



THE EFFECT OF TAXPAYER AWARENESS ON MOTOR VEHICLE TAXPAYER COMPLIANCE WITH TAX SOCIALIZATION AS A MODERATING VARIABLE

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Abstract

This study aims to find empirical evidence about taxpayer awareness's effect on motor vehicle tax compliance moderated by tax socialization. The population in this study are taxpayers of two-wheeled and four-wheeled motorized vehicles registered at the Bojonegoro SAMSAT Office reported in 2022. The sample used is part of the population. The models obtained were 100 respondents who were calculated using the Slovin formula. The data was collected in this study through surveys and questionnaires distributed to taxpayers at the SAMSAT and Google offices. The analysis technique uses the Structural Equation Modeling (SEM) method with the Partial Least Square (PLS) approach with the SmartPLS 4.0 software application. The results of this study indicate that taxpayer awareness has a significant influence on motor vehicle tax compliance. However, tax socialization weakens taxpayer awareness of taxpayer compliance.

Keywords: taxpayer awareness; tax socialization; taxpayer compliance; vehicle taxation

INTRODUCTION

Taxes are the most significant revenue for local governments. The role of the tax sector in a country is quite substantial, as can be seen from the development of the state budget from the tax sector. Taxes have become a provision from the state for all citizens; taxes are coercive even though tax payments are not directly seen or felt because the tax proceeds will be used for state needs, such as building state facilities for the welfare of society. It allows the economy in a country to determine the amount of tax received by that country. (Sindia and Mawar 2022)

According to Law Number 28 of 2009, there are two types of Regional Taxes: provincial taxes and Regency/Municipal Taxes. One type of tax included in the Provincial Tax is motor vehicle tax. Motor Vehicle Tax is one of the taxes that have a role as part of regional taxes for regional original income.

The agency that handles motor vehicle tax payments is the UPT Regional Revenue Management Agency, which has the authority to collect taxes on all tax objects in its area through the SAMSAT Office in Bojonegoro Regency. SAMSAT cooperates with three agencies, namely the Regional Revenue Service (Dispenda), Jasa Raharja Insurance, and the State Police, tasked with serving and managing tax revenues, especially motor vehicle taxes, contributing to regional original income. This tax is an income that contributes more to a country than other tax sectors. (Meifari 2020)

The phenomenon observed at the Bojonegoro SAMSAT Office is the large number of arrears taxpayers still need to pay. Based on data released by the Bojonegoro SAMSAT Office, the following data on motor vehicle tax arrears from 2019-2022 is as follows:

Table 1. Recap of taxpayers not complying with the payment of Motor Vehicle Tax for 2019-2022

Year	Non-compliant taxpayers	Compliant Taxpayers
2019	45.337	337.124
2020	58.413	322.359
2021	56.391	316.944
2022	56.442	314.895

Source : Bojonegoro SAMSAT Office

Based on the table above, there has been a decrease in the number of taxpayers who comply with paying motor vehicle taxes from 2019-2022. In 2020, motor vehicle taxpayer non-compliance has increased due to the COVID-19 pandemic, forcing taxpayers to choose not to leave their homes for fear of infection and to avoid crowds. In 2022, there are still many non-compliant taxpayers to pay taxes, which causes a decrease in taxpayer compliance to fulfill motor vehicle tax payment obligations.

Taxpayer compliance is the occurrence of taxpayers who fulfill the obligation to pay taxes correctly. Taxpayer compliance is also one of the supports for increasing local revenue (PAD). If economic growth improves, it will be followed by an increase in people's income. (Sulistyowati, et al. 2021). It also affects public awareness of paying taxes; if public awareness is still low, it is necessary to increase the understanding of the taxpayers again. Two factors influence Taxpayer Compliance, namely internal and external; The internal factor that influences this is the awareness of taxpayers about motor vehicle taxes. Taxpayer awareness is when a taxpayer realizes, knows, understands, and implements taxation properly and correctly. (Sulistyowati, et al. 2021).

