



Factors Affecting Micro Small and Medium Enterprises Taxpayer Compliance at Cilegon Pratama Tax Office

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Article Info

Article history:

Received 26 January 2024
Received in revised form 19
February 2024
Accepted 7 March 2024

Keywords:

Taxpayer Compliance
Taxpayer Understanding
Service Quality
Tax System Effectiveness Tax
Sanctions

Abstract

Factors Affecting Micro small and Medium Enterprises Taxpayer Compliance at Cilegon Tax Office. Ainaya Nurulina Nafaril. Master of Accounting Study Programme. The low level of taxpayer compliance in reporting tax obligations greatly affects state revenue. The decreasing level of taxpayer compliance is a bad impact on the state because taxes are an important fund for the state. This study aims to determine the factors that influence Micro small and Medium Enterprises taxpayer compliance at KPP Cilegon. The research method used is the survey method. The results showed that the variables of Taxpayer Understanding, Service Quality and Tax Sanctions had a positive and significant influence on Taxpayer Compliance. While the perceived effectiveness of the tax system variable has a positive and insignificant effect on taxpayer compliance. Therefore, to increase taxpayer compliance, the government needs to make efforts such as the government should increase Micro small and Medium Enterprises taxpayers' understanding of tax regulations through various education and socialisation programs through various media such as seminars, training, and social media. The government needs to improve the quality of services to Micro small and Medium Enterprises taxpayers, both in terms of speed, accuracy and ease of access. The government must be careful in applying tax sanctions so as not to have a negative impact on the economy. The results of this study are expected to provide information to policy makers as a basis for consideration to improve taxpayer compliance.

Introduction

Taxpayer compliance can be defined as the behavior of taxpayers who carry out all their tax obligations and enjoy all their tax rights in accordance with the provisions of applicable laws and regulations. There are two types of compliance, namely formal compliance and material compliance. Formal compliance is a situation where a taxpayer fulfills tax obligations formally in accordance with the provisions of the Law. For example, provisions regarding the deadline for depositing final PPH. Meanwhile, material compliance is a situation where the taxpayer substantively or essentially fulfills all material tax provisions. Compliance is the motivation of a person, group or organization to act or not act in accordance with established rules.

According to Indriyarti & Christian (2020) taxpayer compliance is an important factor for increasing tax revenue, so it is necessary to intensively study the factors that influence taxpayer compliance, especially individual and corporate taxpayers. In the State Budget (APBN), the largest income is tax revenue. Tax revenues are a significant source of financing for the state. This is because tax revenue is the largest source of domestic income which is needed as a source of national financing and this can be seen from the State Revenue and Expenditure Budget (APBN), where every year tax is a very potential income for the country.

In Indonesia, taxes play an important role in meeting the needs of the state and the welfare of the people so that the taxes received by a country encourage the welfare and prosperity of the nation and state. So, every citizen who has obtained a Taxpayer Identification Number (NPWP) is obliged to pay taxes to the Tax Service Office (KPP) where the taxpayer is registered. Development is a means for the Indonesian nation in its efforts to improve a just and prosperous society in accordance with the development ideals of the Indonesian nation. The development carried out must be supported by large amounts of state revenue, one very important source of state revenue is from the tax sector.

One of the economic sectors with the greatest potential in the national economy is Micro, Small and Medium Enterprises (MSMEs), which are now starting to develop well and are able to generate profits. According to Law no. 20 of 2008 MSMEs are businesses carried out by individuals or business entities with a maximum gross turnover of Rp. 300 million in one year, Small Businesses are businesses that have a gross turnover of >Rp. 300 million to Rp. 2.5 billion per year and Medium Businesses are businesses that have gross circulation >Rp. 2.5 billion to Rp. 50 billion per year.

In 2017, MSMEs contributed 61 percent to Gross Domestic Product (PBD), consisting of micro businesses 30.3 percent, small businesses 12.8 percent, and medium businesses 14.5 percent. Meanwhile, the contribution of cooperatives to GDP reached around 23.12 percent. Therefore, it is appropriate for MSMEs to participate in increasing state revenues, including through payment of final income tax. The government continues to maximize and strive for state revenues from the taxation sector, one of which is through the issuance of Government Regulation Number 46 of 2013 which came into effect on July 1 2013. The principal of the regulation in PP No. 46 of 2013 is the imposition of final PPH at a rate of 1 percent of gross turnover every month . This regulation applies to individual and corporate taxpayers other than Permanent Business Establishments (BUT) that have gross turnover (turnover) of less than IDR 4.8 billion per year. Final Income Tax is a tax on certain income where the taxation mechanism is considered complete when the relevant Taxpayer is withholding, collecting or depositing it himself. The considerations underlying this special treatment are for the sake of simplicity in tax collection, fairness and equality in tax imposition so as not to increase the administrative burden for both taxpayers and the Directorate General of Taxes, as well as paying attention to economic and monetary developments.

