



Taxpayer Compliance Through Knowledge of Taxation and E-Commerce Tax Regulation Post Covid-19

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ABSTRACT

Covid-19 has had a real impact on business actors who use the digital world as a place to do business, namely e-commerce. There are many high-income companies, where the government issues regulations regarding e-commerce taxes, but it is not proportional to the amount of tax received by the government. This study aims to empirically prove the effect of tax knowledge and E-commerce tax regulations on taxpayer compliance in Majalengka Regency. This research is a quantitative research using primary data with data collection techniques using questionnaires that are measured using a Likert scale. The population of this research is individual taxpayers who do e-commerce business, totaling 78 people. The sampling technique in this study used purposive sampling with a total of 78 respondents. The data analysis technique used is multiple regression analysis technique with SPSS version 21. The research findings show that tax knowledge has no effect on taxpayer compliance at KP2KP Majalengka. E-commerce tax regulations have a positive and significant effect on taxpayer compliance. Limitations of research provide initial and descriptive analysis. Further analysis is needed to better identify causality and co-factors. Practical implications for research Knowledge of taxation and post-Covid-19 tax regulations is very sensitive to the needs of taxpayers. The originality of the research uses an original data set that produces new data that explains how the pandemic has affected the needs of taxpayers. It focuses on Majalengka Regency, West Java Province, an area that has been particularly hard hit by having a large number of taxpayer needs.

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1. INTRODUCTION

After the outbreak of the Covid-19 virus, Indonesia underwent many change (Caraka et al., 2020). Business actors face many challenges, such as logistical disruptions, labor mobility regulations, and decreased market demand during the pandemic (Dai, 2020).

Considering the impact of COVID-19, the concept of digital transformation is categorized as business evolution expressing that transformation is not limited to only technical changes, but also includes changing business patterns and structure thinking, while ensuring the training and development of employees for their capacity to master new technological interventions. (HSU E.L., 2019) and (FISKE S.J., 2019) argue for a conceptual consideration of the temporal aspect of disasters and advocate greater academic and public policy attention to slowly occurring disasters. The Covid-19

pandemic boosts the discussion, as it presents many specificities that are questioning the traditional way of classifying disasters in terms of time, geographic scope, phasing and positioning (YAMORI K., 2021). In addition, other sectors such as taxes are one of the largest sources of cash receipts in Indonesia which are directly affected (Arnold, 2012). Taxes have an important role to finance all the country's development which aims to improve people's welfare, therefore the government always tries every year to increase tax revenues to be able to finance the development that will be carried out by the government. The greater the tax revenue, the greater the State's ability to finance State development (Besley & Persson, 2009).

In 2018 the Directorate General of Taxes recorded tax revenue of IDR 1,315.9 trillion, then in 2019 it experienced an increase in tax revenue of IDR 1,545.3 trillion. In 2020 the Directorate General of Taxes recorded that until the end of last June, tax revenues amounted to IDR 531.7 trillion (LESTARI et al., n.d.).

Table 1. WPOP Compliance Level at KPP Pratama Kuningan 2015-2019 year

Tax Receipt Year	Amount of Tax Revenue
2018 tax receipts	IDR 1,315.9 trillion
2019 tax receipts	IDR 1,545.3 trillion
Tax Realization until the end of June 2020	IDR 531.7 trillion

Source: www.kemenkeu.go.id & www.idxchannel.com (2021)

