

The Effect Of Moral Obligation, Quality Of Service, And Tax Sanctions On Taxpayer Compliance

Abdi Ibrahim., daryanto Hesti Wibowo.

Se, Ak, CA, ACPA, Institute of Social Sciences and Management STIAMI

DOI: 10.29322/IJSRP.12.08.2022.p12845
<http://dx.doi.org/10.29322/IJSRP.12.08.2022.p12845>

Paper Received Date: 5th August 2022
Paper Acceptance Date: 20th August 2022
Paper Publication Date: 24th August 2022

Abstract- Compliance in calculating and paying taxes owed, and compliance with payments that need to be socialized continuously to fulfill tax obligations in accordance with applicable rules and regulations. The moral obligation of the taxpayer means that the taxpayer is aware of his tax obligations and arises a feeling of responsibility and is voluntary to pay off his tax obligations. Good service quality from officers raises the intention of taxpayers to pay taxes and affects taxpayer compliance. Tax sanctions are a preventive tool so that taxpayers do not violate tax norms, so that taxpayers become more obedient to existing rules. The purpose of this study is to partially and simultaneously examine the effect of moral obligation, service quality, and tax sanctions on taxpayer compliance at the Pare- Pare Tax Service Office. The novelty of this study compared to previous research looks at internal factors (moral obligations) and external (quality of service and tax sanctions) that affect taxpayer compliance at the Pare Pare Tax Service Office. This research approach uses a quantitative approach. The data collection technique was carried out using a questionnaire method distributed through *google form* and the sample was determined by the Slovin formula so that the total respondents were 99. The data analysis technique used in this study was multiple linear regression analysis. The conclusion of the study shows: 1) moral obligation has a positive and significant effect on taxpayer compliance, 2) service quality has a positive and significant effect on taxpayer compliance, 3) tax sanctions have a positive and significant effect on taxpayer compliance, and 4) moral obligation, service quality, and tax sanctions simultaneously affect taxpayer compliance

Index Terms- moral obligation, service quality, sanctions, taxpayer compliance.

I. INTRODUCTION

Taxes are a very important source of state revenue in supporting financing development. Taxation is one of the most important drivers of economic activity in Indonesia. This can be seen from the increasing target of state revenues originating from tax. Mardiasmo (2016) adds the notion of tax is the people's contribution to the state treasury based on the law (which can be enforced) without getting direct performance rewards (contra-achievement) and which is used to pay for general expenses. To

increase revenue from the tax sector by changing the tax collection system from an official assessment system to a self-assessment system. The implementation of the self-assessment system will be effective if the condition of voluntary compliance in the community has been established. To achieve the tax target, it is necessary to continuously grow awareness and compliance of the taxpayer community to fulfill tax obligations in accordance with applicable regulations. The contribution of taxes in the State Revenue and Expenditure Budget (APBN) is increasing every year. This shows that the role of taxes is getting bigger in the APBN. One of the ways taken is by monitoring the compliance of taxpayers in carrying out their tax obligations. This supervision of tax compliance needs to be improved by, among others, conducting selective examinations of taxpayers (Agita and Noermansyah, 2020). The problem of the level of taxpayer compliance is a problem of concern in the field of taxation. In Indonesia, the level of taxpayer compliance can still be said to be low. The low level of taxpayer compliance to fulfill their tax obligations is very concerning when compared to the level of business growth in Indonesia (Yusro and Kiswanto, 2014). Compliance is one of the important foundations in the development and smoothness of the success of the *self-assessment system* itself. The level of taxpayer compliance can be influenced by three main factors, namely the moral obligation of the taxpayer, service quality and tax sanctions.

