
	a.I. Government Securities (net)	433,0	414,5	95,7	(18,4)
	II. Investment Financing	(59,7)	(65,7)	109,9	(5,9)
	III. Loan Financing	(3,7)	(6,7)	182,4	(3,0)
	IV. Guarantee Obligation	(1,0)	(1,1)	111,5	(0,1)
	V. Other Financing	0,3	0,2109,9	61,0	(0,1)

Table 1:- 2018 State Budget Posture (in Trillions of Rupiah)
Source: Finance Ministry (2019)

In Table 1 above shows there was a difference of an increase of 145.4% due to the tax target which increased from 2017 to 2018, therefore the Directorate General of Taxation had to achieve this target, where non-oil and gas income tax (PPh) is the largest of tax type.

Num.	Tax Type	Tax Year					
		2016		2017		2018	
		Target	Realization	Target	Realization	Target	Realization
1	PPh Non-oil and gas	829,496.77	630,111.74	742,200.00	586,477.37	816,999.41	685,320.28
2	PPN and PPnBM	474,235.34	412,210.91	475,483.49	480,724.61	541,801.13	637,422.98
3	PBB	17,710.60	19,443.71	15,412.10	16,770.35	17,369.80	19,427.12
4	Other Tax	7,414.88	8,104.89	8,700.00	6,738.48	9,691.60	6,613.44
5	PPh Oil and Gas	36,345.93	36,315.75	41,770.27	50,315.75	38,134.06	64,394.39
Total Non PPh Oil and Gas		1,328,857.59	1,071,887.24	1,241,795.59	1,102,727.80	1,385,861.94	1,250,801.83

Table 2:- Tax Revenue Performance Report 2016 till 2018 (in billions of Rupiah)
Source: https://www.pajak.go.id

From Table 2 above, its illustrates the tax performance for 3 (three) years, which shows that the tax target has not been achieved since 2016-2018. In 2016 the target was achieved around 80.66%, in 2017 only 88.80% and in 2018 around 90.25% of the target planned by the central government.

The optimum source of tax revenue has not been reached the target thou the the Non-Oil and Gas tax income (PPh non migas) has increased compared to the achievement target but still not optimal. This could be means that the Directorate General of Taxation has not been sufficiently successful in conducting socialization and education about taxes to Indonesian citizens who does qualify as the taxpayers. The important of public compliance especially from the taxpayers who could increase and maximize the potential of tax revenue, so there's need for self-awareness to have personal behavior tax conscious, the important of taxes in developing the country and the readiness and professionalism of tax officers (Ditjen) which is deligent , smart and clean. The efforts made by the Directorate General of Taxation to increased the tax revenue include the Tax Amnesty program based on Law number 11 of 2016 like raising the basic tariff on Non-Taxable Income (PTKP) which was originally Rp. 36 million per year to Rp54 million, providing incentives to reduce the final income taxes rate for Micro, Small and Medium Enterprises (MSME) 1% to 0.5%, from certain gross circulation of businesses (Government Regulation of the Republic of Indonesia number 23 of 2018) and making online tax payment and reporting applications, with hope to making it easier for citizens of the Republic of Indonesia both individuals and institutions.

And In line with achieving the tax target, it is necessary to have public awareness especially of taxpayers by create its personal behavior that is tax conscious who supported by the readiness of tax officers who are deligent , smart and clean. The results of these observations to the Tax Service Office (KPP), researchers found several findings including: (1) complaints from taxpayers about online taxation applications. Some of taxpayers say that the online taxation system has often errors at certain hours and days; (2)The lack of understanding and knowledge (information about taxes include the tax expenses, tax penalties and administrative procedures and tax payments) from the public about the online tax application system, meaning that the Directorate General of Taxation in these case as tax officers (tax authorities) has not been successful in disseminating the tax system; (3) the behavior of the Indonesians about the awareness and compliance of paying taxes which means that it need to conduct the public research on public behavior in taxpayer compliance.

Based on the literature studies result and observations as well as the secondary data analysis result towards tax compliance for non-oil and gas income tax types, the need of conduct research on taxpayer compliance behavior which is influenced by tax expenses, taxpayers behaviour , tax penalties (fines), and public knowledge about taxes. From this reason, the researchers need to conduct the research which related to the topic of the influence of tax expenses, taxpayers behaviour, tax fines and tax knowledge on taxpayer compliance.

