Factors Affecting the Compliance of MSME Entrepreneurs as Individual Taxpayers

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Abstract

This study aims to research and analyze the influence of taxpayer awareness, tax knowledge and understanding, tax incentives, and tax sanctions on the compliance of Individual Taxpayers. This study uses Purposive sampling where the selection is selected through certain criteria. The number of this research is as many as 100 MSME respondents registered at KPP Pratama Samarinda Ulu. This study is quantitative in data collection with questionnaires, namely testing the independent variables of taxpayer awareness, tax knowledge and understanding, tax incentives, and tax sanctions on variables bound by individual taxpayer compliance. This analysis uses a multiple linear regression analysis technique processed through SPSS version 26. The results of this study show that the variables of taxpayer awareness, tax knowledge and understanding, tax incentives and tax sanctions do not have a significant influence on the compliance of individual MSME taxpayers registered at KPP Pratama Samarinda Ulu.

Abstrak

Penelitian ini bertujuan untuk meneliti mengetahui dan menganalisis pengaruh kesadaran Wajib Pajak, pengetahuan dan pemahaman perpajakan, insentif pajak, dan sanksi pajak terhadap kepatuhan Wajib Pajak Orang Pribadi. Penelitian ini menggunakan Purposive sampling dimana pengambilan dipilih melalui kriteria tertentu. Jumlah penelitian ini sebanyak 100 responden UMKM yang terdaftar di KPP Pratama Samarinda Ulu. Penelitian ini bersifat kuantitatif pengumpulan data dengan kuesioner yaitu menguji variabel bebas kesadaran Wajib Pajak , pengetahuan dan pemahaman perpajakan, insentif pajak, dan sanksi pajak terhadap variabel terikat kepatuhan Wajib Pajak Orang Pribadi. Analisis ini menggunakan teknik analisis regresi linier berganda yang diolah melalui SPSS versi 26. Hasil Penelitian ini menunjukkan variabel kesadaran Wajib Pajak, pengetahuan dan pemahaman perpajakan, insentif pajak dan sanksi pajak tidak mempunyai pengaruh yang signifikan terhadap kepatuhan Wajib Pajak orang pribadi UMKM yang terdaftar di KPP Pratama Samarinda Ulu.

1. Introduction

In Indonesia, taxes play an important role in meeting the needs of the government revenue budget, taxes themselves are the largest state income. Although taxes are an important revenue for the Indonesian economy, in fact tax revenues are still considered to be less than the target of the State Budget, (Maulana et al., 2020). In the city of Samarinda itself, there are many MSME entrepreneurs registered with the Department of Industry, Trade, Cooperatives, and Small Enterprises in 2019-2022.

Based on Government Regulation No. 7 of 2021 concerning the facilitation, protection, and empowerment of cooperatives and MSMEs (PP MSMEs). Micro entrepreneurs are seen from a maximum capital of 1 billion with a maximum turnover of 2 billion, small with a capital of more than 1 billion with a turnover of more than 2 - 15 billion, medium where the initial capital above with a turnover of more than 5 billion with a turnover of more than 15 - 50 billion. The government hopes that the number of individual taxpayers who meet the determined subjective and objective requirements will increase.

The progress and development of this country is greatly influenced by citizens' compliance in having an NPWP. Individual taxpayer registration usually depends on individual awareness to register themselves, both offline and online, in accordance with the self-assessment system set by the government. Data shows that the number of MSME entrepreneurs in Samarinda is very large. This has great potential to increase state revenue if tax revenues from the MSME sector can be optimized. MSMEs themselves are businesses that can be run by individuals and groups. The need for an NPWP arises when WPOP requires an NPWP, and this need must be related to the benefits obtained from having an NPWP. There are two factors that encourage WPOP to have an NPWP, namely internal factors and external factors. Internal factors arise when a person wants to develop his business, for example by taking a loan from a bank. While external factors are the encouragement from situations outside of oneself (Robbins, 1996).

In fact, data from the Department of Trade, Industry, Cooperatives, and Small and Medium Enterprises in 2019-2022 shows inconsistencies with the data of MSME KLU at KPP Pratama for the same period. This indicates that many MSME actors do not have or are registered as WPOPs. Generally, every taxpayer who runs a business or freelance work has an NPWP as an administrative requirement to obtain a business license. However, there are still many taxpayers who do not have an NPWP but continue to run a business even though they have met the requirements. Although the DGT has built a website to facilitate online NPWP registration within a maximum of one working day, negative perceptions due to corruption news and uneven distribution of tax funds can affect taxpayers' desire to have an NPWP.

2. Method

This type of research is quantitative. The type of research data is primary data, namely through questionnaire surveys. The sample selection technique using *the purposive sampling* technique is a sampling method in which the researcher deliberately selects sample members based on certain characteristics that are relevant to the research objectives. In this researcher, using certain knowledge or criteria to select a sample that is considered to be well representative of the population in the context of this study is, MSME Individual Taxpayers registered at KPP Pratama Samarinda Ulu, where sampling uses the slovin formula so that the number obtained is 100 respondents.

