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THE INFLUENCE OF TAXATION KNOWLEDGE, TAX SOCIALIZATION AND TAX ADMINISTRATION ON TAXPAYER COMPLIANCE (EMPIRICAL STUDY IN MICRO SMALL AND MEDIUM ENTERPRISES (MSMEs) TOBAT VILLAGE, BALARAJA SUB-DISTRICT, TANGERANG REGENCY, BANTEN PROVINCE)

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Abstract: This study aims to obtain empirical evidence about the influence of taxation knowledge, tax socialization, and tax administration on taxpayer compliance. The research sample was 38 micro small and medium enterprises in the village of Tobat, Balaraja sub-district, Tangerang regency, Banten province, which made a business certificate. Data analysis uses path analysis. The PLS application is used to test hypotheses. The overall results of this study state that taxation knowledge does not affect taxpayer compliance. tax socialization and tax administration affect taxpayer compliance. This study has limitations including, the sample used is less than 100 samples, the data used are only primary data is expected to further research using a larger sample and supported by secondary data

Keywords: Taxation Knowledge; Tax Socialization; Tax Administration; Taxpayer Compliance; Micro Small And Medium Enterprises.

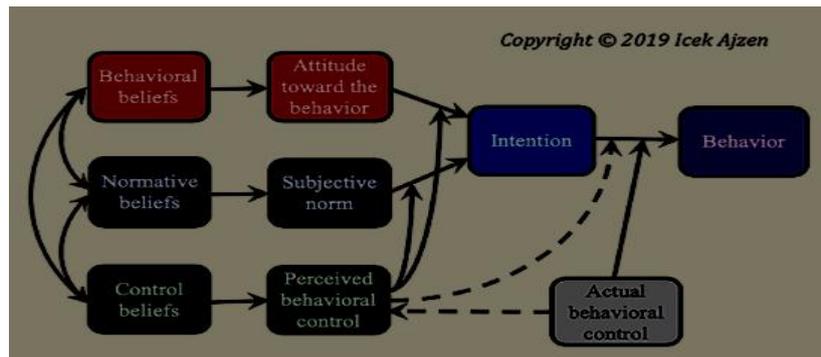
INTRODUCTION

One indicator of performance measurement of the Ministry of finance to support service users' compliance with regulations and policies that are the percentage of the taxpayer's formal level of compliance in fulfilling the Taxpayer's Annual Tax Return (SPT). In the performance report of Ministry of finance Indonesia the level of compliance of MSMEs from 2013 to 2016 is seen always increasing, but still below the targets set in the 2015-2019 ministry of finance's strategic plan. Does taxation knowledge affect taxpayer compliance?

Does tax socialization affect taxpayer compliance? And does the tax administration affect the compliance of taxpayers? is the formulation of the problem in this research. Therefore the purpose of this study are to obtain empirical evidence the influence of tax knowledge on tax compliance, tax influence of tax socialization on tax compliance, and the influence of tax administration on tax compliance.

LITERATURE REVIEW

1. Theory of Planned behavior



Source : <https://people.umass.edu>

Picture 1 Theory of Planned Behavior Diagram

This theory studies the formation of a behavior. It is explained in the diagram that a person's behavior is influenced by behavioral beliefs, normative beliefs, control beliefs. This is influenced by motivation/ expectation of getting something, social pressure, and perceptions of other people's abilities. In this study, researchers used this theory to predict taxpayer compliance behavior, where behavioral beliefs, normative beliefs and control beliefs would be appropriate when someone had taxation knowledge, participated in tax socialization, and carried out tax administration activities.

2. Taxation knowledge

According to Diaz (2011) definition of taxation knowledge is covering other functions related to taxation such as communicating taxation provisions and procedures to parties or other parts of the company as well as tax training for staff. Taxation knowledge according Mardiasmo (2018) is the ability of taxpayer to know tax regulations both about the tax rates that they will pay based on the law and tax benefits that will be useful for their lives, so it can be concluded the definition of taxation knowledge is taxation information that can used by taxpayer as a basis for acting, making decisions and taking direction for the implementation of the taxpayer's rights and obligations in the field of taxation that will be useful for the taxpayer's life. Dimensions of taxation knowledge are Knowledge of General tax provisions and procedures law, Knowledge of the taxation system in Indonesia, and knowledge of taxation functions. Research conducted by Nurulita (2017), Roy (2018), Machogu (2016), Waluyo (2018), Robin (2018), Imam (2015), Pasca (2015), I Nyoman (2017), Andreas (2015), Nurlis (2015) and Memen (2019) prove that taxpayer knowledge influences taxpayer compliance. Another research by Pancawati (2011) and

Lin Mei Tan (2000) which proves that tax knowledge does not affect taxpayer compliance because tax knowledge received by taxpayers does not guarantee that a taxpayer will be more aware in terms of tax compliance.