II. THEORY REVIEW

A. Tax Concept

The definition of tax is a mandatory contribution or levy collected by the government from the public (taxpayers) to cover the routine state expenditure (budget) and development costs without remuneration that could be directly appointed, according to Suprianto (2011) in (Arwadi et al, 2012). Other tax definitions according to Mangkoesoebroto in Simajuntak and Mukhlis (2012: 9) stated that tax is a levy that is government's prerogative. The levy is based on the law and the levies can be forced on tax subjects for which there is no direct reply that can be demonstrated to its use. Waluyo (2013) mentions that the tax has two functions which namely the revenue function (budgeter) and the regulating function (regular) which aims to increase the state cash and benefit for development in the country Indonesia. According to Mardiasmo (2011) there are three groups of tax sources, consisting of: 1) based on classification; 2) its nature; and 3) the collection agency.

B. Fiscal Psychology Concept

Fiscal Theory and Social Psychology say the more good attitudes of taxpayers in tax payments, the greater of their motivation in paying taxes (Schmolders, 1960). This theory pays attention to psychological variables such as moral values, ethical values, and the fairness of the taxation system. Tax Compliance Theory assumes that psychological factors other than moral and ethical values are important for taxpayers (King'Oina, 2016). Behavior intentions of a person were influenced by factors such as attitudes, subjective norms, and the influence of behavioral control that individuals feel to behave in certain ways. These three factors are under the influence of behavior, normative, and control beliefs. Taxpayers could comply with paying taxes though the probability of detection is low because the focus of the theory is on morals and ethics. Psychological Theory emphasizes the changes in the attitude of taxpayers towards the taxation system

C. The Tax Paying Ability Concept

The Theory of ability to pay taxes was developed based on Mill (1848) any possible that every citizen to contribute and supporting the government in accordance with the Capability of each taxpayer on their income. The ability to pay taxes is interpreted as in terms of sacrifice. This means that the tax money given from public should come from those who can afford it, not from those who cannot. (Kendrick, 1939) said that A sacrifice when related to the concept of marginal decline in utility income, there are three progressive tax theories: 1) equality theory; 2) equivalent-proportional; and 3) no sacrifice (King'Oina, 2016).

D. Tax Paying Compliance

Tax compliance generally includes all activities that need to be carried out by people who pay taxes in order to meet the requirements based on tax law. This includes completing the requirements according to the tax rules if you want to obtain tax returns submitted by individual taxpayers and koporat every year (Ali-Nakyea, 2008 in Emmanuel, 2017). According to Norman D. Nowak in Soeprijadi and Efri Andini (2017); Jatmiko (2006); Yadinta et al., (2018)said that the definition of tax compliance is: a) Taxpayers understand and try to understand all the provisions of tax legislation; b) Fill out the tax forms completely and clearly; c) Calculate the amount of tax owed correctly; d) Paying the tax due on time.Beside that, there are two forms of general taxpayer compliance, namely: a) Formal Compliance, is a condition where taxpayers fulfill the tax obligations formally according with the provisions of tax laws; and b) Material Compliance, which is a condition where the taxpayer substantively fulfills all material provisions of taxation.

E. Tax Expenses

Based on taxation laws, the tax compliance burden is borne by taxpayers in the process of qualified the tax requirements (Sandford, et. Al., 1989). The tax compliance costs includes costs incurred in tax collection, costs related to tax payment and tax accounting, wages and salaries of employees and professional services, as well as costs which providing the taxation knowledge even the cost of updating the taxation system which aims to actively use by tax payers (Franzoni, 1998 in King'Oina, 2016).

F. Tax Sanction Concepts

Tax sanctions are imposed due to non-compliance of taxpayers in carrying out the tax obligations, while " Fischer et. al. (1992) in (King'Oina, 2016). Beside that, if there's a tax avoidance carried out by the taxpayer who aims to reduce the amount of tax, will lead to greater tax penalties or sanctions and it can be done by prevention (Kirchler, 2007). Then Soeprijadi and Efri Andini (2017) state that the tax sanctions aims to provide a deterrent effect to taxpayers who violance the taxation norms so as to create taxpayer compliance in carrying out their obligations. Generally, tax sanctions are associated with failures to; register, submit it back on or before the due date (in a timely manner) or remit payment without paying taxes, submit a request for reduction due to tax errors, have inaccurate records, incorrect tax calculation problems, and collect income tax (PPh) if it does not carry out other taxation obligations. (Rostan and Abd. Rahman Mus, 2019).