The data analysis method used using the SPSS version of the 26 of which the tests used are validity test, reliability test, normality test, multicollinearity test, heteroscedasticity test, autocorrelation test, F test, R square test, multiple linear regression analysis, t test.

3. Results and Discussion

3.1. Normality Test

The normality test was used to see if the research data was normally distributed or not using Kolmogorov Smirniv (K-S).

Table 1. Normality Test Results
NPar Test One-Sample Kolmogorov-Smirnov Test

N		100
Normal Parameters[a,b]	Mean	.0000000
	Std. Deviation	1.55370714
Most Extreme Differences	Absolute	.047
	Positive	.045
	Negative	-.047
Test Statistic		.047
Asymp. Sig. (2-tailed)		.200[c,d]

a. Test distribution is normal
b. Calculated from data
c. Lilliefors Significance Correction
d. This is a lower bound of the true Significance.

From table 1, above, we can see the significance value of Kolmogorov Smirnov (K-S), it can be seen that the significance value is 0.200 which is greater than 0.05. So it can be said that the data in the study is distributed normally.

3.2. Multicollinearity Test

By looking at the VIF value and tolerance, a multicollinearity test is carried out to see if there is a correlation between independent variables. If you look at the VIF value is not more than 10.00 and the tolerance value is greater than 0.10, then multicollinearity does not occur.

Table 2. Multicollinearity Test Results

Model		Understandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
		B	Std. Error	Beta	t	Sig.	Tolerance	VIF
1	(Constant)	7.063	2.209		3.197	.002		
	X1	.162	.088	.187	1.837	.069	.823	1.216
	X2	.101	.086	.130	1.179	.241	.669	1.431
	X3	.065	.118	.059	.553	.582	.761	1.315
	X4	.176	.093	.213	1.880	.063	.665	1.504

a. Dependent Variable: Y1

Based on the table above, the multicollinearity test above the VIF value of the variables of taxpayer awareness, tax knowledge and understanding, tax incentives and tax sanctions is not greater than 10.00 and the tolerance value is greater than 0.10, it can be concluded that there is no multicollinearity.

3.3. Heteroscedasticity Test

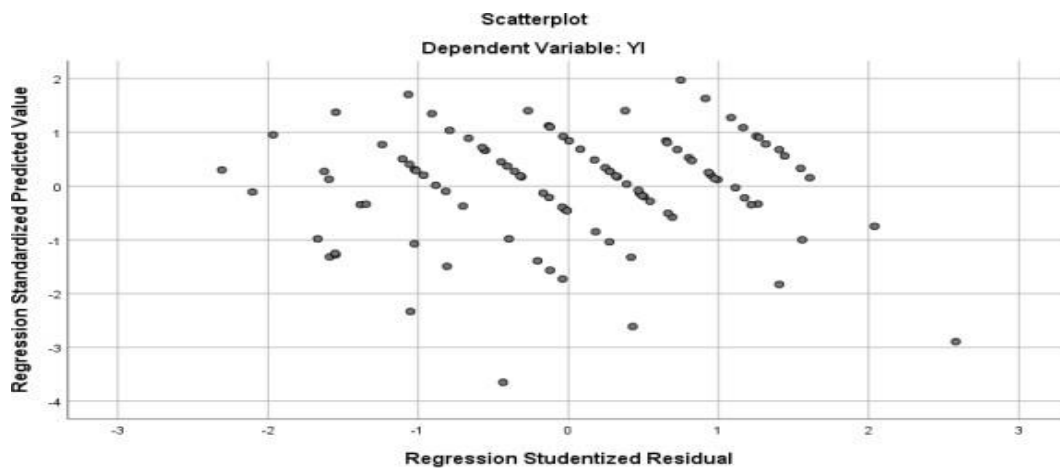To detect heteroscedasticity is to look at the pattern of dots in the scatterplots regression.

Figure 1. Heteroscedasticity Test Results

From Figure 1, it can be seen that the heteroscedasticity test above shows that the points are spread and the pattern is not clear and above and below the number 0 on the Y axis can be concluded that there is no heteroscedasticity.

3.4. Autocorrelations Test

To detect the presence of an autocorrelation, it is done by calculating the Durbin Watson (DW) value as follows:

Table 3. Autocorrelation Test Results

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.435[a]	.190	.156	1.586	2.010

a. Predictors: (Constant), X4, X1, X3, X2
b. Dependent Variable: Y1

From the table above, the Durbin-Watson value is 2.010. With an independent variable of 4 (K=4) and a sample of 100 which shows a < d < 4-du, namely, 1.758 < 2.010 < 2.242. These results prove that the data of this study does not autocorrerate.

3.5. Determination Coefficient Test (R square)

The determination coefficient test is to find out the extent to which independent variables can affect the change of dependent variables. Where if the R^2 value is getting closer to 1, it means that the value of the independent variable (X) has a very strong ability to determine the value of the dependent variable (Y) and vice versa.

