THE EFFECT OF TAXPAYER COMPLIANCE, TAX COLLECTION AND SELF ASSESSMENT SYSTEM ON TAX REVENUE

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Abstract

This study aims to determine and analyze taxpayer compliance, tax collection, and self-assessment system of individual tax receipts in the city of Palembang. The type of research used is descriptive and associative. The sample in this study was 100 respondents. The data used are primary and secondary data. The analysis used is descriptive and inferential statistical analysis (assumption test and classical multiple linear regression, as well as hypothesis testing). The results of this study indicate that descriptive statistics produce very high criteria for the X1 variable, high for the X3 variable, for the X2 variable including low and medium Y variables. From inferential statistics (classical assumption: data is normally distributed, there is no multicollinearity and heteroscedasticity). The results of multiple regression and partial hypothesis testing resulted in Taxpayer Compliance, Tax Collection and Self Assessment System having an effect on Tax Revenue.

Keywords: taxpayer compliance, tax collection, system and taxe revenue.

1.   INTRODUCTION

Tax revenues are all state revenues originating from Income Tax (PPh), Value Added Tax (PPN), Luxury Goods Sales Tax (PPNBM), Land and Building Tax (PBB), Land and Building Rights Acquisition Fee (BPHTB), excise duty, and other taxes (Sakti, 2015). Taxes are a very important source of state revenue in supporting development financing originating from within the country. The size of the tax will determine the capacity of the state budget to finance state expenditures, both for development financing and for routine budget financing (Simanjuntak, 2012).

Taxpayers have the responsibility to report, and pay/collect taxes. According to Rahayu (2017: 196), tax compliance is an important problem throughout the world, both for developed and developing countries because if the taxpayer does not comply, it will lead to the desire to take action to avoid, evade, smuggle and neglect taxes. According to Sakti (2015: 3), formal tax compliance for taxpayers is the fulfillment of obligations

in registering, paying, and reporting taxes, the level of formal tax compliance in Indonesia is still very low. According to Pohan (2016: 544), tax compliance can be defined as a condition when the taxpayer fulfills all tax obligations and exercises tax rights. In 2016, the number of taxpayer compliance ratios reporting annual tax returns was only 60.75%, in 2018 and 2019 as many as 71.10%, in 2020 77.63%, and in 2021 as many as 84% (Tommy, 2022). This indicates that there are still around 20% - 40% of taxpayers who have not fulfilled their obligations each year.

According to Article 1 point 9 of Law No. 19 of 2000 concerning tax collection with a forced letter that tax collection is a series of actions so that the tax insurer pays off the tax debt and tax collection costs by reprimanding or warning, carrying out instant collection and at the same time notifying the forced letter, proposing prevention, carry out confiscation, carry out hostage taking, sell goods that have been confiscated. Therefore, with the issuance of the Law on tax collection, it is hoped that tax collection activities can be carried out properly because it is clear that the purpose of the Law is to serve as a legal basis for the tax authorities to collect taxes on taxpayers who have tax arrears so that they are obliged to pay taxes. Taxes to be motivated to pay which in turn is expected to increase tax revenue. The low level of taxpayer compliance in fulfilling their tax obligations and the greater the tax arrears resulted in the non-fulfillment of the predetermined tax revenue targets. This has something to do with fulfilling the obligations of taxpayers who make underpayment of taxes. This has implications for decreasing tax revenues, and vice versa.

The self-assessment system is a tax collection system where taxpayers calculate, pay, and report the amount of tax owed (Asri, 2021:172). The self-assessment system means that taxpayers receive a heavy burden because all activities to fulfill tax obligations are carried out by the taxpayers themselves (Rahayu, 2017:112). Self-assessment system is a tax collection system in which taxpayers determines the amount of tax owed in accordance with the provisions of the tax law (Marsyahrul, 2015:9). The existence of this self-assessment system allows taxpayers to detail their obligations so that they have the willingness to pay taxes regularly every year and can increase state tax revenues.

This research was conducted referring to some of the results of previous research conducted by Cahyono (2017) whose research results show that taxpayer compliance

has an effect on tax revenue at the Surakarta Pratama Tax Service Office. Another similar study, also conducted by Lubis (2019), the results of his research show that a letter of coercion affects the receipt of tax arrears at the Medan Belawan KPP Pratama. Furthermore, research conducted by Cut and Adnan (2017) with results showing that the self-assessment system has an effect on tax revenue at KPP Pratama Banda Aceh.

