

Factors Affecting Taxpayer Compliance of E-commerce in West JavaShafaa Sekar Pembayun Ananureko¹⁾, Selviani Pratiwi²⁾^{1,2)} Accounting, Faculty of Economic and Business, Swadaya Gunung Jati University Cirebon

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Email: shafaasekar.02@gmail.com**Abstract**

The purpose of this study is to look into the aspects that can influence taxpayer compliance among e-commerce business players, such as knowledge of tax regulations, taxpayer awareness, e-filing use, and tax sanctions. This research method employs a quantitative approach to the data used, specifically primary data. The primary data was collected via delivering questionnaires to respondents. This study employed multiple linear analysis with IBM SPSS Statistics software version 25. This study's population consists of taxpayers from e-commerce company players in West Java, with a sample size of 100. The findings revealed that understanding of tax regulations, taxpayer awareness, and tax sanctions all had a considerable favorable impact on taxpayer compliance. However, the usage of e-filing demonstrates that it has no substantial influence on taxpayer compliance. And the findings of this study are intended to be used by connected parties to continue organizing socialization about the need of paying taxes among business actors in e-commerce.

Keywords: Tax compliance, tax knowledge, tax awareness, tax sanction, E-filing

INTRODUCTION

Tax is a necessary contribution to the state imposed on all citizens and owing by an individual or corporation. Taxes are the primary source of governmental revenue, used to fund public spending. According to the Directorate General of Taxes (DGT) in DGT Press Release Number SP-13/2023, the number of Annual Tax Returns (SPT) filed by Individual Taxpayers has grown by 2.88% over the previous year, 2022. There are up to 11,682,479 Annual Individual Tax Returns. The DGT has set a target compliance percentage of 83% for the submission of the Annual Tax Return, which is valid until December 2023. With the setting of the target ratio, the government can find out whether taxpayers have complied or not with their tax obligations.

The development of technology is growing rapidly, making buying and selling transactions can be done digitally as in e-commerce. E-commerce or *Electronic Commerce* is a sales or purchase transaction that can be done online with the internet. Many business people have started selling through e-commerce. According to the Central Statistics Agency (BPS) the number of businesses e-commerce In 2022, it has grown by 4.46%, which means business actors e-commerce has increased. All earnings earned from sales in e-commerce will be recorded by the government information system to later calculate how much tax must be paid by the Taxpayer. Income tax is a tax levied by the government on individuals or businesses on income received, whether in the form of salaries, honoraria, or others, originating from within or outside the country. The novelty of the study refers to the compliance of taxpayers who have income from their sale in e-commerce, Given the increasing usage e-commerce in Indonesia.

Tax compliance means that a taxpayer has fulfilled his obligations and exercised his tax rights. There are numerous elements that can influence taxpayer compliance, including knowledge or comprehension of tax regulations, taxpayer awareness, e-filing, and tax penalties.

There are still people who have not paid taxes, allegedly because of a lack of understanding of taxation knowledge in terms of income subject to tax. Of course, this is a problem that needs to be discussed to find a solution so that every taxpayer can consciously understand and know the tax rights and obligations in his country. This study aims to assess the impact of these factors

on e-commerce compliance among taxpayers in West Java. The goal of this research is to explain the causal relationship between independent variables such as knowledge of tax regulations, taxpayer awareness, e-filing, and tax sanctions, and the dependent variable, taxpayer compliance. This study adds to the literature on taxpayer compliance by examining various factors that can influence the compliance of e-commerce business actors. It is expected to provide insights for e-commerce business actors about the importance of paying taxes, particularly taxes on income earned. And can be an input for the government and tax institutions to continue to socialize the importance of paying taxes, especially to business actors in e-commerce.

Effective tax administration often balances sanctions with taxpayer education to enhance voluntary compliance. Andreoni, J., Erard, B., & Feinstein, J. (2020). Factors such as trust in government, perceived fairness of the tax system, and simplicity of tax processes significantly impact compliance. Loo, E. C., McKerchar, M., & Hansford, A. (2021). Governments and tax authorities often invest in education and outreach programs to improve taxpayer knowledge and compliance rates. Kirchler, E. (2022).