G. Taxpayer Attitude / Behaviour

Taxpayer perceptions about how a fair taxation system will affect their attitude to pay the taxes, according to Coskun and Cavasan (2009); and Alm et al, (2011). Even according to Jatmiko (2006) the attitude of taxpayers towards the implementation of influential tax sanctions, the attitude of taxpayers towards the services from the tax authorities and the attitude of taxpayers towards tax awareness on taxpayer compliance. There is a fairness dimension to tax payments, consisting of two different dimensions. The first dimension involves the benefits of trade equity received by paying the tax. The second dimension is the taxation system must ensure the equity of tax costs on all taxpayers.

H. Tax Knowledge

Some indicators which taxpayers should know and understand tax regulations just like Widayati and Nurlis (2010) in Kundalini (2016), one of which is knowledge and understanding of their rights and obligations as taxpayers. If the taxpayers already have taxation knowledge then they will carry out tax obligations by paying them. Tax knowledge is the ability of taxpayers to know its regulations both about tax rates based on the laws that they will pay and its benefits that will be useful for their lives. Mastering of tax regulations for taxpayers will increase the compliance of their tax obligations. Taxpayers will try to carry out their obligations in order to avoid sanctions whose force in tax regulations (Utomo, 2011 in Rahayu, 2017). Based on Rahayu (2010: 141) the quality of good tax knowledge will greatly influence to taxpayer in compliance their tax obligations. So the higher of the level of knowledge and understanding of taxpayers, the easier for them to understand about the tax regulations and easier to fulfill their tax obligations aswell (in Soeprijadi and Efri Andini, 2017).

I. Thinking Framework

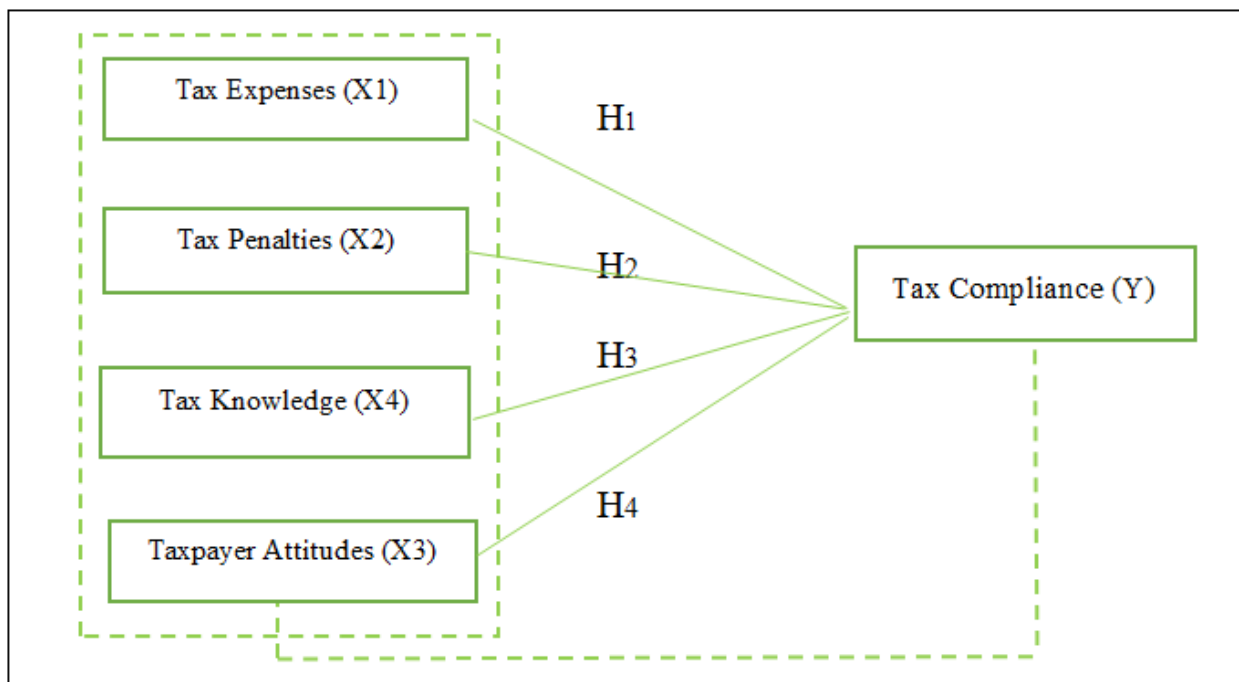These research model could be seen in this picture below:

Fig 1:- Thinking Framework

III. METHODOLOGY

The type of this research is quantitative verification research with explanatory survey research methods and conducted to examine certain populations or samples. The Data analysis which uses is quantitative or statistical in order to test the hypothesis. The independent variables in this research are tax expenses, tax penalties, taxpayer attitudes, and tax knowledge. Whereas the dependent variable is tax compliance. The data in this research were primary data which obtained from respondents of Mercu Buana University Jakarta on postgraduate students who have worked for more than one year and have NPWP. The Secondary data regarding types of taxation, target and realization of non-oil income tax (PPh) tax receipt, namely individual PPh (income tax from individual), tax amnesty data, rates and tax revenue targets.