Based on the background of the problems described earlier, the authors are interested in discussing this issue and will be outlined in a study entitled "The Effect of Taxpayer Compliance, Tax Collection and Self Assessment System on Tax Revenue". The formulation of the problem in this study is whether tax compliance, tax collection, and self-assessment system affect tax revenue? The purpose of this research is to find out and analyze tax compliance, tax collection, and self assessment system on tax revenue.

2.   LITERATURE REVIEW

Literature Review

Tax revenues are taxes collected grouped into central taxes, customs and excise, regional taxes and regional levies and other non-tax revenues (Rahayu, 2017: 49). Tax revenues consist of domestic taxes such as PPh and gas oil, non-oil and gas PPh, PPn and PPnBM, customs duties on land and building rights, excise and other taxes (Farouq 2018: 123).

Rahayu (2017: 196), stated that tax compliance is an important problem throughout the world, both for developed countries and developing countries, because if the taxpayer does not comply, it will lead to the desire to take action to avoid, evade, smuggle and neglect taxes. According to Pohan (2016: 544), tax compliance can be defined as a condition when the taxpayer fulfills all tax obligations and exercises tax rights.

From Ayza (2016: 189), stated that tax collection is a series of actions so that the tax insurer pays off tax debts and tax collection costs. According to Asri (2021:173), tax collection is an act carried out by the Directorate General of Taxes because the taxpayer does not comply with the tax law, especially regarding the payment of taxes owed. According to Pohan (2013: 40), tax collection with a letter of coercion is specifically

regulated in Law Number 19 of 1997 as amended by Law Number 19 of 2000 concerning tax collection with a forced letter (PPSP Law).

The self-assessment system is a tax collection system where taxpayers calculate, pay, and report the amount of tax owed (Asri, 2021: 172). The self-assessment system means that taxpayers receive a heavy burden because all activities to fulfill tax obligations are carried out by the taxpayers themselves (Rahayu, 2017: 112). Self-assessment system is a tax collection system in which taxpayers determines the amount of tax owed themselves in accordance with the provisions of the tax law (Marsyahrul, 2015: 9).

Framework

The framework of thought is a synthesis that reflects the relationship between the variables studied and is a guide for solving research problems and formulating research hypotheses in the form of flowcharts equipped with qualitative explanations (Sugiyono, 2017). The framework of thought in this research is as follows:

Taxpayer compliance affects tax revenue

Tax compliance is the action of the taxpayer in fulfilling his tax obligations in accordance with the provisions of the legislation and tax implementation regulations in force in a country. (Rahayu, 2017: 194). From the results of research conducted by Elviana and Ngadiman (2019), Olivia, et al (2017), Cahyono (2017), the results show that tax compliance has an effect on tax revenue.
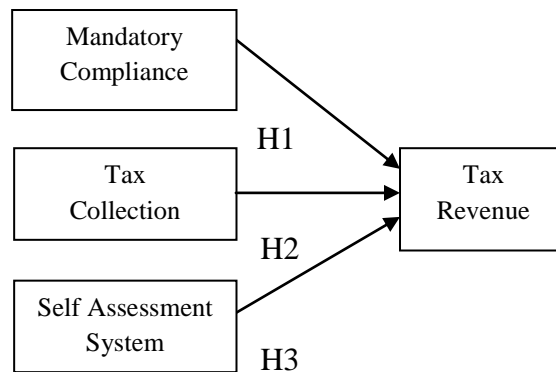
Tax Collection Affects Tax Revenue

Tax collection affects tax revenue if there are many uncollected tax debts, it will affect state tax revenues. (Rahayu, 2017: 297). Tax collection is one form of extra effort carried out by the Directorate General of Taxes in order to achieve the target of tax revenue by disbursing tax arrears through tax collection efforts. (Prasetyo, 2016: 90). From the results of research conducted by Adhitya, et al (2017), Indira, et al (2017), Lubis (2019), shows that tax collection has an effect on tax revenue.

Self Assessment System Affects Tax Revenue

Self-assessment system is a tax system that gives confidence to taxpayers to fulfill and carry out their own tax obligations. (Rahayu, 2017: 111). From the results of research conducted by Cut and Adnan (2017), Ida Ayu and I Ketut (2015) show that the Self Assessment System has an effect on tax revenue.