The external factors that influence taxpayer compliance are tax socialization. Tax socialization is a solution provided by the Director General of Taxes to educate taxpayers about tax aspects, including procedures for making tax payments by written regulations. This research was conducted based on the research gap in previous studies. Research conducted by (Sulistyowati, 2021) explains that Taxpayer awareness significantly affects taxpayer compliance. However, the analysis of (Saragih, Hendrawan, and Susilawati (2019) demonstrated that tax socialization has initiated taxpayer compliance.

This study differs from previous research, which lies in the variables to be studied. This study uses taxpayer awareness as the independent variable and taxation socialization as a moderating variable. The population used differs from previous research, namely all taxpayers of two-wheeled and four-wheeled motorized vehicles registered at the SAMSAT Office in Bojonegoro Regency.

This research aims to know and prove the effect of taxpayer awareness on taxpayer compliance and how tax socialization can strengthen taxpayer awareness of taxpayer compliance.

LITERATURE REVIEW

Attribution Theory

Attribution Theory explains the reasons for the behavior of a person and others and determines whether internal or external sources influence the behavior. The individual controls the inner element, and the exterior is influenced by their environment, which means that someone will act due to their condition or setting, such as the influence of other people. (Fritz Heider, 1958).

Taxpayer Awareness

The taxpayer's awareness is the occurrence of a condition that the taxpayer has to understand the functions and benefits of tax as the primary source of the state and carry out tax obligations voluntarily. Taxpayer awareness means someone who knows, understands, and understands tax methods. Awareness of paying taxes can be interpreted as a form of moral attitude contributing to the state's development improvement. (Permana and Susilowati 2021). Attribution theory is relevant to explain that taxpayer awareness is an internal element of the taxpayer. Taxpayer awareness is also needed to determine whether taxpayers will comply with the tax regulations; this awareness means good faith or discipline in fulfilling the obligation to pay taxes without coercion (Erisfiana et al., 2020). From the explanation above, the following hypotheses can be developed:

H₁: Taxpayer awareness influences motor vehicle tax compliance.

Tax Socialization

Tax socialization attempts to explain, inform, and guide the public and taxpayers. (Nugroho & Kurnia 2020). According to Ardiyanti and Supadmi (2020), tax socialization raises taxpayer awareness of tax payments by understanding information and tax regulations and the flow of implementing tax payments that must be followed to make payments. This study supports research by Hartinah et al. (2022), which states that tax socialization moderates awareness of taxpayer compliance. Based on the explanation above, the research hypotheses that can be proposed are:

H₂: Tax socialization moderates but strengthens taxpayer awareness of motor vehicle tax compliance

RESEARCH METHODS

The research method uses quantitative research methods. This study uses primary data through a site survey. The research subjects used were motorized vehicle taxpayers at the Bojonegoro SAMSAT office.

This study used data collection methods by distributing questionnaires at the Bojonegoro SAMSAT office. The research subjects were 314,895 motor vehicle taxpayers, so the research sample was used, namely the simple random sampling method using the sample size through the Slovin formula so that a selection of 100 respondents was obtained.

The analysis technique used is SEM-PLS with the help of *Smart PLS* software 4.0. The reason researchers use SEM is because PLS can assess research models simultaneously so that they can produce more accurate data results. SEM-PLS can be analyzed as a whole without emphasizing many assumptions. PLS can be used through three stages: outer model analysis, inner model, and hypothesis testing.

RESULT AND DISCUSSION

The data processing technique uses the SEM-PLS (Partial Least Square) method, which requires various stages to know that hypothesis testing has been processed. The following are the results of hypothesis testing, which can be explained below:

A convergent validity test is considered accurate if it has a load factor value of > 0.70 . Suppose the outer model values each variable with a value above 0.70. it is said that the indicator used in this study has reliable criteria and can be applied for continuous analysis.

Table 2 Outer Loading

No	X1	Y	Z
X1.1	0.857		
X1.2	0.892		
X1.3	0.814		
X1.4	0.879		
Y 1		0.912	
Y 2		0.925	
Y 3		0.937	
Y 4		0.851	
Z 1			0.865
Z 2			0.975
Z 3			0.971

Source: Primary data is processed, 2023

The value discriminant validity test used is the cross-loading value with indicators that are stated to be able to fulfill the discriminant validity test has a good category if the cross-loading value is > 0.70 .