The first factor in this study focuses on moral obligations, where it looks at the internal side of the taxpayer itself, how taxpayers have awareness of tax obligations and a feeling of responsibility and voluntary responsibility arises to pay off their income tax obligations in accordance with the rates specified in Law 36 Year 2008 concerning Income Tax. The public must be aware of their existence as citizens who always uphold the 1945 Constitution as the legal basis for state administration. The second factor that will be examined regarding matters that will affect taxpayer compliance is the quality of service. Efforts to increase taxpayer compliance can be done by improving the quality of good service to taxpayers. Increasing the quality and quantity of services is expected to provide taxpayer satisfaction as customers, so that compliance in the field of taxation is also increasing. The last factor that will be discussed in the study This is to see the external impact given by *tax authorities* on the sanctions that will

be given if the taxpayer does not carry out his tax obligations. Taxsanctions are a preventive tool so that taxpayers do not violate tax norms (Mardiasmo, 2016:59).

This study uses a sample of KPP Pratama Pare-Pare as research respondents because according to existing data, taxpayers in the KPP have increased but are not in line with the fulfillment of their tax realization targets. In addition, this study looks at from two sides, namely the internal side and the external side of the taxpayer itself. Moral obligation is an internal side that affects taxpayer compliance while the quality of service and tax sanctions is an external side that affects taxpayer compliance.

II. RESEARCH METHODS

In this study, the research method used is quantitative research because this study uses data collection methods by distributing questionnaires (Sugiyono, 2018). After the data is collected, it will be processed using the SPSS for Windows (Ghozali, 2016). The population, in this case, is an individual

taxpayer who is required to register an annual tax return in 2020, amounting to 874 people at the KPP Pratama Pare Pare. The *non-probability sampling technique* used is *purposive sampling*, the research sampling technique using the Slovin formula so that the total sample in this study is 100 respondents.

III. RESULTS AND DISCUSSION

Table 1. shows the results of classical assumption testing, in this study classical testing was carried out in four ways. Starting from the normality test, continued with the multicollinearity test, the heteroscedasticity test, and finally the autocorrelation test. Where the test results show that the data is normally distributed because the test results are $0.501 > 0.05$. The multicollinearity test showed that there was no multicollinearity as indicated by the *tolerance* for each beas variable greater than 0.10 and the VIF value less than 10. The test results also showed a significance value of RES2 above 0.05, meaning that it was free from heteroscedasticity.

Table 1.
Classic Assumption Test Results

Variabel	Normalit as	Multikolinearitas		Heteroskedastisitas
		Tolerance	VIF	
Moral Obligations (X1)	0.501	0.494	2.034	0.279
Quality Service (X2)		0.344	2.906	0.802
Tax Sanctions (X3)		0.492	2.034	0.510

Sumber: Processed Data, 2022

From table 2. below, it can be seen that the results of regression analysis obtained coefficients for the liability variable

morale is 0.567, for the service quality variable is 0.072, for the tax sanction variable is 0.536 with a constant of 0.475.

Tabel 2.
Multiple Linear Regression Analysis Results

Variabel	Koefisien Regresi	Signifikansi
Moral Obligations	0.567	0.000
Quality Services	0.072	0.043
Tax Sanctions	0.536	0.000
Konstanta: 0.475	$Y = 0.475 + 0.567X1 + 0.072X2 + 0.523X3$	
Adjusted R Square: 0.761		

Sumber: Processed Data, 2022

Based on the multiple linear regression equation in Table 2., the regression line equation is obtained which provides information that: = 0.475 means: the constant coefficient value of 0.475 indicates that if the value of the moral obligation variable (X1), service quality (X2) and the tax penalty (X3) is zero, then the value of Taxpayer Compliance (Y) is 0.475. $X1 = 0.567$ means that if the value of moral obligation (X1) increases by 0.567 then Taxpayer Compliance (Y) increases by 56.7 percent. $X2 = 0.072$ if the value of service quality (X2) increases by 0.072 then Taxpayer Compliance (Y) increases by 7.2 percent. $X3 = 0.536$ if the value of tax sanctions (X3) increases by 0.536 then Taxpayer Compliance (Y) increases by 53.6 percent. From the above

equation, it can be explained that the pattern of influence of the variable moral obligation (X1), service quality (X2), and tax sanctions (X3) on the taxpayer compliance variable (Y) is positive. The positive regression coefficient indicates a unidirectional effect, where if the moral obligation (X1), service quality (X2), and tax sanctions (X3) increases, it will be followed by an increase in Taxpayer Compliance.