3. Tax socialization

According to Sugeng (2012) tax socialization is an effort made by the directorate general of taxation to provide knowledge to the public and especially taxpayers in order to know about all matters regarding taxation both regulations and procedures through appropriate methods. The dimensions of tax socialization are dissemination, installation of billboards, and the directorate general of taxation's website as a socialization media. Research conducted by Khairah (2015), Pasca (2015), Ojochogwu (2012), Newman (2018), INyoman (2017), and Ajat (2015) prove that tax socialization has influence on taxpayer compliance. While Oktaviane (2013) proves that tax socialization has no influence on taxpayer compliance

4. Tax administration

According to Abdul (2010) Tax administration is the administration and service of the obligations and rights of taxpayers, both the administration and services are carried out in the tax office and the taxpayer office. Meanwhile, according to Liberti (2014) Tax administration is the administration and service activities carried out by everyone in the organization for their tax rights and obligations. It can be concluded that the definition of tax administration is the administration and service activities carried out by everyone in the organization for tax rights and obligations. The dimensions of the tax administration are the payment system and annual tax return reporting and revenue recording. Research conducted by Daulat (2013) and Ni luh (2017) prove that tax administration has a positive influence on taxpayer compliance.

5. Taxpayer compliance

Taxpayer compliance in Irwan (2017) is steps that must be done by taxpayers in fulfilling their tax obligations both recording, withholding taxes, tax payment, reporting and providing data for tax audit purposes and so on. Whereas according to Timbul (2012), understanding of tax compliance is voluntary compliance, which covers the level of awareness to comply with tax regulations and at the same time to the applicable tax administration without the need to be accompanied by action activities of the tax authority. It can be concluded that the definition of tax compliance is voluntary compliance in complying with tax regulations, namely rights and obligations and at the same time for tax administration without the need to be accompanied by action activities of the tax authority. Dimensions of tax compliance are the implementation of tax obligations and tax control.

6. Framework of thought

The more taxpayers have tax knowledge so the taxpayer compliance higher too is the conclusion of several studies. This will have an impact on compliance that begins with fear of sanctions becoming voluntary compliance. In order to live the established regulations and to provide services to the community in order to improve compliance, the

director general of taxation will endeavor to provide taxpayers with socialization on programs and rules that have been set. To follow the rules, there are MSMEs must do tax administration. By doing the tax administration MSMEs will continue to follow the programs that are running, or new rules that will provide taxpayers in the compliant category.

RESEARCH METHODS

MSMEs in the Tobat village, Balaraja sub-district, Tangerang Regency, Banten Province, which made a business certificate totaling 38 units were the population in this study. The research sample was taken using non-probability sampling technique with saturation sampling because its small population. So that the entire population of 38 units is sample in this study. Observation, questionnaire and interviews are the data collection techniques used. Data collection was carried out on 4-21 January 2020.

FINDING AND DISCUSSION

A. General description

In terms of gender, the last level of education and age level can be concluded that the respondents are female, dominated by high school graduates and the age level is 36-45 years old, from this it can be concluded that the average respondent is not in the productive age.

B. Data Analysis

Table 1. Variable Description

No	Variable	Index
1	Taxation knowledge	71.8
2	Tax socialization	55.75
3	Tax administration	60.04
4	Taxpayer compliance	56.14

Source : primary data processed, 2020

Based on the table above, it can be seen that the tax knowledge variable has an index value of 71.80 so it can be interpreted that the MSMEs taxation knowledge in this village is in the medium category. Tax socialization variable has an index value of 55.75, it can be interpreted that tax socialization is included in the medium category. The tax administration variable has a value of 60.04 so that it can be interpreted as tax administration in the medium category. And taxpayer compliance variable has index value of 56.14, it can be interpreted that the taxpayer compliance of MSMEs in Tobat villages can be agreed to be included in the medium category.