Table 4. Determination Coefficient Test Results (R square)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.436[a]	.190	.156	1.586	2.010

a. Predictors: (Constant), X4, X1, X3, X2
b. Dependent Variable: Y1

Based on the table above, the R^2 value is 0.190 or 19%. This means that the magnitude of the influence of the variables of Taxpayer Awareness, Tax Knowledge and Understanding, Tax Incentives and Tax Sanctions on Individual Taxpayer Compliance is 19% while the remaining 81% is influenced by other variables that do not include research.

3.6. Multiple Linear Regression Analysis

The analysis model in this study uses multiple linear regression analysis with SPSS Version 26 program software. With the number of samples used, there were 100 respondents.

Table 5. Multiple Linear Regression Analysis Results

Model		Understandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
		B	Std. Error	Beta	t	Sig.	Tolerance	VIF
1	(Constant)	7.063	2.209		3.197	.002		
	X1	.162	.088	.187	1.837	.069	.823	1.216
	X2	.101	.086	.130	1.179	.241	.669	1.431
	X3	.065	.118	.059	.553	.582	.761	1.315
	X4	.176	.093	.213	1.880	.063	.665	1.504

a. Dependent Variable: Y1

Y=7.063+0.162X1+0.101X2+0.065X3+0.176X4+e

3.7. Hipotesis Test

The t-test is intended to determine whether a hypothesis is acceptable or rejected. The standard used in comparing the significance value of the test results with the set value of 0.05 can be concluded that the independent variable has a significant influence on the bound variable. The following is described the results of the t-test in this study:

Table 6. Test Results t

Model		Understandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
		B	Std. Error	Beta	t	Sig.	Tolerance	VIF
1	(Constant)	7.063	2.209		3.197	.002		
	X1	.162	.088	.187	1.837	.069	.823	1.216
	X2	.101	.086	.130	1.179	.241	.669	1.431
	X3	.065	.118	.059	.553	.582	.761	1.315
	X4	.176	.093	.213	1.880	.063	.665	1.504

a. Dependent Variable: Y1

The Taxpayer Awareness Variable (X1) has a significant value of 0.062 greater than An *alpha* value of 0.05 and a β value of 0.187 are positive signs which can show that Taxpayer Awareness is not significant to the Compliance of MSME Individual Taxpayers registered at KPP Pratama Samarinda Ulu. Therefore, the first hypothesis of H1, namely Taxpayer Awareness has a positive and insignificant effect on Taxpayer Compliance, is rejected.

The variable Knowledge and Understanding of Taxation (X2) has a significant value of 0.241 higher than the *alpha value* of 0.05 and the value of β 0.130 in the positive direction, so it can be concluded that the Knowledge and Understanding of Taxation hypothesis H2 has a positive and insignificant effect on Taxpayer Compliance is rejected.

The Tax Incentive variable (X3) has a significant value of 0.582 higher than the *alpha value* of 0.05 and a β value of 0.056 with a positive sign which can show that the hypothetical Tax Incentive H3 has a positive and insignificant effect on Taxpayer Compliance is rejected.

The Tax Sanction variable (X4) has a significance value of 0.063 which is smaller than *the alpha* value of 0.05 and the β value of 0.093 in the positive direction, so it can be concluded that the MSME Tax Sanctions registered at KPP Pratama Samarinda Ulu. Individual Taxpayer Compliance has a negligible impact. Thus, the H4 hypothesis, which has a positive and insignificant effect on Individual Taxpayers, is rejected.

4. Conclusion

From the test results that have been obtained, the following conclusions can be drawn:
1) The results of this study prove that taxpayer awareness has a positive and insignificant effect on the compliance of MSME WPOP at KPP Pratama Samarinda Ulu. The reason is, WPOP MSMEs registered at KPP Pratama Samarinda Ulu have not realized the importance of paying taxes and

tax deferral will harm the state, so WPOP registered at KPP Pratama Samarinda Ulu does not have a significant impact on taxpayer compliance.

2) The results of this study show that knowledge and understanding of taxation at KPP Pratama Samarinda Ulu has a positive and insignificant effect on the compliance of individual taxpayers. WPOP registered at KPP Samrinda Ulu does not fully understand their insights regarding their rules, procedures, and responsibilities in paying taxes so that they can harm a country. Therefore, the compliance of WPOP MSME taxpayers registered at KPP Pratama Samarinda Ulu through knowledge and understanding of taxation does not have a significant impact on taxpayer compliance.

3) The results of this study show that tax incentives at KPP Pratama Samarinda Ulu have a positive and insignificant effect on WPOP compliance. With the government providing deduction allowances in the form of incentives to increase compliance with WPOP Samarinda Ulu MSMEs by paying attention to the reduction in the tax rate from 1% to 0.5% even though this shows that there is a benefit for WPOP that the withholding profit is less, so the tax incentive is not significant to increase the compliance of individual taxpayers registered at KPP Pratama Samarinda Ulu will pay their taxes.

4) Tax sanctions have a positive and insignificant effect on the compliance of MSME WPOP registered at KPP Pratama Samarinda Ulu. Because fair sanctions are imposed when they violate such as late payment of taxes and if the high tax sanctions imposed on violators are high, then more and more WPOP will comply with paying their taxes.

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