The coefficient of determination which has a function to explain the extent to which the independent variables are capable of moral obligation (X1), service quality (X2), and tax sanctions (X3) on the dependent variable (taxpayer compliance). The results of statistical processing assisted by the SPSS 22 program show that the independent variable is able to explain the dependent

variable by 76.1 percent, while the remaining 23.9 percent is explained by other variables that are not included in this model (not studied).

Based on the test results, the t -count 6.782 with a significance of $0.000 \leq 0.05$. This means that H1 is a positive and significant moral obligation on taxpayer compliance at KPP Pratama Pare-Pare. In addition, based on Table 4.11, the partial effect given by moral obligations on taxpayer compliance is 56.7 percent. People who are aware of their existence as citizens who always uphold the 1945 Constitution as the legal basis for the administration of the State, with a moral obligation, will encourage someone to comply in their tax reporting. The results of this study are in line with research conducted by Artha and Setiawan (2016), which in their research provides empirical evidence that moral obligations have a positive effect on taxpayer. Taxpayers who have moral obligations mean having their own awareness without coercion on their obligations to pay off their tax debts, this voluntary awareness will increase taxpayer compliance with the tax burdens that must be paid off. Therefore, the high moral obligation of taxpayers will increase the compliance of taxpayers themselves.

Based on the results of the tests carried out, the t -count was 0.753 with a significant value of $0.043 \leq 0.05$. This shows that this research is able to provide empirical evidence that service quality has a positive and significant effect on taxpayer compliance at KPP Pratama Parepare. In addition, based on Table 4.11, the partial effect of service quality on taxpayer compliance is 7.2 percent. Service is not infrequently a measure of the success of an agency in meeting the wishes of the community. Good service quality can increase taxpayer compliance. Taxpayers in fulfilling their tax obligations are influenced by intentions, where this intention will arise if the expectations of the services provided by the tax officer are in accordance with the expectations of the taxpayer. So if the quality of service provided by KPP is good, it will encourage taxpayers to comply more with their tax obligations. The results of this study are in line with the research conducted by Sarifah et al. (2020) which in his research found that service quality has a positive and significant effect on taxpayer compliance.

Based on the data analysis that has been carried out, the t -count 6.782 with a significance value of $0.000 \leq 0.05$. This means that this study proves that the existence of tax sanctions has a positive and significant effect on taxpayer compliance at the KPP Pratama Pare Pare. In addition, based on Table 4.11, the partial effect of tax sanctions on taxpayer compliance is 53.6 percent. Tax sanctions are a guarantee that the provisions of the legislation will be obeyed or obeyed, in other words, tax sanctions are a deterrent so that taxpayers do not violate tax norms. One way to avoid tax sanctions is to pay taxes on time and do not exceed the stipulated time. This is what drives taxpayer compliance to increase. Taxpayers will fulfill their tax obligations if they perceive that tax sanctions will harm them more. The more violations committed by taxpayers, the more severe the sanctions that will be received.