In 2019, in research conducted by the Central Bureau of Statistics (BPS), out of a sample of 3,504 MSMEs in Indonesia, 15.8% or as many as 526 MSMEs have become e-commerce. In 2020, Bank Indonesia recorded that the number of E-commerce transactions from January 2020 to August 2020 was recorded at IDR 157.31 trillion. From the number of transactions e-commerce should be able to contribute to state tax revenues (Agrawal & Fox, 2017). The size of tax revenue is influenced by taxpayer compliance (Nkundabanyanga et al., 2017). According to (Palil Mohd Rizal, 2013) tax compliance is an action in which taxpayers fulfill their tax obligations and exercise their tax rights. Meanwhile, according to (Surya Manurung, 2013) tax compliance is reporting income in accordance with tax regulations, reporting SPT (notification) in a timely manner and paying taxes on time as well. The success of a country's tax revenue depends on the government's efforts to increase taxpayer compliance and suppress tax manipulation actions that can harm the nation and state (Fjeldstad & Rakner, 2003). One of the factors to encourage taxpayer compliance is knowledge of taxation and tax regulations or rules (Oladipupo & Obazee, 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). The success of a country's tax revenue depends on the government's efforts to increase taxpayer compliance and suppress tax manipulation actions that can harm the nation and state. One of the factors to encourage taxpayer compliance is knowledge of taxation and tax regulations or rules. 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)).

According to KBBi regulation in government, namely usually regulation means delegated statutory provisions designed by problem experts to enforce the main regulations (Isdiyanto, 2019). So the E-commerce tax regulations are regulations designed by experts in enforcing the main regulations of the tax system for electronic or E-commerce transactions (Hermawan & Sinaga, 2020). In research conducted by (Wijayanti, 2020) resulted in a conclusion that knowledge of taxation and E-commerce tax regulations on E-commerce taxpayer compliance can simultaneously be influenced by the role of the audit committee.

Knowledge of taxation is important to foster compliance behavior because how is it possible for taxpayers who do not know the regulations set by the Directorate General of Taxes (DGT) to be told to comply as a taxpayer. In order to increase tax knowledge, it is better if education about taxes is carried out early on, as well as holding socialization or counseling about taxes carried out by tax

officials to students or students as potential taxpayers to better understand and increase their tax knowledge (Rahmawati, 2014). Tax regulation is also an important factor because the more taxpayers know about tax regulations in Indonesia, the more taxpayers will comply in carrying out tax regulations determined by the state (Fauziati et al., 2020).

2. RESEARCH METHOD

The method used in this research is a type of survey research using a descriptive verification approach (Yazan, 2015). The descriptive method is a research method that describes the research object at the current state based on the facts as they are, then analyzed and interpreted, the form is in the form of surveys and development studies (Siregar, 2015: 16). Meanwhile, the verification method is a research method to test the truth of a hypothesis through certain statistical tests according to the research data collected (Sudirno, 2018: 2). Variable of independent is tax knowledge and E-Commerce Tax regulation, According to Rahmawati in Ajeng 2020, in order to increase tax knowledge, education about taxes should be carried out from an early age, as well as holding socialization or counseling about taxes carried out by tax officials to students or students as potential taxpayers to better understand and increase their knowledge of taxation. E-commerce tax regulations are regulations created or drafted by the government to control or enforce E-commerce tax regulations (Cockfield, 2005).

Online retail E-commerce tax is one of the four business models subject to E-commerce tax. This is in accordance with the Circular of the Director General of Taxes Number SE/62/PJ/2013 concerning Affirmation of Tax Provisions on E-commerce Transactions (Rizkyana et al., 2020). And Regulation number 48/PMK.03/2020 concerning procedures for appointing collectors, collection and deposit, as well as reporting value added tax on the utilization of intangible taxable goods and/or taxable services from outside the customs area within the customs area through trade through electronic system. Where in the regulation clearly explains the subject and object of tax included in the regulation of the minister of finance number 48 (Thuronyi & Brooks, 2016). Variable dependent of Taxpayer compliance, according to Machfud Sidik in Siti Kurnia Rahayu (2010: 19), suggests that compliance with voluntary tax compliance is the backbone of the self-assessment system, where the taxpayer is responsible for establishing his own tax obligations and then accurately and timely pay and report the tax.