RESEARCH METHODS

This investigation used a quantitative methodology. The quantitative approach views human behavior to be predictable, while social reality is objective and measurable. Multiple regression analysis is a powerful statistical method used to understand the relationship between one dependent variable and two or more independent variables. Experts often use this technique in tax research to explore how various factors influence taxpayer behavior, compliance, and the effectiveness of tax regulations (Ghozali, 2020)

Population and Sample

According to data from the Central Statistics Agency, West Java has 642,639 e-commerce enterprises. The number of samples for this study was determined using the Slovin formula, with a 10% margin of error. is:

$$s = \frac{642.639}{1 + 642.639 * (0,1)^2}$$

$$s = \frac{642.639}{6.427}$$

$$s = 99,9905088$$

The sample size for this study was 99.9905088, rounded up to 100 e-commerce business actors in West Java.

Data Collection Techniques

The data utilized in this study is primary data, collected via an electronic survey approach in the form of a questionnaire using Google Forms, which included a list of questions aligned with the indicators in the operationalization of variables. Respondents must be e-commerce business actors who have earned an income. The closed questionnaire was given directly to e-commerce business actors in West Java.

Data Analysis Techniques

Data analysis is used to test the hypothesis. The data was analyzed descriptively using multiple linear regression. Validity and reliability tests are used to ensure the instrument's

quality. The data analysis for this study use IBM SPSS Statistics 25 as a tool for analyzing and testing the hypotheses given in the investigation.

Variable Operationalization

Variable operationalization is the exposure of variable indicators that will be used to measure research variables. There are two types of variables used in this study.

- 1) Dependent variables. A dependent variable, also known as a bound variable, is one that is influenced by other variables. In this study, the dependent variable is Taxpayer Compliance (Y).
- 2) Free variable. A free variable, also known as an independent variable, is one that influences or explains another variable. The independent variables in this study are knowledge of tax regulations (X1), taxpayer awareness (X2), e-filing utilization (X3), and tax sanctions (X4)

Operationalization of variables is used to make it easier for readers to take a point of view and equalize the point of view to the indicators observed and measured by the researcher. Tax sanctions in accordance with applicable regulations | Taxpayers' views on tax sanctions

Table 1 Operationalization Variable

| Variable | Indicator |
|-----------------------------------|--|
| Taxpayer compliance (Y) | <ol style="list-style-type: none"> 1. Compliance with registering 2. Compliance with calculating the tax owed 3. Compliance with paying taxes owed 4. Compliance with reporting taxes owed 5. Accuracy in paying taxes |
| Knowledge of tax regulations (X1) | <ol style="list-style-type: none"> 1. Public perception about taxes 2. Ownership of NPWP 3. Knowledge and understanding of rights and obligations 4. Knowledge of tax rates, Taxable Income (PKP), Non-Taxable Income (PTKP) 5. Knowledge of tax regulations through outreach by the Tax Service Office (KPP) |
| Taxpayer awareness (X2) | <ol style="list-style-type: none"> 1. Know the existence of laws that regulate tax provisions 2. Awareness to show one's participation in the development of the country 3. Public awareness that in the tax law, taxes are coercive |
| Use of e-filing (X3) | <ol style="list-style-type: none"> 1. Taxpayer perceptions about the online tax service system 2. Ease of using e-filing 3. Understanding of using e-filing |
| Tax sanctions (X4) | <ol style="list-style-type: none"> 1. Tax sanctions in accordance with applicable regulations 2. ax sanctions are applied to prevent violations 3. Taxpayers' views on the existence of tax sanctions 4. Tax sanctions are created to deter taxpayers |

RESULT AND DISCUSSION

Before performing multiple linear regression analysis, it is necessary to test the classical assumptions. Research instruments must also be tested for validity and reliability tests conducted using SPSS. The validity of an instrument is defined by how far the instrument measures the object to be measured. The bivariate correlation validity test shows that each instrument has a significant value of <0.05, indicating validity. An instrument can be said to be reliable if it is tried on the same subject repeatedly and produces the same or relatively similar results. Based on the results of reliability tests with Cronbach Alpha, all variables are certified reliable because the Cronbach Alpha value is greater than 0.6, which is 0.979. The findings of the validity and

reliability tests indicate that this research questionnaire can be utilized to measure the variables to be examined.

