

## Factors Affecting Motor Vehicle Taxpayer Compliance

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### Abstract:

#### Purpose:

Tax is the most significant source of revenue for a country, especially Indonesia. Achieving the level of taxpayer compliance and maintaining the level of compliance is a matter of concern in both developed and developing countries. This study aims to determine the effect of service quality, religiosity, and subjective norms on individual taxpayer compliance at the Joint Samsat Office, Tabanan City.

#### Methodology:

The data analysis method used is multiple linear regression. This type of research is research with primary data obtained from the answers of individual taxpayers registered at the Joint Samsat Office in Tabanan City, namely answers to a series of questions from a questionnaire posed by researchers regarding the factors that influence taxpayer compliance. The sample was determined using nonprobability sampling with an accidental sampling technique.

#### Findings:

The results of this study indicate that good service quality, intense religiosity, and high subjective norms significantly affect individual taxpayer compliance registered with the Joint Samsat Office, Tabanan City.

#### Implication:

This research can motivate the Tabanan City Samsat Joint Office to maintain good service quality for the satisfaction and comfort of taxpayers in carrying out their tax obligations.

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## INTRODUCTION

Tax is a wealth that has the potential to be owned by each region. Almost all regions in Indonesia explore their potential regional income by collecting taxes (Stevanović, 2016). Based on the description above, taxes, as the primary source of state revenue from people's contributions, have an essential role in terms of development and development of regional potential (Leonard et al., 2019).

Motor Vehicle Tax as a source of state revenue has a budgetary and regulatory function. Sri Mulyani, in a press release commemorating Tax Day 2018, stated that the Motor vehicle tax, as the backbone of the state, has an essential function in maintaining the country's balance (Johansson & Siverbo, 2014). The critical role of motorized vehicle tax in maintaining the balance of the state can be shown by the enormous contribution of motorized vehicle tax to state revenue. However, the contribution of motor vehicle taxes to state revenue in 2019 decreased by 1.85 percent, from 1285.0 trillion rupiah to 1125.1 trillion rupiah. It needs to be questioned, considering that the increase in the number of taxpayers is ideally in line with the increasing population of Indonesia from year to year (Darma & Saputra, 2021).

Tax compliance is when taxpayers are willing to fulfill their tax obligations according to applicable regulations (Iqbal & Sholihin, 2019). Taxpayer compliance is essential because it affects the determination of the state budget. Achieving the level of tax compliance and maintaining the current level of compliance is an issue of concern to policymakers in both developed and developing countries (Yusuf et al., 2018). Based on the previous description, it can be seen that there are problems with taxpayer compliance, especially for taxpayers who are registered at the Joint Samsat Office in Tabanan City. Taxpayer compliance that does not increase will threaten the government's efforts to improve people's welfare (Oktaviani et al., 2018).

The level of compliance of individual taxpayers in fulfilling their tax obligations is influenced by internal and external factors (Prihandani & Saputra, 2019). Based on the theory of attribution, internal factors are factors that originate from the taxpayer himself and are related to individual characteristics in carrying out their tax obligations, including belief in God or the religiosity of the taxpayer, which can determine tax compliance (Prihandani & Saputra, 2019). At the same time, external factors come from outside the taxpayer, such as the situation and the environment around the taxpayer, such as the quality of service and encouragement from the surrounding environment (Larasdiputra & Saputra, 2021).

Tax authorities must raise the standard of tax services if they want to see an improvement in taxpayer compliance. Taxpayer compliance is influenced by the quality of service provided by the government. Another factor besides service quality (Warsame & Ileri, 2016), which also influences taxpayer compliance, is religiosity. Religiosity is the belief that the taxpayer has towards God. It means violating tax regulations is the same as violating an order from God (Zhu et al., 2023).

The level of taxpayer compliance can also be influenced by other factors, one of which is subjective norms. Subjective norms are a person's beliefs about what to do according to other people's thoughts and their motivation to meet these expectations (Iqbal & Sholihin, 2019). Usually, people will consider other people's expectations, including those closest to them, to do something (Putri & Saputra, 2022).

Tabanan Regency will focus on research related to taxpayer compliance registered at the Tabanan City Samsat Joint Office. As initial information, the level of compliance of individual taxpayers in Tabanan Regency can be seen through the level of attainment of individual taxpayer reporting at the Joint Office of the Samsat City of Tabanan (Sari et al., 2015).