The population in this research are graduate students of Mercu Buana University who earn and have worked for at least one year and have an NPWP card. Because the number of postgraduate students who fills the PPh (income tax) Non Oil and Gas taxpayer criteria is unclear the determination of the number for this samples uses the formula Hair = 5xtotal number of indicators = 170 graduate students. The Sampling

was carried out based on the non probabilistic sampling method which namely purposive sampling. The withdrawal type was done by purposive sampling, namely the research sample based on criteria that have been determined in advance by the researcher in accordance with the background, objectives and information to be explored in these research, including 1) The Respondents are those who have worked for more than 1 (one) year , 2) Has been registered as a taxpayer and has income above PTKP (Non-Taxable Income) per month Rp5,400,000.00, 3) As a taxpayer who actively fulfills tax obligations, and 4) Respondents in Mercu Buana University Jakarta.

The Researchers had used the analytical method which is descriptive statistical analysis and multiple linear regression analysis by using the SPSS tool. The examined in this research was carried out through: 1) Validity and Reliability Test, 2) Classical Assumption Test, 3) Hypothesis Test, and 4) Interdimensional Correlation Test.

IV. RESULTS AND DISCUSSION

This research was purposed to determine the analysis of taxpayer behavior in terms of tax expenses, tax penalties, taxpayer behaviour, tax knowledge on taxpayer compliance. Data were obtained from 169 respondents who were students in Mercu Buana University Jakarta and 1 respondent was invalid.

A. Validity and Reliability Test
Validity test results show that the variable tax expenses (X1) with 8 indicators, tax penalties (X2) with 6 indicators, attitude of taxpayers (X3) with 4 indicators, tax knowledge (X4) with 9 indicators, taxpayer compliance (Y) with 9 indicators having the value of r count > r table = 0.1966 and Sig <0.05. Then, the five variables are declared valid.

Num.	r_{count} X1	r_{table}	r_{count} X2	r_{table}	r_{count} X3	r_{table}	r_{count} X4	r_{table}	r_{count} Y	r_{table}
1	0.453	0.1966	0.702	0.1966	0.577	0.1966	0.347	0.1966	0.494	0.1966
2	0.565	0.1966	0.775	0.1966	0.451	0.1966	0.846	0.1966	0.533	0.1966
3	0.542	0.1966	0.631	0.1966	0.757	0.1966	0.901	0.1966	0.680	0.1966
4	0.562	0.1966	0.681	0.1966	0.619	0.1966	0.910	0.1966	0.560	0.1966
5	0.562	0.1966	0.724	0.1966			0.863	0.1966	0.525	0.1966
6	0.465	0.1966	0.671	0.1966					0.734	0.1966
7	0.466	0.1966							0.663	0.1966
8	0.465	0.1966							0.751	0.1966
9									0.657	0.1966

Table 3:- Validity Test Results

Reliability test results on the tax expenses variable (X1), tax penalties (X2), taxpayer behaviour (X3), and tax knowledge (X4), have Cronbach's Alpha values between 0.772-0.792 or all of them above 0.6. Although there are 2 variables (tax expenses and taxpayers behaviour) which has the Cronbach's Alpha value is below 0.6. So the five variables are declared reliable.

Num.	Variable	*Cronbach Alpha*	Information
1	Tax Expenses (X1)	0.589	Reliable
2	Tax Penalties (X2)	0.781	Reliable
3	Taxpayer Attitudes (X3)	0.531	Reliable
4	Tax Knowledge (X4)	0.885	Reliable
5	Tax Compliance (Y)	0.799	Reliable

Table 4:- Reliability Test Results

B. Classic Assumption Test
From the normality test result which can be seen that its spreads around the diagonal line, and spread approaches the diagonal line, therefore both of these graphs show that the regression model has fulfilled the normality assumption.
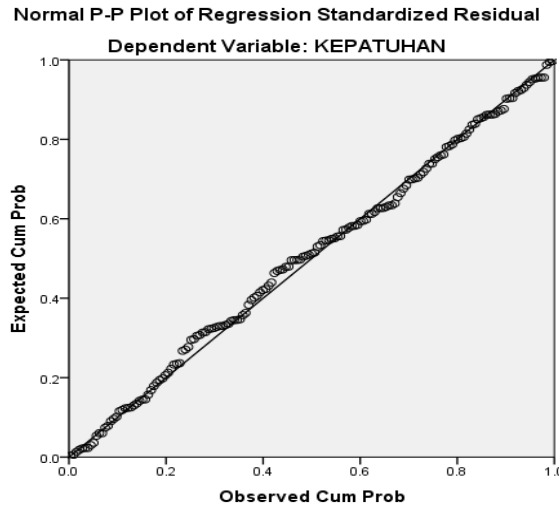
Fig. 2:- Normality Test Results