KPP Pratama Cilegon is a tax service office that serves corporate and individual taxpayers to pay their taxes. The taxes collected also vary, starting from Personal Income Tax, Corporate Income Tax, Value Added Tax, Value Added Tax on Luxury Goods. From this research conducted at KPP Pratama Cilegon, the author obtained data showing that the number of corporate taxpayers at KPP Pratama Cilegon continues to increase, but not the amount of incoming taxpayer deposits. This is due to the Covid-19 pandemic which has affected national economic conditions. The weak economic conditions due to Covid-19 certainly reduce people's purchasing power, which has direct implications for decreasing income. The following is a table of MSME tax revenue data for MSME corporate taxpayers based on PP No. 46 of 2013 at KPP Pratama Cilegon.

Table 1. MSME Tax Revenue Data for MSME Corporate Taxpayers Based on PP No. 46 of 2013 at KPP Pratama Cilegon

Year	Number of WP MSME Bodies	Number of WP MSME Bodies Deposit Pay	Deposit Amount	Annual Tax Return
2018	891	873	Rp. 5,994,297,853	790
2019	904	797	Rp. 2,802,467,852	717

2020	944	842	Rp. 2,255,249,489	799
2021	986	732	Rp. 890,833,606	719
2022	1037	807	Rp. 1,203,659,788	624

Source: KPP Pratama Cilegon (2023)

The low level of taxpayer compliance in reporting tax obligations has a significant impact on state revenues. The decreasing level of taxpayer compliance is a bad impact for the country because taxes are important funds for the State. With the higher level of taxpayer compliance, the greater the level of income tax revenue for the State, and vice versa.

Compliance with taxes is very important, achieving a high level of taxpayer compliance will guarantee that every citizen has made a contribution to the development of the country. The level of awareness and compliance of taxpayers is still considered very low, this condition can result in a decrease in potential state revenue from taxes. even though tax revenues must be increased every year. This awareness and compliance will also have an impact on state revenues, where we know that state revenues are used for national development. Being aware of and complying with taxes means being aware of and complying with the state's ideals, namely the welfare of the people.

Based on the gap between ideality and reality that has been described, it is necessary to know what factors influence taxpayer compliance in fulfilling their obligations. Research by Indah & Setiawan (2020) states that the implementation of e-filing and tax sanctions has a positive and significant effect on taxpayer compliance. Meanwhile, Whistle Blowing is able to moderate the influence of the implementation of e-filing and tax sanctions on taxpayer compliance. Meanwhile, Ma'sumah & Hamidi (2022) stated that Taxpayer awareness, service quality, level of education partially influence Taxpayer compliance and tax sanctions partially do not influence Taxpayer compliance, as well as Taxpayer awareness, service quality, tax sanctions and education level simultaneously influence Taxpayer compliance. Therefore, the author wishes to submit a research proposal with the title "Factors that Influence MSME Taxpayer Compliance at KPP Pratama Cilegon".

Methods

This research was conducted using a survey method. The survey method is a method of investigation carried out to obtain existing facts or symptoms and look for factual information. Data collection was carried out through questionnaires sent directly to WP Agency MSMEs at KPP Pratama Cilegon. The sampling method used in this research is the convenience sampling method, namely random sampling with consideration of ease of access that can be reached by researchers. The data collection technique was carried out using a survey method using questionnaires which were distributed directly to MSMEs who were reporting taxes at KPP Pratama Cilegon.

Results and Discussion

Validity and Reliability Test

The results of the validity test for all research instruments obtained a significance value of 0.00 or less than 0.05 (5%), meaning that all items were said to be valid because they had a significance value of less than 0.05. Then, if compared with the minimum correlation value, it can be seen that all items have a calculated r-value that is higher than the minimum value of 0.300. Then the reliability test results of all research instruments were found to be reliable because they obtained a value greater than Cronbach Alpha 0.6.

