

The Effect of Progressive Tax Implementation, Tax Sanctions and Tax Knowledge on the Level of Motor Vehicle Taxpayer Compliance in Palembang City

(Case Study on WPOP Joint Office Samsat City of Palembang I)

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Abstract

This study aims to analyze the effect of applying progressive taxes, tax sanctions, and tax knowledge on the level of compliance of motor vehicle taxpayers in the city of Palembang (a survey of taxpayers at the Joint Samsat Office of Palembang I). The method used in this study is a descriptive method with a quantitative approach. The sources of data used in this study are primary data sources. The data collection technique used is distributing 100 questionnaires to taxpayers who register for progressive tax at the Joint Samsat Office of Palembang City I. The sampling technique in this study is non-probability sampling with incidental sampling. The data analysis method in testing the hypothesis used in this study is multiple regression analysis. The results of hypothesis testing prove that there is an effect of applying progressive taxes, tax sanctions, and tax knowledge on the level of compliance of motorized vehicle taxpayers at the Palembang City Joint Office I.

Keywords: progressive tax application, tax sanctions, tax knowledge, taxpayer compliance.

1. Introduction

The biggest source of Regional Original Revenue (PAD) comes from Motor Vehicle Taxes (BPS Prov Sumsel, 2016:19). Public awareness regarding compliance in paying taxes is the main thing to achieve the goals of the Indonesian state through national development. Compliance in question is the level at which the taxpayer has complied with the Tax Law and fulfilled his obligations in conducting tax administration. Taxes are used to finance the construction of infrastructure, education, health, and public facilities in order to build a prosperous and happy society. Therefore, taxes can be said to be the main fuel for building a country. For this reason, the government is working continuously to increase the target of state revenue from the tax sector (BPS Prov Sumsel, 2016: 20-22).

Dharma and Suardana's research (2017) conducted at the Denpasar Samsat Office, Bali. This study uses three variables that affect taxpayer compliance, namely taxpayer awareness, tax socialization, and service quality on taxpayer compliance. The results of this study indicate that the three variables have a significant effect on taxpayer compliance. In this study, the independent variables are added, namely the application of progressive taxes, tax sanctions and tax knowledge which can be binding and controlling taxpayer compliance. This research was conducted at the Samsat Joint Office in Palembang City I. In addition, this study compared with previous research conducted at the Denpasar Samsat, Bali, where the level of taxpayer compliance in Bali was higher than in Palembang City.

According to the Regional Government DPPKA, the number of motorized vehicles in



Palembang City in 2018 reached 671,076 units (Data from the PKB Joint Office of Samsat Kota Palembang I) but the number of taxpayers paying PKB was only around 487,813. The data indicates that only about 72.69% of taxpayers comply with their obligations to pay the PKB and this is not comparable to the increase in existing motorized vehicles. This is also indicated by the percentage of motorized vehicle taxpayer compliance as follows:

Table 1. percentage of motor vehicle taxpayer compliance in paying PKB

Year	Number of motorized vehicles	Number of Taxpayers Performing Obligations	Percentage of Motor Vehicle Taxpayer Compliance
2018	671.076	487.813	72,69 %
2019	720.174	536.934	74,55 %

From these data, it can be seen that the level of compliance of motor vehicle taxpayers in paying PKB at the JointSamsat Office of Palembang City I has decreased from year to year. The 2018 report shows a low percentage of regional motorized tax payments, up 2.09% for 2019. This shows that the level of taxpayer compliance in Palembang City is very low.

The application of Progressive Tax on Motor Vehicles is an effort to limit the number of vehicles. With the Progressive tariff, Palembang residents are invited to think about not having more than one motorized vehicle, both two-wheeled and four-wheeled. The application of Progressive Tax rates on Motor Vehicle Tax has an impact on society, both positive and negative impacts. The positive impact of the enactment of the Progressive Tax on Motor Vehicles is the reduction in the number of motorized vehicles. As for local governments, the enactment of Progressive taxes for motorized vehicles has resulted in an increase in the amount of Regional Revenue from the Regional Tax sector. The negative impact that occurs in society is that the community as a taxpayer commits legal smuggling to avoid paying a larger Motorized Vehicle Tax (Nugraha, 2019).

Tax sanctions are negative penalties given to taxpayers who violate regulations by paying money. Sanctions are needed so that regulations or laws are not violated. Tax sanctions are a guarantee that the provisions of tax laws and regulations will be complied with or adhered to. With strict tax sanctions, it will cause people to be more vigilant about violating regulations, especially in paying taxes (Jatmiko, 2018). This is in line with research conducted by Palil and Mustapha (2017), stating that tax sanctions affect the level of taxpayer compliance. Implementation of tax sanctions can lead to the fulfillment of tax obligations by taxpayers, so that taxpayers will comply because they think of severe sanctions in the form of fines due to illegal acts in their efforts to smuggle taxes (Widodo, 2019). Tax sanctions affect taxpayer compliance. Tax sanctions are the consequences received by taxpayers when taxpayers do not comply with tax regulations. These tax sanctions can be used by the government to regulate tax administration so that taxpayers comply with tax regulations (Subekti, 2016).