The Durbin Watson value which obtained is 1.674. Whereas the Durbin Watson table (k, n) values were obtained dU values = 1.679, and dL values = 1.5710 (4, 169).

Therefore, dL (1,571) <dW (1,674) <dU (1,679) means that there's no positive autocorrelation does accour.

Model Summary[b]					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.659[a]	.434	.420	4.55963	1.674

Table 5: Autocorrelation Test Results

Based on the multicollinity test results where the VIF value of each independent variable is below 10, so it could be drawn the concluded that first assumption is fulfilled and there is no multicollinity.

Model		Collinearity Statistics		
		B	Tolerance	VIF
1	(Constant)	4.323		
	Tax Expenses	.320	.826	1.210
	Tax Penalties	.171	.751	1.331
	Taxpayer Attitudes	.065	.929	1.076
	Tax Knowledge	.633	.823	1.215

Table 6:- Multicollinearity Test Results

From these heteroscedasticity test result, it could be seen that the taxpayer compliance spreads above and below the number 0 on the Y-axis, so it can be concluded that there is no heteroscedasticity. Therefore this regression model is feasible to predict a individual's level of compliance on paying taxes based on added the independent variables of tax expenses, tax sanctions, taxpayers behaviour and tax knowledge.
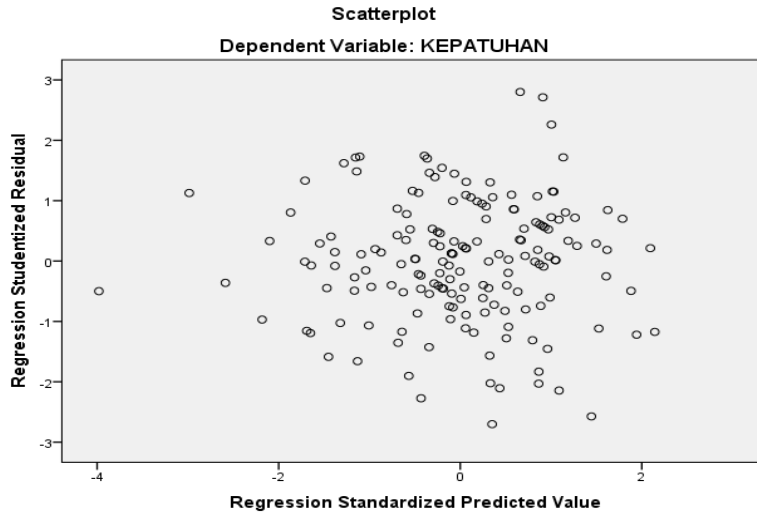
Fig. 3:- Heteroscedasticity Test Results

C. Hypothesis Test

This research has 4 (four) hypotheses tested partially and 1 hypothesis tested simultaneously.

	Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	4.323	2.803		1.542	.125
	Tax Expenses	.320	.086	.241	3.726	.000
	Tax Penalties	.171	.115	.100	1.480	.141
	Taxpayer Attitudes	.065	.144	.028	.451	.652
	Tax Knowledge	.633	.084	.488	7.536	.000

Table 7:- Results of Multiple Linear Regression

Based on Table 9 above, it is seen that the resulting regression equation is:

$$Y = 4{,}323 + 0{,}320\ X1 + 0{,}171\ X2 + 0{,}065\ X3 + 0{,}633\ X4$$

Which can be interpreted as follows:
1) A constant = 4.323 if the tax expenses (X1), tax penalties (X2), taxpayer attitudes (X3) tax knowledge (X4) is considered zero (null), so the level of tax compliance (Y) is 4.323 units.
2) Based on the terms of acceptance and the hypothesis if t arithmetic > t table or (-) t arithmetic < (-) t table and or the value of sig $\alpha < \alpha$ 0.05, so all the hypotheses are accepted. The positive β coefficient value means that if the value of X goes up, the value of Y will also increase, conversely the value of the negative β coefficient means that if the value of X goes up, the value of Y will go down. Based on the results of the table above, the following results are could be drawn:
a) The tax expenses variable (X1) has sig $\alpha = 0{,}000 < \alpha = 0.05$, the influence of the X1 variable on the Y variable is significant. The coefficient value β1 is positive = 0.320 indicating that the direction of correlated tax expenses