Descriptive Statistical Test

Characteristics of Respondents

Characteristics are factors found in respondents that play a role in running their business. The characteristics of respondents observed in this research include age, marital status, number of family dependents, last formal school, type of business, and experience in running a business.

Age

The data obtained regarding the distribution of respondents based on age is shown in the following table.

Table 2. Characteristics of Respondents Based on Age

Age Range (Years)	Frequency (people)	Percentage (%)
28-37	37	17,21
38-46	143	66,51
47-55	35	16,28
Total	215	100,00

Based on Table 2, it can be seen that the age of the youngest respondent reached in this study was 28 years old. Then the oldest respondent was 55 years old. The data obtained shows that the majority of respondents are aged between 38 - 46 years with a percentage of 66.51 percent or 143 respondents. Both women and men are of productive age between 15 and 64 years (Maria & Raharjo, 2020). Based on this opinion, it can be stated that all respondents are individuals who are of productive age.

Marital Status

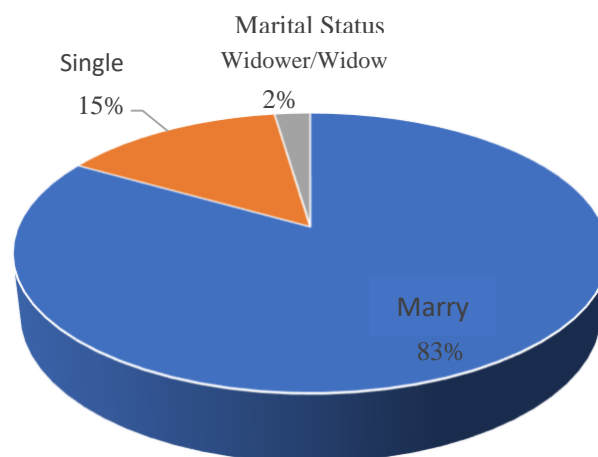


Figure 1. Characteristics of respondents based on marital status

The results of data obtained by respondents in this study regarding marital status are shown in Figure 1. This data shows that the majority of respondents are married or married. Where 83 percent of respondents are married, then 15 percent of respondents are unmarried, and only two percent of respondents are widowed. Hazmi et al. (2022) say that differences in marital status can lead to differences in motivation at work and can increase productivity at work. Apart from that, married workers will have more responsibility towards their families and themselves.

Number of Family Dependents

The number of family dependents is the number of family members who are dependents of the household, both siblings and non-biological siblings who live in the same house but are not yet working (Agung & Budi, 2018).

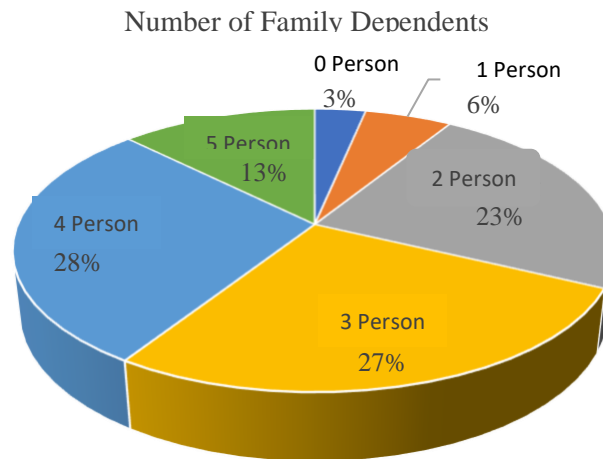


Figure 2. Respondent characteristics based on the number of family dependents

The results of research on the characteristics of respondents according to the number of family dependents in Figure 2 show that the largest number of dependents of respondents is 5 people. Then there were also several respondents who did not have family responsibilities. Respondents in this study predominantly had three family dependents with a percentage of 27 percent. Then the lowest percentage is respondents who do not have family responsibilities with a percentage of 3 percent.

Last Formal School

The higher the education you have, the better your ability to generate and process funds compared to entrepreneurs with a lower level of education. In making any decision, an entrepreneur can be influenced by the thinking patterns formed during the entrepreneurial education process (Carolina, 2018). Data obtained from respondents regarding their latest education shows that there are several levels of education that the respondents have taken. The highest level of education that respondents have taken is the Postgraduate Program (S2). The majority of respondents in this research were Bachelor (S1) graduates with a percentage of 46 percent.

