



The Effect of Tax Sanctions on The Level of Taxpayer Compliance at The Tax Service Office Pratama Madya Medan

Sari Raphyta Olivia Grace

Accounting, Pembangunan Panca Budi University

Abstract: *This study aims to determine whether there is an effect of taxpayer awareness and tax sanctions on taxpayer compliance at KPP Pratama Madya Medan. The population in this research are taxpayers who are registered at KPP Madya Medan. Data analysis using multiple linear regression. The results of the study show that taxpayer awareness and tax sanctions have an effect on taxpayer compliance*

Keywords: *effect of tax; taxpayer; service office*

I. Introduction

Income Tax does not only rely on the role of the Directorate General of Taxes (DJP) but requires an active role from all Indonesian people, especially taxpayers. Indonesia is a developing country so that improvements are needed both in infrastructure and other needs within the country. In this development the government requires a large amount of money. In order to receive tax revenue optimally, a high level of public awareness is needed to fulfill applicable tax obligations.

Taxpayer awareness is a condition of taxpayers who know, understand and understand about tax obligations, which can be in the form of tax reporting and tax payment as a form of effort to implement good tax regulations. Taxpayers who have awareness if they know and understand that tax obligations must be carried out in accordance with applicable regulations to calculate, pay and report taxes properly and correctly.

Meanwhile, the condition of corporate taxpayers who experienced a decline in their business income due to the current pandemic conditions also decreased tax receipts and the payment system could be made online, which made many taxpayers still not familiar with the system, thereby reducing awareness of the willingness to pay taxes.

Human Resources (HR) is the most important component in a company or organization to run the business it does. Organization must have a goal to be achieved by the organizational members (Niati et al., 2021). Development is a change towards improvement. Changes towards improvement require the mobilization of all human resources and reason to realize what is aspired (Shah et al, 2020). The development of human resources is a process of changing the human resources who belong to an organization, from one situation to another, which is better to prepare a future responsibility in achieving organizational goals (Werdhiastutie et al, 2020).

Compliance with taxpayers who require payment so that they have sanctions if they are not paid or are late in making payments. Taxpayers who are obedient in carrying out their taxation properly and correctly will affect state income. Based on the description above, the title of this research " The Effect of Tax Sanctions on The Level of Taxpayer Compliance at The Tax Service Office Pratama Madya Medan

" with the title researchers are interested in knowing more about taxpayer awareness and tax sanctions can improve corporate taxpayer compliance properly and correctly.

II. Review of Literature

2.1. Taxpayer Awareness (X1)

According to Hasibuan (2016) awareness is the attitude of someone who voluntarily obeys all regulations and is aware of his responsibilities, so that awareness can be interpreted as someone who understands his rights and obligations that must be carried out. Mandatory is something that must be carried out and is forced as an obligation. Taxes are public contributions or bills to the state.

According to Mardiasmo (2016), tax is a contribution paid by the community to the government, namely the State treasury and is regulated according to laws and regulations so that it has a forced nature.

According to Maghriby and Ramadani (2020) taxpayer awareness is a condition of taxpayers who understand and understand tax obligations such as tax reporting and tax deposit as a form of effort to implement good tax regulations. Some taxpayers who are said to be aware, namely:

1. Know the provisions and tax laws
2. Knowing and understanding the function of taxes in state payments
3. Calculate, pay and report taxes properly and correctly

2.2. Tax Sanctions (X2)

Taxes consist of direct taxes and indirect taxes in tax collection by the government.

Direct tax is a tax that must be borne by the taxpayer himself and is not charged to other parties, for example income tax, while indirect tax is a tax that can be charged to other parties, for example Value Added Tax (VAT). Some classes of tax sanctions:

a. Administrative Sanctions

Administrative Sanctions are sanctions imposed on administrative violations or provisions of an administrative nature, such as fines imposed if mass notification letters (SPT) are not submitted according to the deadline, which is no later than 14 days after the end of the calendar month.

The imposition of administrative sanctions should also be directed at establishing compliance. According to the OECD (2019), tax sanctions require a deeper understanding in order to create justice, both for taxpayers and tax authorities.

Referring to Article 37 of the KUP Law, administrative sanctions are divided into 3, namely interest, fines, and increases.

b. Criminal Sanctions

Criminal Sanctions are sanctions in the form of tax fines on corporal punishment such as imprisonment or confinement due to:

- a. Not submitting SPT
- b. Submitting an SPT but its contents are incorrect or incomplete or attaching information whose contents are not correct so that it can cause losses to state revenues.
- c. Deliberately not registering or abusing the right of NPWP, refusing to be examined, showing books, registrar or documents.

c. Taxpayer Compliance (Y)

A corporate taxpayer based on an official statement is a group of people or capital expressing a union to run a business through a limited liability company, limited liability company, other company, BUMN, or BUMD. From the above understanding, it can be

concluded that corporate taxpayers are a group of people or capital who are obliged to carry out tax payments including collecting taxes or withholding certain taxes.