The following is the form of the framework used:

Source: Author, 2021

Figure 1. Framework

Hypothesis

Based on the framework, the formulation of the hypothesis in the study is as follows:

H1: taxpayer compliance has an effect on tax revenue

H2: tax collection affects tax revenue

H3: self-assessment system affects tax revenue

3.   RESEARCH METHODS

The type of research used by the author in this study is descriptive and associative research. Descriptive research is research that intends to determine the value of independent variables (usually one or more variables), and associative research, namely to determine the effect of taxpayer compliance, tax collection, and self assessment system on tax revenues. This research was conducted at the Pratama Ilir Timur I Tax Service Office on Jl. Captain A. Rivai No.4, Sungai Prince, Ilir Timur I District, Palembang City, South Sumatra, 30114. Operationalization of the variables used in this study is the dependent variable, namely tax revenue, and the independent variable is taxpayer compliance, tax collection, and self-assessment system. Operationalization in detail can be seen in the following table 1:

Table 1

Definition of Research Operations

No	Variable	Indicator
1	Tax Revenue (Y)	1. Central Tax 2. Customs and Excise 3. Local Tax 4. Regional Retribution
2	Mandatory Compliance (X1)	1. Formal Compliance 2. Material Compliance
3	Tax Collection (X2)	1. Billing Letter 2. Active Billing
4	*Self Assessment System* (X3)	1. Calculate your own tax payable 2. Calculate the tax payable yourself 3. Pay your own taxes 4. Self reporting of taxes owed

Source: Author, 2021.

The population used in this study was 205.093 individual taxpayers registered at KPP Ilir Timur I Palembang City. The sample used in this study was 100 individual taxpayers, with a random sampling method. The data used by the author in this study is primary data. Primary data in this study were obtained through questionnaires distributed to respondents. The data collection method used in this study was by distributing questionnaires. Questionnaires distributed and filled out by taxpayer respondents registered at the Pratama Palembang Ilir Timur I Tax Service Office. The classical assumption test is intended to ensure that the model obtained really meets the basic assumptions in multiple regression analysis. The data normality test is used to test whether the residuals generated from the regression are normally distributed or not. A good regression model is one that has a normally distributed residual value. The normality test for this study uses the normal P-P plot graph. The analytical model used in this study is multiple linear regressions with the following equation:

$$Y = + 1 X1 + 2X2 + 3 X3 + e$$

Syofian (2017: 202) explains that the definition of the coefficient of determination (KD) is that which states or is used to determine the contribution or contribution given by a variable or more X (free) to the Y variable (bound). The coefficient of determination (R^2), provides information about the suitability of the regression model

agreement close to the actual data points. T test is used to test the variables partially or one by one.

4.   RESULTS AND DISCUSSION

Result

The results of the research on the effect of taxpayer compliance, tax collection, and self-assessment system on tax revenues used in the form of normality test, multicollinearity test, heteroscedasticity test, Multiple Linear Regression Test, Coefficient of Determination Test, and hypothesis testing can be seen below:

Normality Test

The following is a picture of the normality test using the normal P-Plot regression standard residual method:
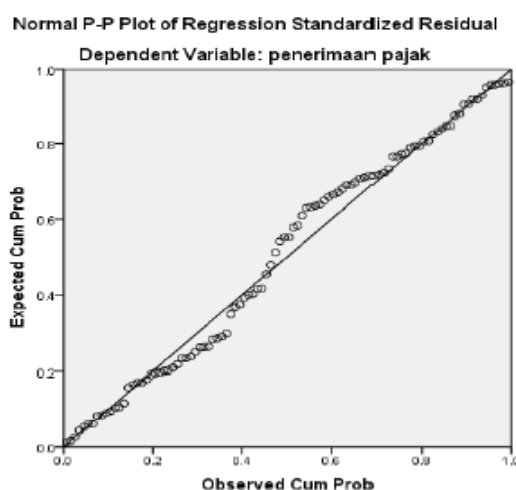
Source: Data Processed, 2021.

Figure 2. Normality Test Results.

Based on Figure 2, it can be concluded that the normal P-P plot graph shows that the points spread around the diagonal line. If the data spreads around the histogram line, it shows a normal distribution pattern, and then the graph shows that the regression model is feasible because it fulfills the assumption of normality.

Multicollinearity Test

In this study, the multicollinearity test was carried out using the tolerance value and the variance inflation factor (VIF). If the tolerance value is above 0.10 and the VIF

value is less than 10, it can be concluded that there are no symptoms of multicollinearity. The results of the multicollinearity test can be seen below:

Table 2

Multicollinearity Test Result

		Collinearity Statistics	
T	Sig.	Tolerance	VIF
2.862	.005		
4.759	.000	.765	1.307
5.262	.000	.441	2.269
8.394	.000	.393	2.545

Source: Data Processed, 2021.