Tax knowledge is the ability possessed by taxpayers regarding rights and obligations as taxpayers so that taxpayers are able to avoid tax sanctions (Rahayu, 2017). In accordance with the Planed Theory of Behavior where a person is able to behave because he has intentions and motivation from himself, where taxpayers who have high knowledge will behave to comply with tax regulations (Ermawati, 2018). This is in line with research conducted by Jayate (2017); Rahayu (2017); Sari (2017); Base (2017); Rahmawaty and Baridwan (2018); Widagsono (2017); Febriani and Kusmuriyanto (2019); Ilhamsyah (2018); Wati (2019) where knowledge



of taxation affects taxpayer compliance.

So good knowledge of taxation is needed, so that taxpayers better understand the benefits of taxes. Both for their own welfare and for the development of the State. Knowledge of taxation is a basic understanding for taxpayers regarding laws, regulations and correct tax procedures. If the taxpayer already knows and understands the function and role of taxation, the taxpayer will obey and obey in paying his taxes (Nurlaela, 2018).

2. Method

This type of research is a quantitative descriptive research because it examines the variables Effect of Progressive Tax Implementation, Tax Sanctions and Tax Knowledge on the Level of Compliance of Motor Vehicles in the City of Palembang. This research includes the application of progressive taxes, tax sanctions and tax knowledge. Questionnaire is a data collection technique by giving a set of questions or written questions to respondents to answer. The type of questionnaire that the author uses is a closed questionnaire, which is a questionnaire that has provided answers, while the reasons for using a closed questionnaire are:

1. A closed questionnaire makes it easy for respondents to provide answers.
2. Closed questionnaires are more practical.
3. Limited research costs and time.

In the measurement, each respondent was asked for his opinion regarding an answer. In general, the answer options consist of 5 (five) and each has a different value:

Score	Answer
1	Strongly disagree
2	Don't agree
3	Neutral
4	Agree
5	Sangat Setuju

3. Results and Discussions

3.1 Effect of Cash Turnover on Profitability

Based on the results of the validity test of all statement items that have been distributed to 100 respondents declared valid, because the value of $R_{count} > R_{table}$ (minimum limit of correlation), in this case R_{table} is known to be 0.532. Then the results of the reliability test can be said to be reliable because the Cronbach Alpha value of all variables above ≥ 0.60 . This means that all items in the measurement instrument can be declared reliable or valid. Based on the results of testing multiple linear regression analysis ($Y = 1.023 - 0.410 X_1 + 0.294 X_2 + 1.280 X_3$), from this equation the coefficient value for the Progressive Tax Implementation variable is 0.410 and the coefficient for the Tax Sanctions variable is 0.294 and the coefficient for the Tax Knowledge variable is 1.280 is positive. This means that the Application of Progressive Taxes and Tax Sanctions and Tax Knowledge has a positive effect on Taxpayer Compliance.



Based on the calculation of the determinant results, it is found that R^2 is 0.892 indicating that $K = 0.892 \times 100\% = 89.2\%$. Thus, the contribution or contribution generated by the Application of Progressive Taxes, Tax Sanctions and Tax Knowledge on Taxpayer Compliance is 89.2%, while the remaining 10.8% is influenced by other factors or variables not mentioned in this study.

Based on the results of hypothesis testing, it was found that the significant results were $0.000 < 0.05$ or the Fcount results were $265.032 > F_{table} 3.20$ (F_{table} level 5% or 0.05). Thus it can be concluded that H_0 is rejected and H_a is accepted. This means that there is a significant influence between the Application of Progressive Taxes and Tax Sanctions and Tax Knowledge on Taxpayer Compliance at the Joint Samsat Office of Palembang City I.

Tax is a levy imposed by the local government, especially the City of Palembang for various purposes, for example to finance the provision of public goods and services, to regulate the economy, remuneration for services and security, and also to regulate public consumption. Because, its nature regulates the tax will affect the economic behavior of society or a person. In tax collection there is a reciprocal relationship, namely between tax collectors, namely the government and taxpayers or the community, this is related to the Theory of Planned Behavior and Attribution Theory.

Theory of Planned Behavior teaches that a person's attitude in acting always comes from motivation. A person can comply with tax regulations, none other than self-motivated, if someone believes that displaying certain behaviors will lead to positive results then they will have a favorable attitude, whereas people who believe that displaying behavior will lead to negative results will have an attitude unfavorable.

Meanwhile, attribution theory teaches individuals to have a tendency to observe the behavior of themselves or other individuals and draw conclusions about the factors that influence that behavior. The factors that influence this behavior are caused by internal and external factors. Behavior that is caused internally is behavior that is caused by factors under the individual's personal control, while behavior that is caused externally is behavior that is influenced by the demands of the situation or environment.