2.3. Hypothesis

Based on the description above, the researcher hypothesizes that there is a partial and simultaneous relationship between taxpayer awareness and tax sanctions with corporate taxpayer compliance at the Pratama Madya Medan Service Office.

H1: Taxpayer awareness has an effect on corporate taxpayers.

H2 : Tax sanctions affect the compliance of corporate taxpayers.

2.4. Conceptual Framework

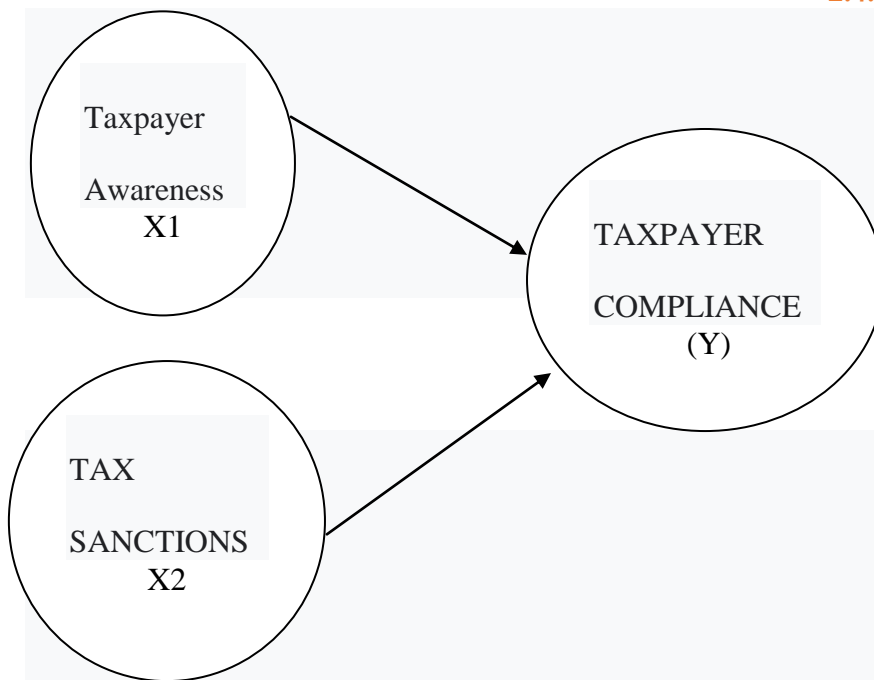


Figure 1. conceptual framework

III. Research Methods

3.1 Research Approach

The research method used is quantitative method. The quantitative method approach is a systematic scientific research method with theories and hypotheses related to the research variables. Sources of data used are primary data obtained by distributing questionnaires.

3.2 Location and Time of Research

In this study, the authors according to the problems to be studied are the awareness of taxpayers and tax sanctions on taxpayer compliance at the Pratama Madya Medan Tax Service Office.

3.3 Research Time

This research was conducted in January 2022.

3.4 Population and Sample a. Population

The population in this study was taken from corporate taxpayers who focused on limited liability companies registered at the Pratama Madya Medan Tax Service Office.

Sampling in this study was carried out using the convenience sampling method, namely the technique of collecting samples from information on members of the population.

b. Sample Study

In sampling the authors used purposive sampling method. The selected sample/respondent criteria are taxpayers who are 18 years of age and over, have a minimum education of high school graduates and have become taxpayers.

3.5 Data Collection Techniques

Data collection techniques in this study using a questionnaire.

a. Operational Definition

Taxpayer awareness is a condition where the taxpayer has known, acknowledged, and obeyed the applicable taxation regulations. Tax sanctions are a guarantee that the statutory provisions must be obeyed, obeyed and obeyed by taxpayers. The variable indicators are:

No	Variable	Indicator	Scala
1	Taxpayer Awareness (X_1)	Discipline of corporate taxpayers, willingness to pay taxes	Likert
2	Tax Saction (X_2)	Knowledge of tax sanctions, Attitude of taxpayers to tax sanctions	Likert
3	Taxpayer Compliance (Y)	NPWP Registration, Tax Calculation, Tax Reporting	Likert

b. Research Instruments

The measurement of this study uses a Likert scale, which is a scale designed to allow respondents to answer various levels of each object to be measured. The following is the weight of the score or value as follows:

Answer	Score
Strongly Agree	1
Agree	2
Normal	3
Do not agree	4
Strongly Disagree	5

3.6 Validation Test

This validity test has the aim of whether the measuring instrument has correctly measured what it is supposed to measure. Testing the validity of the questionnaire used using the product correlation method with the following formula:

$$r_{xy} = \frac{n \sum xy - (\sum x) \sum y}{\sqrt{n \sum x^2 - \sum x^2} \sqrt{n \sum y^2 - \sum y^2}}$$

The results of the validation research are then compared with the correlation coefficient table, if $R_{xy} > R_{table}$ then the variable statement is valid $R_{xy} < R_{table}$ then the variable statement is invalid.