Looking at the results of data analysis, the calculated t -count 105,222 with a significance value of $0.000 \leq 0.05$. These results show empirical evidence that moral obligations (X1), service quality (X2), and tax sanctions (X3) have a positive and significant effect together on taxpayer compliance at KPP Pratama Pare Pare. In

addition, based on Table 4.12, the simultaneous effect shown by moral obligation (X1), service quality (X2), and tax sanctions (X3) on taxpayer compliance is 76.1 percent. Moral obligations are morals owned by individuals such as ethics, principles of life, feelings of guilt in carrying out their tax obligations but not everyone has them. Moral obligation is one of the internal factors that can affect taxpayers in fulfilling their tax obligations, with good moral principles, taxpayers will be more obedient in paying taxes. In addition, good service quality will be able to increase taxpayer compliance. Taxpayers in fulfilling their tax obligations are influenced by intentions, this intention arises when the taxpayer feels the service quality of the officers is in accordance with their expectations. Coupled with the existence of tax sanctions that make taxpayers respect and comply with tax rules. Taxpayers who are aware of the existence of tax sanctions where if the taxpayer does not fulfill their tax obligations will be more detrimental to themselves, of course, they will understand more about their tax obligations. Therefore, these three things, namely moral obligations, service quality, and tax sanctions affect the willingness of the taxpayer to pay off his tax debt which affects the taxpayer's compliance in paying his taxes.

CONCLUSIONS AND RECOMMENDATIONS

Based on the results of this study, there are several conclusions that can be conveyed in this research. First, moral obligation partially has a positive and significant effect on taxpayer compliance at KPP Pare. High moral taxpayers will voluntarily report their taxes so as to increase taxpayer compliance. Second, the quality of service partially has a positive and significant effect on taxpayer compliance at KPP Pratama Pare Pare. If the quality of service received by taxpayers is in accordance with their expectations, it will increase taxpayer compliance. Third, partial tax sanctions have a positive and significant effect on taxpayer compliance at KPP Pratama Pare Pare. Taxpayers who understand that tax violations will be subject to sanctions will be more obedient to their obligations to pay off their tax debts. Fourth, moral obligation, service quality, and tax sanctions have a positive and significant effect simultaneously on taxpayer compliance at KPP Pratama Pare Pare. Awareness of taxpayers voluntarily through morals, feeling happy to get service quality as expected, and awareness of tax sanctions can increase taxpayer compliance.

Some suggestions that can be submitted by researchers based on the conclusions that have been presented are as follows: (1) KPP Pratama Pare Pare more often conducts socialization of tax obligations that must be fulfilled by taxpayers, so that taxpayers' voluntary awareness of fulfilling their obligations arises on moral (ethical) grounds. the taxpayer concerned. (2) KPP Pratama Pare Pare provides more complete information regarding the use of *e-forms* because quite a number of taxpayers give low scores on understanding the use of *e-forms*.

(3) KPP Pratama Pare Pare should be more aggressive in conducting socialization regarding the sanctions received by taxpayers if they do not pay off their tax debts (especially interest penalties). (4) The understanding of taxpayers regarding Law 36 of 2008 regarding income tax is further enhanced by providing information or socialization of the regulation by the KPP Pratama Pare Pare.

REFERENCES

- [1] Yusro, Heny Wachidatul & Kiswanto. 2014. The Effect of Tax Rates, Tax Payment Mechanisms and Awareness of Paying Taxes on MSME Taxpayer Compliance in Jepara Regency. *Accounting Analysis Journal*. AAJ 3 (4) 2014. Department of Accounting, Faculty of Economics, Semarang State University, Indonesia.
- [2] Mardiasmo. (2016). *Taxation Revised Edition 2016*. Yogyakarta: Publisher Andi. Sugiyono. 2018. *Business Research Methods*. 14th printing. Bandung: Alfabeta.
- [3] Ghozali, PDH ima. (2016). Multivariate Analysis Application with IBM SPSS 23 program. In *IBM SPSS 23* (p. 52).

- [4] Agita, DD, & Noermansyah, AL (2020). The Influence of Service Quality, Moral Obligations, and Tax Sanctions on Hotel Taxpayer Compliance in Tegal City.

AUTHORS

First Author – Abdi Ibrahim., Dr. Daryanto Hesti Wibowo, Se, Ak, CA, ACPA, Institute of Social Sciences and Management STIAMI, Telp author: +62811925661; abdiibrahim22@yahoo.co.id.