Table 3 Cross Loading

	X1	Y	Z
X1.1	0.859	0.376	0.106
X1.2	0.890	0.453	0.139
X1.3	0.817	0.330	0.064
X1.4	0.877	0.395	0.106
Y 1	0.481	0.900	0.115
Y 2	0.422	0.925	0.159
Y 3	0.437	0.932	0.150
Y 4	0.320	0.872	138
Z 1	0.030	0.141	0.925
Z 2	0.171	0.152	0.950
Z 3	0.143	0.149	0.966
Z x X1	0.049	0.074	0.241
Z x X2	0.072	0.350	0.117

Source: Primary data processed, 2023

After conducting the validity test, carry out the reliability test, which can be done in two ways: composite reliability and Cronbach Alpha. The combined reliability value and Cronbach's alpha must be > 0.70 to prove that an indicator meets the reliability test standards.

Table 4 Composite Reliability

	<i>Composite Reliability</i>	<i>Cronbach Alpha</i>
X1	0.920	0.885
Y	0.949	0.928
Z	0.963	0.943

Source: Primary data is processed, 2023

The results of the data processed in the table show that the Composite Reliability and Cronbach Alpha values for the variables as a whole are > 0.7. It can be said that the composite reliability variable and Cronbach alpha are fulfilled.

Furthermore, the outer model criteria have been fulfilled. The next step is testing the structural model (inner model). The following is the R-square value from the table below:

Table 5 R Square (R^2)

	<i>R Square</i>	<i>Adjusted R Square</i>
Y	0.216	0.208

Source: Primary data is processed, 2023

The table above explains that the R-Square results are 0.216 for the taxpayer compliance variable, representing 21.6%.

From previous data processing work, hypothesis testing in this study can be carried out by paying attention to the significance level and the path coefficient between variables. The following is the output of the structural model test results, namely:

Table 6 Path Coeffisiens

	Sample Asli	T-Statistic	P Values
$X_1 > Y$	0.465	7.723	0.000
$Z^* X_1 > Y$	0.153	1.185	0.245

Source: Primary data is processed, 2023

Based on the results of the hypothesis obtained, it is said that the first hypothesis explains that the path coefficient on taxpayer awareness (X_1) is 0.465, and the P value is 0.000. The results of the study can be interpreted as hypothesis 1 being accepted. Taxpayers have awareness and voluntarily comply with and implement tax obligations by the provisions that have been implemented. The results of this study are supported by the research of Permana and Susilowati (2021) and (Sulistiyowati et al., 2021), which reveal that taxpayer awareness positively influences taxpayer compliance.

The results of testing the second hypothesis show that the path coefficient on tax socialization on taxpayer awareness (X_2) is 0.153, and the P value is 0.245. These results concluded that Hypothesis 2 was rejected. Tax socialization moderates but weakens taxpayer awareness of motor vehicle tax compliance. Tax socialization is mainly provided through social media rather than posters or other advertising. As technology develops, some taxpayers, especially those aged, cannot use social media to get information about the latest taxes. The results in this study are supported by Meifari (2020), which reveals that tax socialization moderates but weakens taxpayer awareness of taxpayer compliance.

CONCLUSION

From the explanation above, we conclude that taxpayer awareness significantly affects motor vehicle taxpayer compliance. It is further emphasized that a High level of awareness will upgrade the attitude of obedience to taxation. Vice versa, if the taxpayer does not have conscious initiative and lacks an understanding of taxation, it can hinder compliance.

Tax socialization moderates but weakens taxpayer awareness of taxpayer compliance. Tax socialization at the Bojonegoro SAMSAT Office has rarely been carried out in the last few years. So far, tax socialization uses online methods through social media such as Instagram, Facebook, or WhatsApp. It

weakens because not all taxpayers can use social media to view or read advertisements contained on these social media.

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