3.7 Reliability Test

Reliability testing aims so that the measuring instrument that we use can produce data that really answers the research problem.

3.8 Data Analysis

Hypothesis testing

1 Uji T

Uji T is a test that aims to determine whether the coefficient is significant or not. The t-value is calculated by partially testing the effect on the variable.

2 Uji F

Uji F is used to simultaneously test the effect of the independent variables on the dependent variable, so the regression equation model enters.

3 Coefficient of Determination Test (R^2)

The coefficient of determination is the value of the contribution of the independent variable to the dependent variable. The greater the coefficient of determination, the greater the ability of the independent variable to explain the variation of changes in the dependent variable.

3.9 Multiple Linear Regression Analysis

This study uses multiple linear regression because this study was conducted to determine the effect of taxpayer awareness (X_1) and Tax Sanctions (X_2) on corporate taxpayers (Y), which can be seen in the linear regression equation as follows:

$$Y = \alpha + b_1X_1 + b_2X_2 + e$$

IV. Result and Discussion

This can be seen in the table below:

Tables 3 and 4 Variable Validity Test Results

VARIABLE	Question	Mark Count	R	Mark Table	R	Mark Sig	Decision
Taxpayer Awareness (X_1)	X1.1	0.770		0.2960		0.000	Valid
	X1.2	0.738		0.2960		0.000	Valid
	X1.3	0.712		0.2960		0.000	Valid
	X1.4	0.849		0.2960		0.000	Valid
	X1.5	0.917		0.2960		0.000	Valid
	X1.6	0.918		0.2960		0.000	Valid
	X1.7	0.835		0.2960		0.000	Valid
	X1.8	0.833		0.2960		0.000	Valid
	X1.9	0.849		0.2960		0.000	Valid
	X1.10	0.853		0.2960		0.000	Valid
TAX SANCTIONS	X2.1	0.853		0.2960		0.000	Valid

(X ₂)	X2.2	0.684	0.2960	0.000	Valid
	X2.3	0.543	0.2960	0.000	Valid
	X2.4	0.766	0.2960	0.000	Valid
	X2.5	0.709	0.2960	0.000	Valid
	X2.6	0.894	0.2960	0.000	Valid
	X2.7	0.903	0.2960	0.000	Valid
	X2.8	0.903	0.2960	0.000	Valid
	X2.9	0.762	0.2960	0.000	Valid
	TAXPAYER COMPLIANCE (Y)	Y1	0.886	0.2960	0.000
Y2		0.866	0.2960	0.000	Valid
Y3		0.868	0.2960	0.000	Valid
Y4		0.559	0.2960	0.000	Valid
Y5		0.831	0.2960	0.000	Valid
Y6		0.796	0.2960	0.000	Valid
Y7		0.841	0.2960	0.000	Valid
Y8		0.856	0.2960	0.000	Valid
Y9		0.910	0.2960	0.000	Valid

Source: primary data processed by SPSS, 2021

4.1 Reliability Test

This research was conducted by looking at the results of Cronbach's statistics with a significance of 0.6 if the measurement of the research instrument is above 0.6 then it can be said to be reliable, but if it is below the value of 0.6 then the question is said to be unreliable, this can be seen in the table as follows:

4.2 Independent Variable

Table 5 Reliability Test Results

Cronbach's Alpha	N Of Items
.975	19

Source: SPSS Primary Data, 2021

The Cronbach Alpha value is 0.975 which is greater than 0.60 so it is suitable to be used as a measuring instrument for the questionnaire instrument in this study.

Table 6 Reliability Test Results
Dependent Variable

Cronbach's Alpha	N of Items
.950	9

Source: SPSS Primary Data, 2021

Calculation of cronbach's alpha 0.950, it can be ascertained that the questions in the research questionnaire for the dependent variable, namely corporate taxpayer compliance (Y) is declared reliable because cronbach's alpha is greater than 0.60.

4.3 Hypothesis T Test Table

Model	t	Sig
(Constant)	2.424	.020
Taxpayer Awareness	3.985	.000
Tax Sanction	2.225	.050

a. Dependent Variable : Taxpayer Compliance

Based on the above calculation, it is known that the t value of the taxpayer awareness variable (X1) is 3.985 and the tax sanction variable (X2) is 2.225 > t table is 1.6819 with a significant value of $0.000 < 0.05$ for the taxpayer awareness variable and $0.050 < 0.05$ for the tax sanction variable. then partially have an influence on taxpayer compliance.