The population in this study were individual taxpayers registered at the Majalengka Micro Piloting Tax Service Office. This study used purposive sampling, namely determining the sample with certain considerations (Apostolopoulos & Liargovas, 2016). The criteria for selecting the sample are as follows:

1. Have a NPWP
2. The required data is available

In this study the researchers limited the number of samples to only 100.

3. RESULTS AND DISCUSSIONS

Sub section 1

Table 2. Results of Multiple Regression Analysis

Model	Unstandardized Coefficients		Standardized Coefficients	Sig.	Correlations			Collinearity Statistics		
	B	Std. Error			Beta	Zero-order	Partial	Part	Tolerance	VIP
(Constant) Pengetahuan Pajak Regulasi Pajak e-commerce	12,519	2,379		5,262	,000					
	0,28	0,97	,030	,287	,775	,142	,033	,029	,947	1,056

	5,70	1,21	,486	4,711	,00 0	,493	,478	473	,947	1,05 6
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Source: SPSS Outputs, 2021

a. Dependent Variable: Kepatuhan Wajib pajak

Based on table 2. the results of the multiple linear regression test above, the regression formula equation is obtained as follows:

$$Y = 12.519 + 0.028 X_1 + 0.570 X_2 + e$$

From these equations can be described as follows:

- The value of the constant (a) is 12,519, which means that if the independent variable Knowledge of Taxation (X₁), E-commerce Tax Regulations (X₂) is zero, then Taxpayer Compliance (Y) is 12,519.
- The regression coefficient value of the Tax Knowledge variable is 0.028, a positive sign meaning that every increase in Tax Knowledge will increase Taxpayer Compliance. Conversely, any decrease in the tax knowledge variable will decrease the taxpayer compliance variable. Assuming other variables are considered constant (value 0).
- The regression coefficient value of the E-commerce Tax Regulation variable is 0.570, a positive sign meaning that every increase in E-commerce Tax Regulations will increase Taxpayer Compliance. Conversely, every decrease in the E-commerce tax regulation variable will reduce the taxpayer compliance variable. Assuming other variables are considered constant (value 0).
- The residual value (e) means the error that predicts the sample data made by the researcher.

Determination Coefficient Test (R₂)

Based on table 4.18 above, to calculate the contribution of Tax Knowledge in partially influencing Taxpayer Compliance, the following formula is used:

$$\begin{aligned} KD &= r^2 \times 100\% \\ &= (0.142)^2 \times 100\% \\ &= 0.020 \times 100\% \\ &= 2\% \end{aligned}$$

Based on the calculation above, it can be seen that the contribution of Tax Knowledge to Taxpayer Compliance is 2.02%.

Based on table 4.18 above, to calculate the contribution of E-commerce Tax Regulations in partially influencing Taxpayer Compliance, the following formula is used:

$$\begin{aligned} KD &= r^2 \times 100\% \\ &= (0.493)^2 \times 100\% \\ &= 0.243 \times 100\% \\ &= 24.30\% \end{aligned}$$

E-commerce Tax Regulations to Taxpayer Compliance is 24.3 %

Hypothesis testing

Partial Test

Based on the results of the t test in table 6 it is known that the effect of the independent variable on the dependent variable can be explained as follows:

Based on the table above, the tcount of the Tax Knowledge variable (X₁) is 0.287. With a significance value of 0.775. Because the value of t count < t table is 0.287 < 1.665 and the significance is 0.775 > 0.05 then H₀ is accepted. This means that Tax Knowledge has no effect on Taxpayer Compliance.

Based on table 4.19 that the tcount on the E-commerce Tax Regulation variable (X₂) is 4.711. With a significance value of 0.000. Because the t count > t table is 4.771 > 1.665 and the significance is 0.000 < 0.05, then H₀ is rejected. This means that E-commerce tax regulations have a significant effect on Taxpayer Compliance.