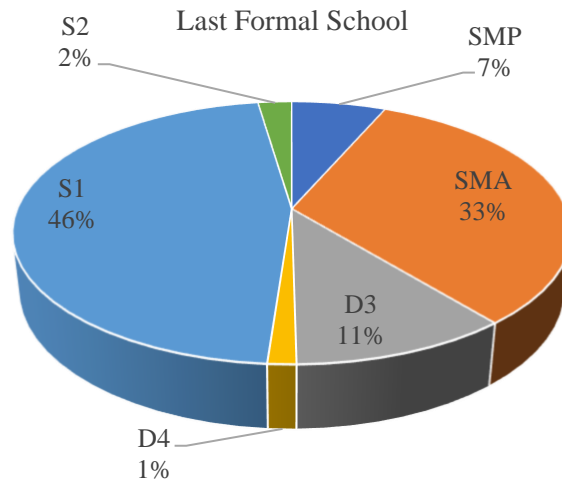


Figure 3. Characteristics of respondents based on last formal schooling

Business Type

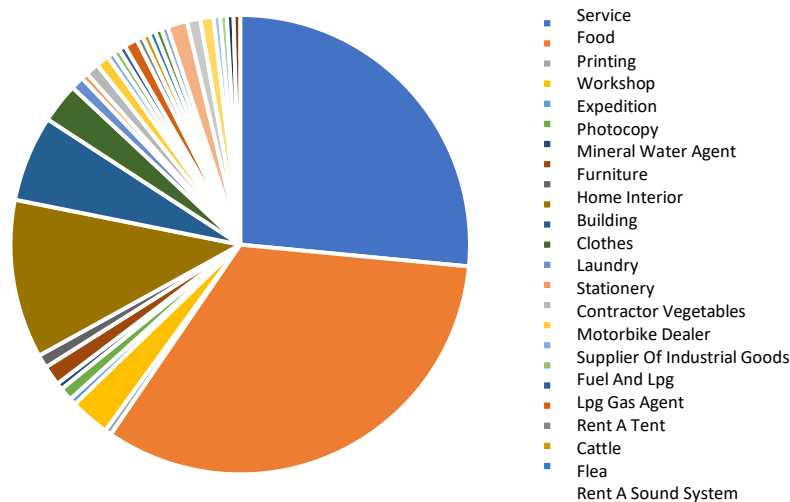


Figure 4. Characteristics of respondents based on the type of business run

The businesses run by respondents in this study are very diverse. Starting from businesses in the service sector, food, to clothing businesses. The majority of respondents in this study run businesses in this type of food with a percentage of 33 percent. Then secondly, respondents are quite dominant in running businesses in the type of food with a percentage of 26 percent.

According to Hernita et al. (2021), the types of businesses in Indonesia are divided into several categories. In carrying out economic activities in terms of quantity, the businesses that are most frequently run are wholesale and retail trade, car and motorbike repair and maintenance, the number of which reaches 46.71 percent. Then the second highest number was the business of providing accommodation and providing food and drink at 16.72 percent, followed by the processing industry, which reached 16.53 percent. Then, if we look at the contribution to national income based on several types of business, the processing industry does have the highest contribution (Budiati et al., 2018). So it is not surprising that the results of this study found that the type of business was dominated by the food business type.

Business Experience

Entrepreneurial experience can have a good impact on business success. The better the level of experience in an entrepreneur, the better the success of the business and vice versa (Firdarini, 2019). The data obtained regarding the respondents' business experience is presented in the table below.

Table 3. Characteristics of respondents based on business experience

Range of Experience	Frequency (people)	Percentage (%)
3th – 9th	79	36,74
10th-15th	127	59,07
16th-20th	9	4,19
Total	215	100,00

The data obtained regarding the respondents' business experience spanned different time periods. The respondent with the longest business experience in this study has been in business for 20 years. The range of business experience that respondents have is around 10 - 15 years.

Taxpayer Understanding

Taxpayers who understand taxation tend to be obedient and obedient taxpayers, because taxpayers who really understand, they will be more aware of the existence of administrative sanctions and criminal sanctions if they neglect their obligations by not reporting SPT and NPWP. Vice versa, taxpayers who cannot clearly understand taxation will tend to become taxpayers who do not obey or comply with existing regulations (Febri & Sulistyani, 2018).