After the research instrument has been confirmed valid and reliable, a standard assumption test is performed. The classical assumption test is a requirement test used to determine whether the obtained data is normally distributed utilizing the normality, multicollinearity, and heteroskedasticity tests. A normality test, known as the One-Sample Kolmogorov-Smirnov Test, is used to determine whether the residue is normally distributed. The Asymp Sig value for Unstandardized Residual is greater than 0.05, at 0.2, indicating that data on tax regulatory knowledge, taxpayer awareness, e-filing use, and tax sanctions are normally distributed.

The multicollinearity test determines whether the regression model has a correlation with the independent variable or the independent variable. Tolerance >0.1 indicates no multicollinearity, whereas VIF value is less than 10. The multicollinearity test results reveal that the Tolerance or VIF values do not exhibit multicollinearity. The results showed that the tolerance value of each variable was greater than 0.01, indicating that the independent variable in this study did not exhibit multicollinearity. Each variable has a VIF value of less than 10, indicating no multicollinearity.

The heteroscedasticity test determines whether one residue differs from another. The heteroscedasticity test findings showed that all variables had a significance value greater than 0.05, indicating that heteroscedasticity did not occur.

The next step is a hypothesis test using multiple linear analysis to investigate the impact of tax regulatory knowledge (X1), taxpayer awareness (X2), e-filing use (X3), and tax sanctions (X5) on taxpayer compliance (Y). SPSS version 25 will be used to perform multiple linear analyses.

Table 2 Hypothesis Testing

| No | Hipotesis | β | Sig | Ideal | Deskrips i |
|----|-----------|---------|------|-------|---------------|
| 1 | X1 to Y | 0,39 | 0,00 | 0,05 | Accepte |
| 2 | X2 to Y | 4 | 0 | 0,05 | d |
| 3 | X3 to Y | 0,29 | 0,04 | 0,05 | Accepte |
| 4 | X4 to Y | 0 | 0 | 0,05 | d |
| | | 0,16 | 0,23 | | Rejected |
| | | 0 | 1 | | Accepte |
| | | 0,39 | 0,00 | | d |
| | | 3 | 0 | | |

The effect of knowledge of tax regulations on taxpayer compliance

The first hypothesis proposes that understanding of tax regulations influences tax compliance. The significance value of $0.003 < 0.05$ supports the first hypothesis that knowledge of tax regulations has a significant impact on taxpayer compliance. This explains the link between external factors in attribution theory and research variables. According to the findings, a taxpayer's lack of awareness of tax regulations will make it difficult for them to comply with their tax duties.

Taxpayers' knowledge of taxes, particularly tax regulations, can contribute to their level of compliance, which means that taxpayers will comply with their tax obligations if they are already

aware of NPWP registration, taxpayer rights and obligations, PTKP (Non-Taxable Income), PKP (Taxable Income), and tax rates, as well as sanctions if they violate Taxation. This study demonstrates that a taxpayer's level of taxation knowledge is critical in determining their attitude and behavior toward satisfying their tax responsibilities.

This is consistent with study (Lasmono and Urumsah 2022). That is, the more the taxpayer's understanding of taxation, the more likely they are to comply. If a taxpayer has a thorough understanding of tax regulations, they are deemed to have paid taxes and contributed to state development and public welfare, which can have an impact on government compliance and income. To satisfy their tax obligations, people must understand everything about taxation. As a result, fundamental taxation knowledge, such as tax legislation or tax punishments, can help individuals comply with their tax duties.

The effect of taxpayer awareness on taxpayer compliance

The study found a significant relationship between taxpayer awareness and compliance ($p\text{-value} = 0.047 < 0.05$), indicating acceptance of the second hypothesis. The findings of this study are consistent with studies conducted by (Muliari and Setiawan 2011). This clarifies the link between internal components in attribution theory and research variables. This research suggests that low taxpayer awareness will impede taxpayer compliance in meeting their tax obligations.

