

THE EFFECT OF TAXATION KNOWLEDGE, TAX SANCTIONS AND QUALITY OF SERVICE ON COMPLIANCE UNDERGROUND WATER TAX

L.G.P. Sri Eka JAYANTI, I.B. Putra MANUABA., I. K. Puja Wirya SANJAYA

Faculty of Economics and Business, University of Warmadewa, Indonesia

Corresponding author: L.G.P. Sri Eka JAYANTI

Faculty of Economics and Business, University of Warmadewa, Indonesia

E-mail: ekajayanti60@gmail.com

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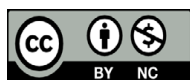
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Abstract:

One of the potential regional revenues is local taxes. Based on the Regional Regulation of the City of Denpasar No. 6 of 2010, that groundwater tax is an important source of regional income to finance the implementation of regional government and improve services to the community. One way to increase government revenue from the tax sector is to increase taxpayer compliance itself. Therefore, it is important for the government to pay attention to the factors that affect taxpayer compliance. The purpose of this study was to determine whether the knowledge of taxation, tax sanctions, and service quality affects the compliance of groundwater taxpayers at the Denpasar City Regional Revenue Agency. Respondents in this study were 89 people. The sampling technique in this study used simple random sampling. The data analysis technique used in this study is multiple linear regression analysis processed with the help of the SPSS software program. Based on the results of the analysis, it was found that knowledge of taxation, moral tax sanctions, and service quality had a positive and significant effect on the compliance of groundwater taxpayers at the Denpasar City Regional Revenue Agency.

Keywords:

service quality, taxpayer compliance. tax sanctions, tax knowledge.



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INTRODUCTION

All regions in Indonesia are expected to increase the potential for regional income through local taxes. Efforts to optimize the provision of funds from regional tax sources as well as from local retribution are carried out by improving the performance of collection as well as by simplifying, refining and adding types of taxes through Law No. 28 of 2009.

Based on the Regional Regulation of the City of Denpasar No. 6 of 2010, that the groundwater tax is an important source of regional revenue to fund the implementation of regional government and improve services to the community, so it needs to be regulated based on the principles of democracy (Sara et al., 2019), equity and justice, community participation (Rahayu et al., 2015), and accountability (Jayawarsa et al., 2020) by taking into account regional potential (Kawisana, et al., 2019). The payment of Regional Taxes for the City of Denpasar is made at the Denpasar City Revenue Agency which has the main task and function of coordinating the revenue target of Regional Original Income (PAD) (Saputra, Anggiriawan, et al., 2019) and balancing funds originating from tax and non-tax revenue sharing and to realize it together with related work units (Saputra, Pradnyanitasari, et al., 2019). with predetermined stages it can be used to finance predetermined activity plans (Priliandani & Saputra, 2019).

One of the ways to increase government revenue from the sector is by increasing the taxpayers themselves (Priliandani & Saputra, 2019). The following data shows indications of taxpayer non-compliance. This can be seen from the large amount of arrears of groundwater taxpayers in Denpasar City and is increasing from year to year.

Tabel 1. List of Arrears for Groundwater Taxpayers at the Regional Revenue Agency of Denpasar City 2016-2018 (in rupiah)

Years	Amount of Arrears for Groundwater Tax
2016	8.245.852.565,00
2017	8.463.016.659,00
2018	8.610.563.059,00

Based on Table 1, the number of arrears of groundwater taxpayers in Denpasar City has increased. This shows that the compliance of groundwater taxpayers in fulfilling their tax obligations has not been fulfilled because arrears have increased from 2016 to 2018.

Prihandani & Saputra (2019) said that, one of the most serious problems for economic policymakers is driving the level of taxpayer compliance. This is supported by Iqbal & Sholihin (2019) in his research that explains that tax compliance as an indicator of the role of society in fulfilling tax obligations is still low. According to Gaughan & Javalgi (2018) knowledge of taxation is information related to taxation that can be used by taxpayers as a basis for taking action, making decisions, and for taking certain strategies in connection with the implementation of their rights and obligations in the field of taxation (Sawani et al., 2016). Research by Figueroa B. et al (2010) states that knowledge of taxation has a positive effect on taxpayer compliance, while Berzins et al (2019) states that knowledge of taxation has no effect on taxpayer compliance.

Legitimacy Theory

Legitimacy theory is a condition or status that exists when a company value system is in line with the value system of a larger social system of which the company is a part (Perkins, 2011). If it is related to taxpayer compliance, legitimacy theory is closely related to compliance with paying taxes (O'Dwyer, 2002). The link is that taxpayers must follow policies issued by the government for the larger social system (Ng, 2018).