The results of this study prove that simultaneously the Application of Progressive Taxes, Tax Sanctions and Tax Knowledge affect Taxpayer Compliance at the Joint Office of Samsat City of Palembang I. The results of this study are supported by previous research Setiawati (2019); Susanti (2018); Ermawati and Afifi (2018); Umma (2017); Marfila, Sofianty and Nurhayati (2019).

3.2 The Effect of Progressive Tax Implementation on the Compliance Level of Motor Vehicle Taxpayers in the City of Palembang

From the calculation results above it is known that the tcount is $-3.106 > t_{table} 1.582$ ($-3.106 > 1.582$) this means that H_0 is accepted and H_1 is rejected, so it can be concluded that the Application of Progressive Taxes has a significant effect on Motor Vehicle Taxpayer Compliance in the city of Palembang. This happens because the number of motorized vehicles in the city of Palembang is quite high. So that even though the number of motorized vehicles circulating on the road is large, the magnitude of the application of progressive tax depends on taxpayers who register progressive tax, meaning that increasing changes in the application of progressive tax have an indirect effect on increasing taxpayer compliance.

This is related to the Theory of Planned Behavior, taxpayers believe that displaying behavior will lead to positive results, so they will have a favorable attitude. This happens because many



people in Palembang City prefer to buy new vehicles so that the number of vehicles from year to year has increased quite drastically. than buying or renaming a used vehicle. This is also influenced by the easier and cheaper it is for people to buy new motorized vehicles. The results of this study are in line with research conducted by Thomas, Saerang, Warongan (2018) which states that the application of progressive taxes has a significant effect on motor vehicle taxpayer compliance.

3.3 The Effect of Tax Sanctions on the Compliance Level of Motorized Vehicle Taxpayers in the City of Palembang

From the calculation results it is known that the tcount is $2.923 > t_{table} 1.582$ ($2.923 > 1.582$) this means that H_0 is rejected and H_1 is accepted, so it can be concluded that tax sanctions have a significant effect on taxpayer compliance. The results of this study indicate that there is a significant relationship and positive relationship between tax sanctions and individual taxpayer compliance. Tax sanctions are used to improve order in terms of paying taxes so that taxpayers comply to carry out their obligations. So that the higher the tax sanction, the compliance of motorized vehicle taxpayers in Palembang City is increasingly achieved and is increasing.

This is related to the Attribution Theory that what can affect taxpayer compliance is tax sanctions, this is because this behavior is influenced by the demands of the situation or environment, how the attitude of the taxpayer is related to taxpayer compliance. Taxpayers at the Joint Samsat Office in Palembang City feel that the sanctions imposed are appropriate for taxpayer violators, from this it can be concluded that the severity of sanctions given to violators will increase motor vehicle taxpayer compliance. The results of this study are in line with research conducted by Ummah (2017) which states that tax sanctions have a positive and significant effect on taxpayer compliance in paying motor vehicle taxes.

3.4 The Effect of Tax Knowledge on the Compliance Level of Motorized Vehicle Taxpayers in the City of Palembang

From the calculation results it is known that the tcount value is $14.485 > t_{table} 1.582$ ($14.485 > 1.582$) this means that H_0 is rejected and H_1 is accepted, so it can be concluded that Tax Knowledge has a significant effect on Taxpayer Compliance. This means that the higher the level of taxpayer knowledge, the Tax compliance will be better. This is related to the Attribution Theory which explains that in the attribution theory that can affect taxpayer compliance is knowledge of taxation, this is because knowledge of taxation is the basis that must be owned so that taxpayers can obey to pay motor vehicle tax.

Based on the results of this study, it is explained that increasing taxpayer compliance is inseparable from the knowledge of motorized vehicle taxpayers in the city of Palembang. Tax knowledge is an important element in increasing taxpayer compliance. This means that if the taxpayer has good tax knowledge, he will tend to be obedient in paying motorized vehicle taxes in Palembang City. According to Yulianawati and Hardiningsih (2017) tax knowledge is the process of changing the attitude and behavior of a taxpayer or group of taxpayers in an effort to mature humans through teaching and training efforts. Knowledge of public tax regulations through formal and non-formal education will have a positive impact on taxpayer compliance in paying taxes. So, the more knowledge a taxpayer has about taxation, the more obedient the taxpayer is in carrying out his tax obligations.

The results of this study support previous research from Ermawati and Afifi (2018) which stated that tax knowledge affects motor vehicle taxpayer compliance. The better the tax knowledge of the taxpayer, the more obedient the taxpayer is in fulfilling tax obligations in

accordance with tax regulations.

4. Conclusion

Based on the incidental sampling technique of 100 taxpayers. The results of the research conducted, it can be concluded:

1. Application of Progressive Tax (PPP), Tax Sanctions (SP) and Tax Knowledge (PP) significantly affect the level of Taxpayer Compliance (KWP).
2. The application of Progressive Tax (PPP) has a significant effect on the level of Taxpayer Compliance (KWP).
3. Tax Sanctions (SP) significantly affect the level of Taxpayer Compliance (KWP).
4. Tax Knowledge (PP) significantly influences the level of Taxpayer Compliance (KWP).

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