Table 4. Categories of Taxpayer Understanding Per Respondent

Category	Frequency (people)	Percentage (%)
Very Not Good	1	0,47
Bad	3	1,40
Good enough	25	11,63
Good	132	61,40
Excellent	54	25,12
Total	215	100,00

Based on the data obtained, respondents' answers regarding understanding taxpayers fall into all categories with different frequencies. The dominant respondents' answers were in the good category with a percentage of 61.40 percent. Then quite a lot of respondents' answers also fell into the very good category with 54 respondents. The results obtained show that there is a good understanding of taxpayers. This is also shown by the taxpayer's total understanding score of 6,774. So with the total score, taxpayer understanding can be categorized into the good category.

Good understanding will help and make it easier for taxpayers to carry out their tax obligations. The higher the level of taxpayer understanding, the more taxpayer compliance will increase. Increasing taxpayers' understanding of tax regulations must continue to be carried out by related parties, both taxpayers and tax officials, so that the compliance of taxpayers conducting business will increase (Fitria & Supriyono, 2019).

Perception of Tax System Effectiveness

The effectiveness of the tax system is a measure of how the system objectives have been achieved (quality, quantity and time). The tax systems currently used include e-SPT, e-Filing, e-NPWP, e-Registration, e-Billing which provide easy facilities for tax payments and reporting (Kurniawati et al., 2018). The results of the data obtained in this research regarding the perception of the effectiveness of the tax system are shown in the following table.

Table 5. Categories Perception of Tax System Effectiveness

Category	Frequency (people)	Percentage (%)
Very Not Good	1	0,47
Bad	3	1,40
Good enough	35	16,28
Good	147	68,37
Excellent	29	13,49
Total	215	100,00

Based on the data in Table 5, various respondents' answers were obtained regarding the perception of the effectiveness of the tax system. The majority of respondents' answers fell into the good category with a percentage of 68.37 percent. Then only one respondent whose answer was categorized as very bad. The total score achieved in the perception of the effectiveness of the tax system is 4,226, thus the perception of the effectiveness of the tax system is in the good category.

The benefit felt by taxpayers from the effectiveness of the tax system is that it is quicker and easier for taxpayers to pay and report their taxes because it can be done anywhere, at any time, meaning that it does not have to be at the tax service office where the taxpayer is registered (Susanti et al., 2018). The data obtained indicates that respondents as taxpayers have experienced the effectiveness of the applicable taxation system.

Quality of Service

Table 6. Service Quality Category

Category	Frequency (people)	Percentage (%)
Very Not Good	2	0,93
Bad	1	0,47
Good enough	23	10,70
Good	126	58,60
Excellent	63	29,30
Total	215	100,00

The findings obtained were that the majority of respondents' perceptions regarding service quality were in the good category. A total of 126 respondents had perceptions of service quality that were in the good category. Then the overall total score for service quality is 7,647. This score is a fairly large total score, which means that the perception of service quality can be categorized as good. According to Hartopo et.al, 2020 quality service is service that can provide satisfaction to taxpayers and remains within the limits of meeting service standards that can be accounted for and must be carried out continuously. A good assessment from respondents regarding service quality indicates that respondents feel satisfied with the service they received.

Tax Sanctions

Tax sanctions are defined as a preventive tool so that taxpayers do not violate tax norms. The data obtained is displayed in the table below.

Table 7. Tax Sanctions Category

Category	Frequency (people)	Percentage (%)
Very Not Good	1	0,47
Bad	3	1,40
Good enough	10	4,65
Good	110	51,16
Excellent	91	42,33
Total	215	100,00

The majority of respondents' perceptions regarding tax sanctions are in the good category. Furthermore, 42.33 percent of respondents' perceptions were in the very good category. The total score of all respondents' answers is 3,462 so it can be categorized as good.

Tax sanctions are given not to harm taxpayers or benefit tax officials or the State, tax sanctions are given so that taxpayers comply with tax regulations (Maxuel & Primastiwi, 2021). The findings obtained indicate that respondents as taxpayers understand tax regulations and the tax sanctions that will be received if they commit a violation.

Taxpayer Compliance

Tax compliance is a situation where taxpayers fulfill all tax obligations and exercise their tax rights (Bahri et al., 2018). The research data is displayed in the table below.