Taxpayer awareness refers to a scenario in which a person understands, appreciates, and follows applicable tax laws and regulations, as well as having fulfilled and followed tax duties. The more informed taxpayers are, the better they understand the benefits and functions of taxes, and the more likely they are to pay taxes voluntarily and without pressure. Taxpayers who understand their tax obligations are more likely to comply.

According to the idea of attribution with internal factors, taxpayer awareness will rise if they have a positive impression of the tax itself. Taxpayer awareness will grow when the taxpayer understands the benefits of paying taxes. The findings of this study are consistent with research undertaken by Wijaya (2019) and Muliari and Setiawan (2011), which found that taxpayer awareness had a beneficial effect on taxpayer compliance. Taxpayer awareness is an important aspect of the human ability to perceive reality, yet taxpayer behavior and perception of taxes can also be a barrier to collecting taxes from the general population.

The effect of the use of e-filing on taxpayer compliance

The third hypothesis was rejected due to a significance value of $0.495 < 0.05$, indicating no influence. Between utilizes e-filing and taxpayer compliance. This contradicts research conducted by (Rachmawati, Burhanudin, and Octaviani 2022), which found that e-filing had a beneficial influence on taxpayer compliance. Digitizing tax payments that are simple to understand and can save time will help taxpayers comply. According to these data, using e-filing does not make it more difficult for taxpayers to meet their tax obligations.

According to Regulation of the Directorate General of Taxes (DJP) Number PER1 / PJ / 2014, e-filing is a system used to submit a Notification Letter or SPT, and the extension of the Annual Tax Return is carried out online in realtime through the Directorate General of Taxes website using real-time online internet media, making it easier for taxpayers to no longer need to submit tax returns manually by coming to the tax office.

The effect of tax sanctions on taxpayer compliance

The study accepts the fifth hypothesis with a significance value of $0.005 (<0.05)$, indicating a significant relationship between tax sanctions and taxpayer compliance. This study is consistent with the findings of (Sulistyowatie and Pahlavi 2018) and (Muliari and Setiawan 2011), which found that tax sanctions have an impact on taxpayer compliance. Taxes are coercive, and tax sanctions are deemed harsh and intolerant, therefore taxpayers voluntarily carry out and meet their tax duties in order to avoid being subjected to tax sanctions. The outcomes of

this study suggest that the presence of tax punishments can encourage taxpayers to comply with their tax obligations.

The findings This suggests that the more severe the tax penalties imposed, the greater the amount of taxpayer compliance. The findings of this study are corroborated by research conducted by (Ngadiman and Huslin 2015), who found that tax fines had a considerable favorable influence on individual taxpayer compliance. consequences can be implemented and provided in the form of administrative fines, criminal consequences, or both. If a taxpayer is late, underpays, or fails to pay the tax owed, he may face penalties that will undoubtedly affect him. As a result, imposing tax sanctions or penalties on taxpayers who fail to comply with their duties can motivate them to do so, so improving tax compliance. Taxpayers will cooperate (under pressure) because they do not want to face potentially harmful consequences.

The conclusion is that the higher the tax penalties levied, the greater the amount of taxpayer compliance. Tax consequences for noncompliance can raise taxpayer understanding of their tax rights and obligations. Taxpayers will comply with tax payments if they believe the consequences will be more severe and unfavorable to them. This study's findings contradict research published by Rahmawati and Yulianto (2018), which found that tax sanctions have no substantial influence on taxpayer compliance.

CONCLUSION

The significance value of $0.003 < 0.05$ of tax regulations has a significant impact on taxpayer compliance. The significance value of $0.003 < 0.05$ that knowledge of tax regulations has a significant impact on taxpayer compliance. The third hypothesis was rejected due to a significance value of $0.495 < 0.05$, indicating no influence. The study accepts the fifth hypothesis with a significance value of $0.005 (<0.05)$, indicating a significant relationship between tax sanctions and taxpayer compliance. This study looks at a number of elements that can influence e-commerce company players' tax compliance. This study also demonstrates that three out of five hypotheses have a significant impact on taxpayer compliance, specifically tax regulation knowledge factors, taxpayer awareness, and tax punishments. The study's findings show that e-filing is not a factor that influences taxpayer compliance. In this study, the most important elements influencing taxpayer compliance are understanding of tax regulations and taxpayer awareness.

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