(X1) with taxpayer compliance is positive. If tax sanctions (X2), taxpayer attitudes (X3), tax knowledge (X4) are considered zero (no or not done), then the tax research variable (X1) will affected the increasing of taxpayer compliance (Y) by 32 percent.
b) The sanctions variable (fines) tax (X2) have sig $\alpha = 0.141 > \alpha = 0.05$, the influence of the variable X2 on the Y variable is not significant. The coefficient value β2 is positive = 0.171 which shows that the direction related between tax sanctions (X2) and taxpayer compliance is positive. If the tax expenses (X1), taxpayer attitudes (X3), and tax knowledge (X4) are considered zero (no or not done) then the variable of tax sanctions (X2) will affect the increase of taxpayer compliance (Y) by 17 percent.
c) The taxpayer attitudes variable (X3) has sig $\alpha = 0{,}652 > \alpha = 0.05$, the influence of the X3 variable on the Y variable is not significant. The coefficient value β3 is positive = 0.065 which indicates that the direction related between taxpayer attitudes (X3) to taxpayer compliance is positive. If the tax expenses (X1), sanctions (X2), and tax knowledge (X4) are considered zero (no or not done) then the variable of taxpayer attitudes (X3) will affect the increase of taxpayer compliance (Y) by 6 percent.

d) Tax knowledge variable (X4) has sig α = 0,000 <α = 0.05, the effect of variable X4 on Y variable is significant. The coefficient value β4 is positive = 0.633 which indicates that the direction related between tax knowledge (X4) with taxpayer compliance is positive. If the tax expenses (X1),

tax sanctions (X2), and the taxpayer attitudes (X3) are considered zero (no or not done) then the tax knowledge variable (X4) will affect the increase in taxpayer compliance (Y) by 63 percent.

ANOVAᵃ						
	Model	**Sum of Squares**	**df**	**Mean Square**	**F**	**Sig.**
1	Regression	2611.567	4	652.892	31.404	.000ᵇ
	Residual	3409.593	164	20.790		
	Total	6021.160	168			

Table 8:- Simultaneous Test Results (Test F)

Based on the table result, it is obtained that a significant value of f is 0,000 (<0.05) so it could be concluded that hypothesis 5 is accepted which states that there are effects of

tax expenses, tax penalties, taxpayer attitudes and tax knowledge on tax compliance.

Model Summaryᵇ				
Model	**R**	**R Square**	**Adjusted R Square**	**Std. Error of the Estimate**
1	.659ᵃ	.434	.420	4.55963

Table 9:- Determination Coefficient Test Results

From the determination test result it is known that the Adjusted R Square value = 0.434 which shows that 43.4 percent of taxpayer compliance (Y) was influenced by variable tax expenses (X1), sanctions (fines) (X2), taxpayer attitudes (X3), tax knowledge (X4). While the remaining 56.6 percent level of taxpayer compliance (Y) was influenced by other factors outside which reveal on this research.

Based on the analysis results who was conducted in above by according to the Unstandardized Coefficient, t-count and Sig values, the results show that there are 2 variables that have a significant influence on taxpayer compliance which namely the tax expenses variable (X1), and tax knowledge (X4). While the other 2 variables are variable tax sanctions (X2) and taxpayer attitudes (X3) do not have a significant influence on tax compliance (Y). The entire results of these hypothesis research it can be seen in the table below.

Hypothesis	Proof
H1: There is a significant and positive influence of tax expenses on taxpayer compliance	√
H2: There is no significant but positive influence of tax penalties on tax compliance	×
H3: There is no significant influence of the taxpayer attitudes but had positively towards the taxpayers compliance	×
H4: There is a significant and positive influence of tax knowledge on taxpayer compliance	√

Table 10:- Hypothesis Test Results

D. Correlation Between Dimensions
From the correlation test between dimensions result it could be seen that the correlation value between the tax expenses variable (X1) and the taxpayer compliance variable (Y), where each indicator of the tax expenses variable (X1) has a weak correlation with the indicator of the taxpayer compliance variable (Y) . This can be seen from the magnitude of each correlation between indicators which majority value below 0.5 (meaning the correlation between indicators is weak). However, from those several indicators of tax expenses variable (X1) which have a high correlation with the indicator of tax compliance variable (Y) is employee

income (B3) to the benefits of taxpayer compliance (Y) of 0.39. The tax sanction variable (X2) has a weak correlation and the indicator who has a high correlation with the tax compliance indicator (Y) of 0.30 is not getting mandated from tax (SK3), the variable taxpayers behaviour with a weak correlation because it is below 0, 5 but other indicators which high on tax compliance (Y) of 0.27 and indicators of tax knowledge variable (X4) are high compared to the majority under 0.5 of tax compliance (Y) is only 0.58 which is an indicator of the type of tax sanctions and the value of tax sanctions (P5).