The level of compliance with Annual SPT reporting for individual taxpayers at the Tabanan City Joint Samsat Office from 2018 to 2020 shows a downward trend of up to 51.43 percent. It shows that almost only a portion of the compelling individual taxpayers submit Annual SPT. In 2021, taxpayer compliance has increased slightly to 56.76 percent. However, the decline occurred again in 2022 to 48.68 percent. For this reason, it is necessary to investigate further the causes of the decrease in taxpayer compliance at the Tabanan City Samsat Joint Office.

**Service Quality.** According to Warsame and Ileri (2016), service quality measures how well the level of service provided can match customer expectations. According to Al-Mohammad et al. (2014), quality service is a service that can provide satisfaction to customers and remains within the limits of meeting accountable service standards.

**Religiosity.** Religiosity, by definition, is the extent to which individuals are committed to their religion and faith and apply their teachings so that individual attitudes and behavior reflect this commitment. Research by Forman-Rabinovici and Sommer (2018) reveals that the Interpersonal Religiosity component has a significant effect on Voluntary Tax Compliance, while the Intrapersonal Religiosity component has no significant effect on Voluntary Tax Compliance (Saputra & Sanjaya, 2019).

**Subjective Norm.** This aspect is especially true for social pressure that is felt to come from people essential to someone. According to Putra and Nurdin (2013), subjective norms are a person's feelings or predictions of the expectations of people in his life about whether or not certain behaviors are performed (Röttger et al., 2017).

**Mandatory Compliance Personal Tax i.** Compliance is obedient, submissive, and obedient to teachings or rules (Prihandani & Saputra, 2019). Compliance is a person's behavior following the explicit rules of an agreement (Rossouw & Vuuren, 2003). The term "compliance" is generally applied in comparing behavior with specific provisions of an agreement, limiting the spirit of the agreement and principles, implicit international norms, informal agreements, and even tacit agreements (Harelimana, 2017).

## METHODS

A research location is a place or area where the research will be carried out. The research location in this study was conducted on taxpayers registered at the Tabanan Regency Pratama Tax Office. The population in this study is the total number of compelling individual taxpayers registered at the Tabanan City Samsat Joint Office, totaling 93,198 WPOP people. Based on Slovin's calculations, the sample in this study was 100 samples of individual taxpayers at the Joint Samsat Office in Tabanan City. The type of data used in this research is quantitative data. Sources of data obtained by this study are primary and secondary data. All data obtained from the

questionnaire distribution is feasible and then analyzed using multiple linear regression hypothesis testing (Saputra et al., 2019).

## RESULTS AND DISCUSSION

Kolmogorov-Smirnov's value is 0.579, which is greater than 0.05, indicating that the data used in this study is usually distributed. Based on the multicollinearity test, it is shown that the independent variables have a tolerance value of more than 0.10, and also, independent variables have VIF values of less than 10. Therefore, the regression model is free from multicollinearity symptoms. Based on the heteroscedasticity test, it was shown that each model had a significance value greater than 0.05. The results of this study indicate that there is no heteroscedasticity. Regression analysis results with the Statistical Package of Social Science (SPSS) program can be seen in Table 1 below:

Table 1. Multiple Linear Regression Results

NO.	Variable	Unstandardized Coefficients		Standardized Coefficients	t	Significance
		B	std. error	Betas		
1.	(Constant)	-2,462	2,511		-0.980	0.329
2.	Service quality	0.261	0.038	0.539	6,863	0.000
3.	Religiosity	0.308	0.108	0.228	2,836	0.006
4.	Subjective Norm	0.343	0.137	0.180	2,512	0.014
5.	Adjusted R Square			0.527		
6.	F Count			47,697		
7.	Significance of F			0.000		

Source: Processed data (2023)

Based on Table 1, the multiple linear regression equation shows the direction of each independent variable to the dependent variable. The multiple linear regression equation can be described as follows: A constant value of -2,462 indicates that if service quality (X 1), religiosity (X 2), and subjective norms (X 3) are zero, then taxpayer compliance (Y) will be less than zero. It shows that individual taxpayers at the Joint Samsat Office in Tabanan City tend to be disobedient when there is no quality of service, religiosity, and subjective norms. The value of the Regression Coefficient of the service quality variable is 0.261. It means that the quality of service is increasing, and taxpayer compliance in paying taxes is increasing. The value of the Regression Coefficient of the religiosity variable is 0.308. It means that religiosity increases, so taxpayer compliance in paying taxes increases. The coefficient value of the subjective norm variable is 0.343. It means that the subjective norms are increasing, and taxpayer compliance in paying taxes is increasing.