Based on table 2 above, the tolerance of each variable is greater than 0.10, the VIF value is less than 10.00, it can be concluded that there is no multicollinearity problem between the independent variables in this study.

Heteroscedasticity Test

The heteroscedasticity test with scatter plot in this study was assisted by SPSS with the following results:
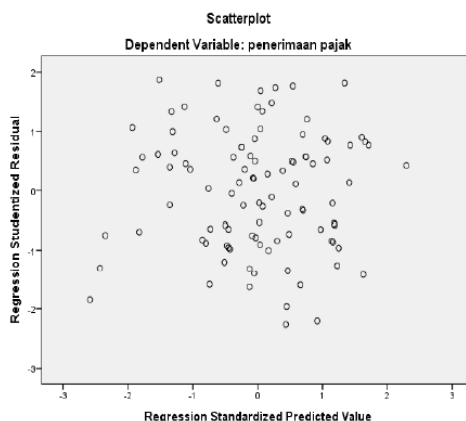
Source: Data Processed, 2021.

Figure 3. Heteroscedasticity Test Result

Based on Figure 3, the predicted value of the dependent variable and the residual is obtained with the result that there is no clear pattern and the points spread above and below the number 0 on the Y axis, and then no heteroscedasticity occurs.

Multiple Linear Regression Test

Multiple linear regression analysis is used to determine whether or not there is an influence relationship between more than one variables and the dependent variable. Before testing the hypothesis regarding the significance of the relationship between the independent variable and the dependent variable, it must first be known whether a model has a linear relationship. After regressing with SPSS version 25, the results obtained are as follows:

Table 3

Multiple Linear Regression Test Result

coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	**Std.Error**	**Beta**	**T**	**Sig.**
1 (Constant)	5.894	2.060		2.862	.005
Mandatory Compliance	.407	.086	.433	4.759	.000
Tax Collection	.926	.176	.535	5.262	.000
Self Assessment System	.586	.070	.647	8.394	.000

a. *Dependent variable*: Tax Revenue Y

Source: Data Processed, 2021.

The results of the multiple linear regressions that the researcher did on the Taxpayer Compliance Principle (X1), Tax Collection (X2), Self Assessment System (X3) on Tax Revenue (Y) can be described by the multiple linear regression equation as follows:

$$Y = + 1X1 + 2X2 + 3X3 + E$$
$$Y = 5.894 + 0.407X1 + 0.926X2 + 0.586X3 + E$$

The constant has a value of 5,894 which means that if the variable of Taxpayer Compliance (X1), Tax Collection (X2), Self-Assessment System (X3) the value is 0, then Tax Revenue (Y) at the Tax Service Office (KPP) Pratama Palembang Ilir Timur in Kota Palembang will be worth 5,894.

The regression value of Taxpayer Compliance is 0.407, meaning that if Taxpayer Compliance increases by 1, it will increase Tax Revenue at KPP Pratama

Palembang Ilir Timur by 0.407. This shows that the higher the level of taxpayer compliance, the higher the tax revenue will be. Likewise with tax collection and Self Assessment System, namely the regression value of Tax Collection is 0.926, meaning that if the tax collection increases by 1, it will increase the Tax Revenue by 0.926. The regression value of the Self Assessment System is 0.586, meaning that if the Self Assessment System is 1, it will increase Tax Revenue by 0.586 at the KPP Pratama Palembang Ilir Timur.

Coefficient of Determination Test

This test aims to calculate the influence of the independent variable on the dependent variable. The value of R2 shows how big the proportion of the total variation of the dependent variable can be explained by the explanatory variable.

Table 4

Coefficient of Determination Test Result

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
X1	.433[a]	.188	.179	4.247
X2	.721[a]	.520	.516	3.284
X3	.645[a]	.418	.412	3.284

a. *Predictors: (Constant), Self Assessment System*, Taxpayer Compliance, Tax Collection.
   Dependent Variable: Tax Revenue

Source: Data Processed, 2021.

Based on table 4, it is obtained that Adjust R Square X1 is 0.179 or 17.9%. This shows that the effect of the taxpayer compliance variable (X1) on tax revenue (Y) is 17.9% and the rest is influenced by other variables. Meanwhile, Adjusted R SquareX2 is 0.516 or 51.6%. This shows that the relationship of the independent variable, namely Tax Collection (X2) to Tax Revenue (Y) is 0.516 or 51.6% and the rest is influenced by other variables. Meanwhile, Adjust R Square (X3) is 0.412 or 41.2%. This shows that the relationship of the independent variable, namely the Self Assessment System (X3) to Tax Revenue (Y) is 0.412 or 41.2% and the rest is influenced by other variables.