Variable (X) Dimension		(Y)= Tax Compliances								
		KP1	KP2	KP3	KP4	KP5	KP6	KP7	KP8	KP9
X1 Tax Expenses	B1	0,369	0,267	0,272	0,224	0,297	0,141	0,163	-0,014	-0,035
	B2	0,219	0,363	0,386	0,178	0,277	0,104	0,217	0,267	0,193
	B3	0,107	0425	0,228	0,118	**0,390**	-0,002	0,262	0,071	0,065
	B4	-0,060	-0,086	0,077	0,147	-0,192	0,223	0,054	0,061	0,076
	B5	-0,011	0,038	0,006	0,041	0,015	0,085	0,024	-0,081	0,092
	B6	0,319	0,469	0,331	0,297	0,381	0,153	0,321	0,159	0,081
	B7	-0,025	-0,117	0,020	0,029	-0,129	0,169	-0,079	-0,004	0,174
	B8	0,117	0,126	0.138	0,149	0,023	0,221	0,141	0,143	0,185
X2 Tax Penalties	S1	0,021	0,302	0,115	0,112	0,032	-0,018	0,189	0,075	0,086
	S2	0,172	0,293	0,090	0,175	**0,309**	0,068	0,275	0,286	0,232
	S3	0,261	0,239	0,237	0,190	0,274	0,045	0,192	0,191	0,241
	S4	0,215	0,179	0,263	0,128	0,175	0,199	0,090	0,064	0,081
	S5	0,131	0,144	0,100	-0,049	0,031	0,191	0,100	0,153	0,194
	S6	0,072	0,216	0,219	0,181	0,041	0,163	0,085	0,041	0,109
X3 Taxpayer Attitudes	SK1	0,064	0,158	0,246	0,165	0,078	0,185	0,051	0,080	0,176
	SK2	0,214	0,186	0,204	**0,213**	0,142	0,207	0,266	0,157	0,142
	SK4	-0,070	0,030	0,012	0,010	-0,046	0,006	0,010	0,087	0,214
	SK5	0,032	0,114	0,049	-0,016	-0,078	0,011	0,051	-0,036	0,117
X4 Tax Knowledge	P1	0,230	0,208	0,313	0,321	0,155	0,168	0,373	0,153	0,198
	P2	0,425	0,383	0,443	0,321	0,248	0,167	0,406	0,184	0,149
	P3	0,512	0,421	0,460	0,309	0,373	0,167	0,337	0,188	0,066
	P4	0,474	0,461	0,506	0,402	0,335	0,227	0,406	0,165	0,125
	P5	**0,584**	0,413	0,541	0,367	0,258	0,308	0,354	0,154	0,185
	P6	0,530	0.513	0.461	0.401	0,314	0,208	0,461	0,220	0,174

Table 11:- Correlation Test Results

E. Discussion

The influence of Tax Expense (X1) on Taxpayer Compliance (Y), where it has a positive and significant effect on taxpayer compliance (Y), and the magnitude of the effect of tax expenses on taxpayer compliance is 0.32 (32%). Therefore the perception of tax expenses of individual high taxpayers will affect the changes in behavior from those individual taxpayers (private individuals) to obey paying taxes. So that the tax expenses will be force to individual taxpayers in Indonesia, especially in DKI Jakarta and its surrounding areas, it is a top priority for the Directorate General of Taxation.

The influence of tax sanctions (X2) does not have a significant effect but has a positive on taxpayer compliance (Y) where the effect of tax sanctions on taxpayer compliance is 0.171 (17%). These indicates that the perception of tax sanctions according to individual taxpayers has an influence, but very little. It can be interpreted that individual taxpayers in Indonesia especially in DKI Jakarta and surrounding areas, because the majority of respondents in this research are an employees who works for private and government where their tax payment process is carried out by the management of the company where they work. So they do not deal much directly with tax officers or rarely or even respondents has never received sanctions for late paying taxes.

For the taxpayer behaviour (X3) has a significant and positive influence on taxpayer compliance (Y), although the effect is small only 0.065 (6%). Thus occured because of the respondent perception on this research is that the majority of respondents who came from the private and government employees where their tax payment process is carried out by the management of the company where they work, and tax reporting is done once a year.