**Effect of Service Quality on Taxpayer Compliance.** Attribution theory states that determining the level of compliance can be influenced by external factors. These external factors come from outside the taxpayer, such as the situation and the surrounding environment, which is the quality of service provided by the Joint Samsat Office, Tabanan City (Warsame & Ileri, 2016). In addition, the Theory of Planned Behavior, which forms the basis of the research hypothesis, states that one's intention determines individual behavior to comply with tax provisions. This intention arises from within the taxpayer, which can determine someone's behavior (Prihandani & Saputra, 2019).

The quality of service from the Joint Samsat Office in Tabanan City can be seen from the condition of the building, available technology and facilities, and services from the tax authorities. Adequate and comfortable room conditions can give the impression of being comfortable and not bored when waiting your turn (Sara & Saputra, 2021). Likewise, excellent and friendly service from the tax authorities in providing explanations or answering questions from taxpayers can provide satisfaction and understanding for taxpayers (Larasdiputra & Saputra, 2021). The results of previous research, which stated that service quality positively affects individual taxpayer compliance, have been proven by several previous researchers (Prihandani & Saputra, 2019).

**The Effect of Religiosity on Taxpayer Compliance.** Religiosity is the belief that the taxpayer has towards God. It means violating tax regulations is the same as violating an order from God (Pamungkas, 2014). In attribution theory, religiosity includes external factors in the form of taxpayer perceptions in making assessments of taxpayer compliance behavior in carrying out tax obligations (Warsame & Ileri, 2016). The theory of Planned Behavior also underlies that individual behavior to comply with tax provisions is determined by the individual's intention (Ajzen, 2002).

A strong level of religiosity can prevent someone from deviating from the established provisions. In terms of taxation, if an individual has a high level of religiosity, the individual will feel afraid of committing fraud or avoiding obligations that should be carried out because he believes that whatever he does is always under the supervision of God Almighty (Saputra et al., 2022).

This study's results align with the research conducted by Forman-Rabinovici and Sommer (2018), which states that the level of taxpayer religiosity positively affects taxpayer compliance. It means that religiosity has an attachment to taxpayer compliance, where religion certainly has the same goal of controlling positive behavior and preventing negative behavior (Rodríguez-Antón et al., 2012). Religion provides internal control for self-monitoring in following the prevailing norms (Just et al., 2014).

**Effect of Subjective Norms on Taxpayer Compliance.** The theory of Planned Behavior, which forms the basis of the research hypothesis, states that one's intention determines individual behavior to comply with tax provisions (Röttger et al., 2017). This intention arises from within the taxpayer, influenced by behavioral, normative, and control beliefs. In other words, subjective norms significantly increase individual taxpayer compliance in paying their tax obligations (Han & Yoon, 2015; Maichum et al., 2016).

Someone's behavior cannot be separated from the decision-making process. Decisions taken by someone are made based on their considerations or those of other people who are considered essential (Rodríguez-Antón et al., 2012; Sorin & Carmen, 2012). This study's results are consistent with several previous similar studies. Khalid et al. (2021), in their research on individual taxpayer compliance, gave the result that subjective norms significantly affect taxpayer compliance.

## CONCLUSION

Based on the results of data analysis and discussion, the conclusions obtained from the research results are as follows:

1. Service quality positively affects individual taxpayer compliance registered at the Tabanan City Samsat Joint Office.
2. Religiosity positively affects individual taxpayer compliance registered at the Tabanan City Samsat Joint Office.
3. Subjective norms positively affect individual taxpayer compliance registered at the Joint Samsat Office in Tabanan City.

### Research Advice.

1. The Tabanan City Samsat, Joint Office officers are expected to provide individual attention to taxpayers regarding the obligation to pay motor vehicle tax.
2. Strengthening the religiosity of taxpayers can be done through the active contribution of taxpayers to religious activities.
3. The role of tax consultants in encouraging taxpayers to fulfill their tax obligations still needs to be improved.
4. Low taxpayer compliance, one of which stems from a low understanding of tax laws. Thus, the Tabanan City Samsat Joint Office needs to carry out socialization regarding the tax law.

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