Groundwater Tax

Based on Regional Regulation No. 6 of 2010 which regulates the Underground Water Tax, where in the Regional Regulation contained the following understanding: Underground Water is water contained in the layers of soil or rocks below the surface of the groundwater tax which is hereinafter referred to as tax on the collection and utilization of groundwater Underground Water Tax hereinafter referred to as tax is a tax on the collection and utilization of underground water The subject of tax is a person or entity that carries out the collection and / or utilization of underground water (Prihandani & Saputra, 2019). Taxpayers are individuals or Entities, including taxpayers, tax cutters, and tax collectors, who have tax rights and obligations in accordance with the provisions of local tax laws. Basic Taxation in the form of the value of acquisition and / or utilization of underground water. Tax rate is set at 20% (twenty percent) (Iqbal & Sholihin, 2019; Jensen, 2005; Tang et al., 2017).

In addition to tax sanctions, providing good service to taxpayers is also needed in growing taxpayer compliance. Prihandani & Saputra (2019) improving quality and service is expected to increase satisfaction to taxpayers as customers so as to increase compliance in the taxation field. Research conducted by Yu (2009) state that service quality has a positive effect on taxpayer compliance. However, Oktaviani et al (2018) states that service quality does not affect taxpayer compliance. With different research results, researchers are currently using this variable to be examined again on Groundwater Taxpayer Compliance.

METHOD

This research was conducted at the Denpasar Regional Revenue Agency located at Jl. Letda Tantar No. 12, Dangin Puri Kelod, East Denpasar, where the object is the corporate taxpayer in the collection or utilization of underground water. This study uses simple random sampling in determining the research sample. data were collected using a questionnaire with survey techniques. data were analyzed using multiple linear regression (Tungga, et al., 2014)

RESULTS AND DISCUSSION

Validity test results showed that all research instruments used to measure tax knowledge variables, tax sanctions, service quality, and taxpayer compliance had a correlation coefficient value with a total score of all statement items greater than 0.30 with a significance of less than 0.05. This indicates that the details of the statement in the research instrument are valid and worthy of use as research instruments.

Table 1. Multiple Linear Regression Analysis

Model	Unstandardized Coefficients		Standardized	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	0,413	0,965		0,427	0,670
Tax Knowledge	0,176	0,082	0,138	2,154	0,034
Tax sanctions	0,248	0,104	0,203	2,391	0,019
Service Quality	0,083	0,038	0,218	2,169	0,033

Based on the results of this analysis, the equation for the multiple linear lines is:

$$Y = 0.138 X1 + 0.203X2 + 0.218 X3$$

The things that can be interpreted from the table are as follows: The significance value of the tax knowledge variable is 0.034 smaller than the real level $\alpha = 0.05$, indicating that the tax knowledge variable has a significant effect on taxpayer compliance. The significance value of the tax sanction variable is 0.019 smaller than the real level $\alpha = 0.05$. This shows that tax sanctions have a significant effect on taxpayer compliance. The significance value of the service quality variable is 0.033 smaller than the real level $\alpha = 0.05$. This shows that service quality has a significant effect on taxpayer compliance.

Table 2. Determination Test (R²)

Model Summary					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	
1	.925 ^a	.856	.850	1.05881	

Sumber : Data Diolah

Based on the test results of the coefficient of determination (R²), the R Square value is 0.850 or 85%, meaning that the ability of the independent variables to explain variable variations is 85%.

Table 3. Goodness of Fit Test (Uji F)

ANOVA ^b						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	561.874	4	140.468	125.297	.000 ^a
	Residual	94.171	84	1.121		
	Total	656.045	88			

Based on the results of the F test, it can be seen that the significance value of the F test is 0.000, which means it is less than 0.05, indicating that the regression model is feasible to use.

CONCLUSIONS

Based on the results of data analysis and discussion, the following conclusions can be drawn. The results show that taxation knowledge has a positive and significant effect on groundwater taxpayer compliance at the Denpasar City Regional Revenue Agency. This proves that the higher the taxpayer's knowledge of taxation, the taxpayers can better determine their behavior and in accordance with taxation provisions. The results show that tax sanctions have a positive and significant effect on the compliance of groundwater taxpayers at the Denpasar City Regional Revenue Agency. This proves that taxpayers will comply with tax regulations properly if they view that sanctions will cause more harm to them. The results show that service quality has a positive and significant effect on the compliance of groundwater taxpayers at the Denpasar City Regional Revenue Agency. This proves that the higher the level of service provided to taxpayers in paying Groundwater Tax, the higher the level of compliance of Groundwater Taxpayers.

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