Table Uji F

Model	F	Sig
Regression	78.072	.000
Residual		
Total		

a. Dependent Variable: Taxpayer compliance

b. Predictors: Constant, tax sanctions, taxpayer awareness.

The f value is calculated at 78,072 while F table is 3.21 with a significance of 0.000 which is smaller than the significance level used in this study, which is 0.05 ($0.000 < 0.05$), so that the independent variable of taxpayer awareness and tax sanctions simultaneously affects the taxpayer compliance variable.

Coefficient of Determination Test (R²)

Model	R	R Square	Adjusted R Square
1	.885	.790	.773

Predictors: (Constant), tax sanctions, taxpayer awareness

Based on the output above, it is known that R square is 0.790%, which means that taxpayer awareness and tax sanctions have an effect of 79% on taxpayer compliance while 21.6% is influenced by other variables not examined.

4.4 Multiple Linear Regression Analysis

Model	Unstandardized Coefficients	
	B	Std. Error
(Constant)	5.920	2.440
Taxpayer awareness	.450	.114
Tax Sanctions	.335	.155

a. Dependent Variable: taxpayer compliance
The regression equation is obtained as follows:

$$Y = a + b_1X_1 + b_2X_2 + e$$

$$Y = 5.916 + 0.445X_1 + 0.327X_2$$

From the obtained regression equation, it can be explained as follows:

- a. The constant value of 5,920 is positive, which means that the taxpayer compliance variable has increased by 5,920 units
- b. The regression coefficient of the taxpayer awareness variable (X_1) has increased by 0.450, which means that if the other variables are fixed and have an increase of 1%, the taxpayer compliance variable (Y) will increase by 0.450 units with the assumption that the tax penalty (X_2) is constant.
- c. The regression coefficient of the tax sanction variable (X_2) has increased by 0.335, which means that if it experiences 0.335, which means that if it increases by 1%, the taxpayer compliance variable (Y) will increase by 0.335 units with the assumption that taxpayer awareness (X_1) is constant.

4.5 Discussion and Research Results

Overall, the results of hypothesis testing using multiple linear regression can be seen in the following table:

Code	Hypothesis	RESULTS
H1	There is an effect of taxpayer awareness on corporate taxpayer compliance	Accepted
H2	There is an effect of tax sanctions on corporate taxpayer compliance	Accepted

H1: The effect of taxpayer awareness on corporate taxpayer compliance

H2: The effect of tax sanctions on corporate taxpayer compliance

Based on the results of multiple linear regression analysis shows that the independent variable taxpayer awareness (X_1) has a significant positive effect on corporate taxpayer compliance. This can be seen from the T count value of 3,899 in the coefficients table, which is greater than the t table, which is 1,68195.

This is in line with the research of Ahmad Faozan Muzaki (2014) "The Influence of Taxpayer Awareness, Fiscal Services and Tax Sanctions on Corporate Taxpayer Compliance (Case study at the Tegal City Tax Office, This research was conducted by previous researchers showing that awareness of taxpayers, fiscal services and sanctions) Some taxes have a significant effect on corporate taxpayer compliance.

Based on the results of multiple linear regression analysis shows that the dependent variable tax sanctions (X_2) has an influence on corporate taxpayer compliance. This can be seen from the t count value of 2.106 which in the coefficients table is greater than the t table, which is 1.68195.

From the results of this study, it can be proven that with the awareness of taxpayers about tax benefits, payment procedures, and understanding the sanctions obtained by taxpayers, taxpayers will carry out their obligations on time and will increase taxpayer compliance. Although some respondents stated that they still do not understand how to calculate taxes, with the awareness of taxpayers, they still report their taxes by utilizing the services of a tax consultant. So that the realization planned by the government is still achieved and even exceeds the target.

The results of this study are in line with the results of research conducted by Syamsul Bahri Arifin (2017) with the title "The Effect of Service Quality and Tax Sanctions on Corporate Taxpayer Compliance at KPP Pratama Medan Belawan". and simultaneously on the compliance of corporate taxpayers at KPP Pratama Medan Belawan.

V. Conclusion

- Based on the results of research analysis and discussion of taxpayer awareness and tax sanctions on taxpayer compliance and tax sanctions on corporate taxpayer compliance by distributing questionnaires to several corporate taxpayers, it can be concluded.
1. Based on the partial test (t-test), it can be seen that the taxpayer awareness variable and tax sanctions have a significant positive effect on the level of corporate taxpayer compliance at KPP Pratama Madya Medan.
 2. Based on the determination test, it is obtained that R square is 0.790, which means that taxpayer awareness and tax sanctions have an effect of 79% on taxpayer compliance while 21.6% is influenced by other variables not examined in this study.

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