Table 2. R Square

Variable	R square	Q square
Taxpayer compliance (Y)	0.699	0.699

Source : primary data processed,2020

Based on the table above it is known that the R^2 value for taxpayer compliance variable is 0.699, which means that the value indicates that the taxpayer compliance variable can be explained by the taxation knowledge, tax socialization, and tax administration variables 69.9% while the remaining 30.1% is influenced by other variables that are not contained in the research model.

Table 3 Path Coefficients

Relationship between variables	Parameter Coefficient	T statistic	P Value	Information
Taxation knowledge => Taxpayer compliance	0.033	0.481	0.315	Not significant
Tax socialization => Taxpayer compliance	0.334	2.912	0.002	significant
Tax administration => Taxpayer compliance	0.586	4.615	0.000	significant

Source : primary data processed,2020

The path coefficient obtained for the influence of taxation knowledge variable on tax compliance is with a $T_{\text{statistic}}$ value of $0.481 < 1,660$ and p value of $0.315 > 0.05$ at the significance level $\alpha = 0.05$ (5%) which means that there is no significant influence between taxpayer knowledge and taxpayer compliance. For the influence of tax socialization variable on taxpayer compliance is a $T_{\text{statistic}}$ value of $2.912 > 1.660$ and p value of $0.000 < 0.05$ at the significance level $\alpha = 0.05$ (5%) which means that there is a significant influence between tax socialization and taxpayer compliance. For the influence of tax administration variable on taxpayer compliance is $T_{\text{statistic}}$ $4,615 > 1,660$ and p value of $0,000 < 0.05$ at the significance level $\alpha = 0.05$ (5%) which means that there is a significant influence between tax administration and tax compliance.

C. Discussion

Based on the results of statistical tests and significance it is known that :

1. The influence of taxation knowledge on taxpayer compliance

Taxation knowledge does not have an influence on tax compliance of MSMEs. Some MSMEs in this village who understand the tax obligation for their businesses, but the awareness of taxpayers is still not there. This is in line with research by Lin Mei tan (2000) and Pancawati (2011) who prove that taxation knowledge has no influence on tax compliance. And in line with the theory of planned behavior where behavioral beliefs is influenced by motivation/ expectation of getting something, meaning that taxation knowledge is needed a motivation from self or awareness to bring up an intention, which in the end this intention will be carried out and bring up the behavior of taxpayer compliance.

2. The influence of tax socialization on taxpayer compliance

Tax socialization has a positive influence on taxpayer compliance. From the results of field observations that there has been no dissemination conducted by the directorate general of taxation for MSMEs in this village. The tax website as a socialization media has not been fully used because of the characteristics of MSMEs that are still traditional. In general, MSMEs only use the internet as a means of communication, whereas the function of the internet can be for information, a marketing tool, which can increase MSMEs sales. The results of this study are in line with research conducted by I Nyoman (2017) and Ojochogwu (2012) which prove that tax socialization has influence on taxpayer compliance.

3. The influence of tax administration on taxpayer compliance

Tax administration has a positive influence on tax compliance. One of the characteristics of MSMEs that are traditional is that there is no recording, recording is only done to see how far the business progressed and capital requirements. The results of this study are in line with research by Waluyo (2018), Ni luh Putu (2017), and Daulat (2013) which prove that tax administration influence the tax compliance of MSMEs.

CONCLUSION AND SUGESTION

Based on the results of the discussion it can be concluded that taxation knowledge has not influence on taxpayer compliance. Tax socialization has a significant influence on taxpayer compliance. Tax administration has a significant influence on taxpayer compliance. The results of this research are expected to provide input on further research and development of knowledge, and to be input for the directorate general of taxation especially for the Tigaraksa Tax Office which oversees of the tobat village for increase awareness MSMEs, one of which is through visits to MSMEs taxpayer, increased tax socialization activities and ease in tax administration, one of which is through cooperation with village staff, or creating a tax stand in each village that functions to approach the relationship to taxpayers, providing convenience in receiving payments, providing information and receiving taxpayer's annual tax return so that eventually voluntary taxpayer compliance will be formed.

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