Table 8. Taxpayer Compliance Categories

Category	Frequency (people)	Percentage (%)
Very Not Good	2	0,93
Bad	2	0,93
Good enough	28	13,02
Good	129	60,00
Excellent	54	25,12
Total	215	100,00

A total of 129 respondents had perceptions that were categorized as good. Furthermore, the total score on taxpayer compliance is also in the good category with a score of 4,275. Explain that tax compliance means that taxpayers have the willingness to fulfill their tax obligations in accordance with applicable regulations without the need for inspections, thorough investigations, warnings or threats, in the application of both legal and administrative sanctions. Looking at the research results obtained and their relationship to this opinion, it can be said that the respondents in this study as taxpayers have the willingness to fulfill their tax obligations in accordance with applicable regulations. In addition, these results are in accordance with the tax compliance situation described by Bahri et al. (2018), where tax compliance is a situation where taxpayers fulfill all their tax obligations.

Multiple Linear Regression Test

From the results of the regression test, the regression equation is obtained which can be seen as follows:

$$Y = 0,749 + 0,168 X1 + 0,053 X2 + 0,192 X3 + 0,371 X4 + e$$

The constant value in the regression equation from this research has a value of 0.749, so it can be concluded that if the independent variables, namely taxpayer understanding, perception of the effectiveness of the tax system, service quality and tax sanctions, are considered constant at 0, then there is an increase in the variable, namely 0.749. The empirical value of X1 (taxpayer understanding) is 0.168, which means that if there is a 1 percent increase in The empirical value of X2 (perception of the effectiveness of the tax system) is 0.053, which means that if there is a 1 percent increase in The empirical value of X3 (service quality) is 0.192, which means that if there is an increase of 1 percent in X3, there will be an increase of 0.192 in taxpayer compliance. The empirical value of X4 (tax sanctions) is 0.371, which means that if there is an increase of 1 percent in X4, there will be an increase of 0.371 in taxpayer compliance.

Determination Coefficient Test (Adjusted R2)

Based on the coefficient test (r) in the equation, it is 0.795. This figure indicates that there is a relationship between taxpayer understanding (X1), perception of the effectiveness of the tax system (X2), service quality (X3), and tax sanctions (X4) with taxpayer compliance (Y). > 0.60. Meanwhile, the Adjusted R Square (coefficient of determination) is 0.625, meaning that variations in taxpayer compliance (Y) can be described by the variables X1, X2, X3 and X4 by 62.5 percent. Meanwhile, the remaining 37.5 percent is explained by other factors not explained in this research.

Hypothesis Test (Simultaneous and Partial Test)

Table 9. Test the hypothesis

Simultaneous F Test		F-Count	Sign.	Information
		90,225	0,000	Influence together
Variable	B	t	Sign.	Information
Taxpayer Understanding	0.168	4,249	0,000	Positive and significant influence
Perception of the Effectiveness of the Tax System	0,053	0,578	0,564	Positive and insignificant effect
Quality of Service	0,192	3,732	0,000	Positive and significant influence
Tax Sanctions	0,371	3,592	0,000	Positive and significant influence

Based on the F test (simultaneous) that has been carried out, it is known that the F-calculated value gives a value of 90.225 with a significance probability of 0.000. At the significance level $\alpha = 0.05$ and $df1 = 4$ (number of independent variables) and $df2 = 210$ ($n-k-1 = 215-4-1 = 210$), the F-table value is 2.41. It is known that the F-calculated value = 90.225 is greater than F-table = 2.41 and the significance value of 0.000 is smaller than $\alpha = 0.05$. So it can be concluded that all the independent variables (X1, X2, X3, and X4) included in the model have a joint influence on the dependent or dependent variable (Y).

The results of the t-test (partial) on taxpayer understanding (X1) have a significance level of 0.000 and a t-count of 4.249. Where the significance value is $0.000 < 0.05$. So it can be decided that H_0 is rejected or H_1 is accepted, which means that variable X1 has a positive and significant influence on Y, and the beta coefficient is 0.168, meaning that for every unit increase in variable XI, Y will increase by 0.168.