Table 3.
Partial Test Results

No	Variabel	t _{hitung}	t _{tabel}	Signifikansi
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1	Tax Knowledge	0,287	1,665	0,775
2	E-Commerce Tax Regulations	4,711	1,665	0,000

Source: Processed primary data, 2021

Sub section 2

The Effect of Tax Knowledge on Taxpayer Compliance

Based on the analysis, it can be seen that the tcount value for the tax knowledge variable is 0.287 with a significance value of 0.775, meaning that the t count < t table is 1.665 and the significance is 0.000 > 0.05, so H_0 is rejected. This means that Tax Knowledge has no effect on Taxpayer Compliance.

This research is not in line with the theory which states that Rahayu, Nurulita (2017) in her research produced tax knowledge that had a positive effect on taxpayer compliance. Rahayu stated that the higher the knowledge of taxation, the higher the level of willingness to submit timely notification letters so that it will increase taxpayer compliance.

A tax system that adheres to a self-assessment system that requires taxpayers to have knowledge of regulations, calculations, and tax reporting. By having this knowledge, it will be easier for taxpayers to carry out their obligations as taxpayers and for taxpayers to know the function of taxes in state development. The lack of taxation control owned by taxpayers causes a low level of taxpayer compliance. By having this knowledge, it will be easier for taxpayers to carry out their obligations as taxpayers and for taxpayers to know the function of taxes in state development. By having this knowledge, it will be easier for taxpayers to carry out their obligations as taxpayers and for taxpayers to know the function of taxes in state development. However, in KP2KP Majalengka there are still many taxpayers who do not know about taxation, both regarding general tax provisions and others. The lack of taxation control owned by taxpayers causes a low level of taxpayer compliance. Therefore, the importance of outreach and counseling conducted by the Directorate General of Taxes is to provide the latest information regarding changes to tax regulations.

E-commerce Tax Regulations on Taxpayer Compliance

Based on the analysis, it can be seen that the tcount value for the tax knowledge variable is 4.711 with a significance value of 0.000, meaning that the t count > t table is 1.665 and the significance is 0.775 > 0.05. then H_0 is accepted. This means that E-commerce tax regulations affect Taxpayer Compliance.

This research is in line with the results of research conducted by Wijayanti, A. and Andhika, R. (2020) in their research stating that E-commerce tax regulations affect taxpayer compliance.

This shows that the more taxpayers know about tax regulations in Indonesia, the more taxpayers will comply in carrying out tax regulations, especially e-commerce taxation. At KP2KP Majalengka itself, many taxpayers are starting to know and understand tax regulations or rules. This is expected to increase taxpayer compliance in Majalengka Regency, especially taxpayers in the e-commerce sector.

4. CONCLUSION

This study aims to determine that knowledge of taxation and tax regulation has a positive and significant effect on taxpayer compliance. Respondents in this study amounted to 78 individual taxpayers. Based on the analysis and interpretation in this study, the researchers concluded the results of this study as follows. Tax knowledge has no significant effect on taxpayer compliance at KP2KP Majalengka. This means that the better or not knowledge of taxation will not affect the level of taxpayer compliance. This is due to the lack of awareness of taxpayers to pay tax obligations. This also causes a low level of taxpayer compliance in paying their tax obligations. *E-commerce* tax regulations have a significant and significant effect on taxpayer compliance. Tax regulations have a positive and significant effect because the more taxpayers know about tax regulations or rules in Indonesia, the more taxpayers will comply in carrying out their obligations as taxpayers. Especially e-commerce taxation. Based on the results of the research and discussion in the previous chapter, the suggestions that can be given in this study are as follows. For DGT, to provide socialization and conduct evaluations and input that can be useful regarding how the level of tax services for *E-commerce taxpayers* has been carried out. For e-commerce taxpayers, it is hoped that they can increase compliance and awareness

of taxation in Indonesia, especially for taxation in the e-commerce sector. For further research, the authors hope to increase the number of variables that will affect taxpayer compliance, for example, such as tax sanctions, tax socialization and others. The next researcher uses simultaneous testing to find out how these variables affect together, and can increase the number of samples studied.

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