And tax knowledge (X4) has a positive and significant effect on taxpayer compliance (Y) and these influence towards taxpayer compliance is 0.633 (63%). This indicates that the respondents' perceptions over tax knowledge (X4) will affect the behavior change of the individual taxpayer to obey to paying the taxes.

V. CONCLUSIONS AND SUGGESTION

A. Conclusion

Based on the research study results, those following conclusions which obtained is :

1) The tax expenses has a positive and significant impact on taxpayer compliance by 32 percent. If the tax expenses was perceived by the individual taxpayer according to his expectations, then the level of tax compliance will be better

2) The tax sanctions (fines) have an effect on taxpayer compliance, but are not significant. The effect was 17.1 percent Not significantly against taxpayers because the majority of respondents are an employees who works in private and government, which means that they are not directly involved in the payment process and the tax sanction process. This happens because both processes are carried out by the company's management at the place where the respondent works.

3) The taxpayers behaviour has a positive effect thou not significantly to taxpayer compliance. Where the value of influence is 6 percent. This because of the majority research respondents are an employees who works in private and government where the payment process and the tax sanction process do not have a direct impact on the individual taxpayers (research respondents).

4) The tax knowledge has a positive and significant effect on taxpayer compliance by 63 percent. This means that if the individual has complete and update the knowledge (information or regulations) about taxation, it will have an impact on changes in tax compliance behavior.

5) Tax expenses, tax sanctions (fines), taxpayers behaviour, and tax knowledge act togetherness has affect on the taxpayer compliance, where the calculated F value of 32.4 (> 1.96).

B. Suggestion

This research has two suggestions, which namely (1) For Academics / further researchers; (2) For Practical advice / Directorate General of Taxation. The more detailed explanation of the advice could be seen as follows:

➢ *For Academic Advice*

Suggestions for further research is:

1) Based on the value of Adjusted R Square = 0.434 (43%), where the value is less than 50 percent. So the researchers suggest that the other researchers who are interested to conduct in the same object, should pay attention to other factors that affect taxpayer compliance which are not revealed in this research. These factors are motivation, awareness level, service from tax officers, and online taxation system.

2) For further researchers who wants to conducts the same objects and variables apparently should pay attention to the type of respondents they should be the owners of both small businesses and large businesses. This is because the business owner is directly related to the tax payment process. So that the factors of sanctions and individual attitudes have an impact on tax paying compliance behavior.

➢ *Practitioner Advice for the Directorate General of Taxation*

Based on the statistical regression tests and correlations result between the dimensions above, the researcher provides two main suggestions that should be made by the Directorate General of Taxation. The suggestions are is follows:

1) The Directorate General of Taxation (tax officers) should further enhance education and outreach about benefits, the payment process, the process of calculating tax payments to the millennials (non-salary income). This is because the majority of respondents in this research are the age of millennial generation who have the majority of work as private and government employees. However, if they found that they have additional income outside the salary they should reported it to the Directorate General of Taxation (tax officers). Otherwise the Directorate General of Taxation should give them Sanctions that could impact on respondents' attitudes towards tax payments and tax sanctions.

2) Tax officers (tax authorities) should provide different tax expenses for individual taxpayers (in this case for millennial generation). Where the millennials will obediently pay taxes if sanctions forced by the tax officer are carried out. This is to obtain a deterrent effect for individual taxpayers.

3) It is recommended that the Public Relations from Directorate General of Taxation who routinely conduct tax counseling / outreach activities, such as Tax Goes to School or Tax Goes to Campus activities, be intensified in the frequency and theme of different tax socialization based on technological developments and the needs of tax socialization participants. The tax theme and information such as: information about the types of taxes, tax objects that may or may not be taxed, or other taxation information. Counseling or tax socialization can be done on Mercu Buana campus or located in the company of students who are studying or graduating from Mercu Buana campus is.

4) The Directorate General of Taxation should provide training or education on customer behavior adopted from marketing knowledge so that tax officials or tax officers could understand the behavior of taxpayers and one of management strategies that could increase awareness of tax payments and tax reporting to increases the tax revenue

5) If tax information in form of tax regulations or matters regarding violations due to inadvertence and ignorance or lack of understanding so the DitJen or the tax officer should be able to submit it with cooperative and persuasive manner. So that the taxpayers who experience those problems including tax problems which are quite large and complex, could understand and want to try to comply with applicable tax provisions so that the problem

can be resolved properly and as expected from both parties the Directorate General of Taxation and taxpayers.

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