The t-test results of the perception of the effectiveness of the tax system (X2) have a significance level of 0.564 and a t-count value of 0.578, a value of $0.564 > 0.05$. So it can be

decided that H2 is rejected or H0 is accepted, which means that variable X2 has a positive and insignificant influence on Y, and the beta coefficient is 0.053, meaning that for every unit increase in variable

The t-test results of service quality (X3) have a significance level of 0.000. Because the value $0.000 < 0.05$, it can be decided that H3 is accepted or H0 is rejected, which means variable X3 has a positive and significant influence on Y, and the beta coefficient is 0.192, meaning that for every unit increase in variable X3, Y will increase by 0.192.

The t-test results of tax sanctions (X4) have a significance level of 0.000. Because the value $0.000 < 0.05$, it can be decided that H4 is accepted or H0 is rejected, which means variable X4 has a positive and significant influence on Y, and the beta coefficient is 0.371, meaning that for every unit increase in variable X4, Y will increase by 0.371.

Taxpayer Understanding of Taxpayer Compliance

The results of the t test prove that the variable taxpayer understanding (X1) has a positive and significant influence on taxpayer compliance (Y), therefore H1, namely taxpayer understanding of tax regulations, has a positive and significant influence on taxpayer compliance. This means that the better a taxpayer's understanding of tax regulations, the higher the level of compliance in fulfilling his tax obligations. This is because someone who understands taxpayers knows their tax obligations, how to fulfill them, and what the consequences are if they do not comply with their tax obligations. Someone who understands taxpayers will realize that taxes are an important source of state income and will also realize that paying taxes is their obligation as an obedient citizen. These findings are in line with the results of research conducted by Bio & Suryadi (2022), which states that understanding taxpayers has a positive and significant effect on taxpayer compliance.

Perception of the effectiveness of the tax system on taxpayer compliance

The results of the t test prove that the variable perception of the effectiveness of the tax system (X2) has a positive and insignificant influence on taxpayer compliance (Y), therefore H2, namely the perception of the effectiveness of the tax system, has a positive and significant influence on taxpayer compliance is rejected. This means that the taxpayer's perception of how effective the current tax system is does not have a significant effect on taxpayer compliance in fulfilling their tax obligations correctly, on time and honestly. This can happen because taxpayer participants have experienced difficulties in fulfilling their tax obligations, or have been disadvantaged by the tax system, so they tend to have a negative perception of the effectiveness of the tax system. These findings are in line with the results of research conducted by Violita (2015) which states that positive perceptions of the effectiveness of the tax system have no effect on the willingness to pay taxes.

Service Quality on Taxpayer Compliance

The results of the t test prove that the service quality variable (X3) has a positive and significant influence on taxpayer compliance (Y), therefore H3, namely service quality has a positive and significant influence on taxpayer compliance, is accepted. This means that the better the quality of service provided by tax officials, the more satisfied taxpayer participants will feel and trust the tax officials so that they will be more compliant in fulfilling their tax obligations. Quality tax services can include the following: 1) Friendly, polite and professional tax officers. 2) The service process is fast, easy and efficient. 3) Complete and accurate information. 4) And able to provide appropriate and satisfactory solutions. So that having quality human resources selected as tax service officers can influence participants' compliance in fulfilling their tax obligations. These findings are in line with the results of research studied by Nafiah et al.

(2021), which states that the quality of tax services has a positive and significant effect on taxpayer compliance.

Tax Sanctions on Taxpayer Compliance

The results of the t test prove that the tax sanctions variable (X4) has a positive and significant influence on taxpayer compliance (Y), therefore H4, namely tax sanctions have a positive and significant effect on taxpayer compliance, is accepted. This means that strict and fair tax sanctions can influence taxpayer compliance in fulfilling their tax obligations correctly, on time and honestly. Taxpayers who are afraid of not fulfilling their tax obligations will be more compliant with regulations in fulfilling their tax obligations. This is because taxpayers feel that they will be subject to heavy sanctions if they do not fulfill their tax obligations, such as administrative sanctions, in the form of interest, fines, and tax increases or even criminal sanctions in the form of imprisonment. These findings are in line with the results of research conducted by Rusyidi & Nurhikmah (2018), which states that tax sanctions have a significant positive effect on the level of taxpayer compliance.

Conclusion

When the data was processed, a sample of 215 MSMEs in KPP Pratama Cilegon was obtained which had various business fields, which concluded that the variables Taxpayer Understanding, Service Quality and Tax Sanctions had a positive and significant influence on Taxpayer Compliance. Meanwhile, the variable Perception of Tax System Effectiveness has a positive and insignificant effect on Taxpayer Compliance.

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