Hypothesis Testing

t Test

Hypothesis testing is used to determine the significant effect between the independent variables on the dependent variable. The results of the t test affect the effect of Taxpayer Compliance, Tax Revenue, and Self Assessment System on Tax Revenue can be seen in table 5 as follows:

Table 5

t Test Results

coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std.Error	Beta		
1 (Constant)	5.894	2.060		2.862	.005
Mandatory Compliance	.407	.086	.433	4.759	.000
Tax Collection	.926	.176	.535	5.262	.000
Self Assessment System	.586	.070	.647	8.394	.000

a. *Dependent variable*: Tax Revenue Y

Source: Data Processed, 2021.

Based on table 5, the taxpayer compliance variable has a tcount of 4.759 and a significant level of 0.000. The tax collection variable has a tcount of 5.262 and a significant level of 0.000. The Self Assessment System variable has a tcount of 8.394 and a significant level of 0.000. The ttable value is obtained with degrees of freedom (df) n-k-1 or 100-3 = 97 and a significant level of 5% with a 3-sided test of significance = 0.05 the results obtained for a t-table of 1.984.

Discussion

Taxpayer compliance affects tax revenue

Based on the results of hypothesis testing and regression that have been carried out, it shows that taxpayer compliance has an effect on tax revenue. This means that these results have proven the theory proposed by Rahayu (2017) and Pohan (2016). The results of this study are in line with research conducted by Olivia, et al. (2017). Research shows that taxpayer compliance has an effect on tax revenue, while research

from Cahyono (2017) research results show that taxpayer compliance has no effect on tax revenue.

Tax Collection affects Tax Revenue

Based on the results of hypothesis testing and regression that have been carried out, it shows that tax collection has an effect on tax revenue. The results of this study are in accordance with the theory put forward by According to Ayza (2016: 189), Asri (2021: 173) and Pohan (2013: 40). The results of this study are also in line with research conducted by Lubis (2017), Adhitya, et al. (2017) and Indira, et al. (2017), the results of this study indicate that tax collection has an effect on tax revenue.

Self Assessment System has an effect on Tax Revenue

Based on the results of hypothesis testing and regression that have been carried out, it shows that the self-assessment system has an effect on Tax Revenue. The results of this study are in accordance with the theory proposed by Rahayu (2017). The results of this study are also in line with research conducted by Cut and Adnan (2017), and Ida Ayu (2019) which shows that the self-assessment system has an effect on tax revenue.

5.   CONCLUSIONS

Based on the data obtained and the results of the analysis that has been carried out, conclusions can be drawn regarding the Effect of Taxpayer Compliance, Tax Collection, and Self Assessment System on Tax Revenue, namely:

Taxpayer compliance has an effect on Tax Revenue. This research is proven by a survey, that Compulsory Compliance has an effect on Tax Revenue at the Palembang Ilir Timur Pratama Tax Service Office. This shows that the better the taxpayer compliance, the better the tax revenue. Thus, this study proves that previous research is in line with the existing theory.

Tax Collection has an effect on Tax Revenue. This research is proven by survey, that tax collection has an effect on tax revenue at the East Palembang Ilir Tax Service Office. This shows that tax collection is still less effective in carrying out tax collection to taxpayers. Thus, this study proves that previous research is in line with the existing theory.

Self Assessment System has an effect on Tax Revenue. This research is proven by survey, that the Self Assessment System has an effect on Tax Revenue at the

Palembang Ilir Timur Pratama Tax Service Office. This shows that the better the Self Assessment System, the better the Tax Revenue. Thus, this study proves that previous research is in line with the existing theory.

Based on the conclusions above, the suggestions submitted by the author are as follows: (1) For the Pratama Palembang Ilir Timur Tax Service Office, in carrying out Taxation, it must further improve Taxpayer Compliance, Tax Collection, and the Self Assessment System so that Taxation will run as expected, so that in carrying out Taxation there will be an increase in personal income tax receipt. (2) For further research, it is expected to expand the scope of research related to variables that can affect tax revenue, such as tax training, tax amnesty, tax audits so that further research can obtain better results.

6.   BIBLIOGRAPHY

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