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Taxpayer Compliance: The Role of Taxation Digitalization System and Technology Acceptance Model (TAM) with Internet Understanding as a Mediating Variable

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A R T I C L E I N F O

A B S T R A C T

This study aims to determine the correlation of the technology acceptance model and digital taxation on taxpayer compliance, with Internet understanding as a mediating variable. The method used in this study is multiple regression analysis with moderating calculations using the interaction method. Process data using the Smart PLS application. The sample in this study consisted of 62 individual taxpayers who had NPWP registered at KPP Pratama Cikarang Selatan. The results of this study indicate that, first, the tax digitization system has a positive but insignificant effect on taxpayer compliance. Second, the Tax Digitization System positively and significantly influences the Internet Understanding of Mediation Variables. Third, the technology acceptance model (TAM) positively and significantly influences taxpayer compliance. Fourth, the Technology Acceptance Model (TAM) has a negative and not significant effect on the Internet Understanding of Mediation variables. Fifth, Internet comprehension has a positive and insignificant influence on taxpayer compliance.

INTRODUCTION

Indonesia's economy is very dependent on tax revenue. The existence of taxes in Indonesia affects state cash receipts, which have a very important role in supporting the country's economy and are used for state financing, building infrastructure, and other state interests with the aim of improving public welfare. The increasing tax revenue target causes taxes to be in the top position as a source of state revenue (Jihin et al., 2021).

In this case, the government, in accordance with its functions, is obliged to carry out guidance, services, supervision, and the application of tax sanctions on the implementation of tax obligations by taxpayers based on the provisions outlined in the tax legislation. The self-assessment system allows taxpayers the potential to not carry out their tax obligations properly as a result of negligence, intentionality, or perhaps ignorance of their tax obligations. Therefore, it is necessary for the tax authorities to have an active role in carrying out the functions of guidance and supervision (Sari, 2014).

Efforts to increase tax revenue at this time are still faced with the not-optimal role of the community in fulfilling its obligations to the state. In this case, the Directorate General of Taxes took the initiative to continue to innovate in increasing state tax revenues, in addition to continuing to carry out tax reform so that the number of taxpayers increases and it is easier for taxpayers to make payments and report their taxes.

Taxpayer compliance is one of the keys to ensuring the government's success in collecting tax revenue so that it can be used to sustain development financing. Unfortunately, the level of public compliance with paying taxes is still low, as evidenced by the annual tax returns submitted by taxpayers at tax offices throughout Indonesia. The submission of the reporting of taxpayers' annual tax returns for the 2020 tax year is still below the target. Both for individual taxpayers and corporate taxpayers. For this reason, the authority has set a strategy so that taxpayers are more compliant.

The Directorate General of Taxes of the Ministry of Finance noted that as of March 31, 2021, there were 11,277,713 annual tax returns for 2020 that had been reported. In detail, this number came from individual taxpayers totaling 10,958,636 and corporate taxpayers totaling 319,077. This achievement is still below the Directorate General of Taxes' target of 15 million reported 2020 annual tax returns. Because the Directorate General of Taxes targets the formal compliance ratio to be at the level of 80% of a total of 19 million registered taxpayers, This means that the compliance rate until the end of last month was only 59.3% (kontan.co.id, 2021).

One of the problems that hinders tax collection is taxpayer compliance. Taxpayer compliance is the attitude of a taxpayer toward carrying out tax obligations. Tax compliance: according to the Minister of Finance Regulation (74/PMK.03/2012) article 2, to be designated as a taxpayer with certain criteria, taxpayers must meet the requirements, namely: (1) being on time in submitting tax returns; (2) having no tax arrears; (3) having financial statements audited by a public accountant or government financial supervision institution; and (4)

having never been convicted of committing a criminal offense in the field of taxation (Alamri and Widyatama, 2019).

The main cause of non-compliance behavior in carrying out tax obligations is due to the community or taxpayers having difficulty understanding tax administration. The demand for increased tax revenue, increased awareness and compliance among taxpayers, and the need for improvements and fundamental changes in all aspects of taxation are the main reasons for tax reform. The tax reform is in the form of improvements to tax policy and improvements to the tax administration system, so its application is expected to increase taxpayer compliance. The concept of tax digitalization is, in principle, an administrative system pattern that can change the mindset and behavior of the apparatus and the values adopted by the organization so that it is expected to make the Directorate General of Taxes a professional institution and have a good image in the community (Sari, 2014).

The concept of digitalizing taxation by using information technology based on the current e-system, such as e-billing, e-filing, and e-registration, is expected to improve a more effective control mechanism supported by the implementation of the Directorate General of Taxes employee code of ethics that regulates employee behavior in carrying out their duties. The purpose of updating the tax system with the addition of the e-system is expected to increase tax compliance, increase tax payment compliance, and increase public confidence in tax administration in Indonesia. Meanwhile, the purpose of using information technology in taxation is to save time, be easy, and be accurate. With the digitalization of taxation, it is hoped that it can make it easier for taxpayers to make reports, so as to increase the level of taxpayer compliance in reporting and paying taxes (Alamri and Widyatama, 2019)

The Directorate General of Taxes recorded the reporting of taxpayers' annual tax returns (SPT) of $11.3 million as of March 31, 2021. This number of reports increased by 26.6%, or 2.4 million tax returns, when compared to 2020, which collected 8.9 million tax returns. This increase came from the number of electronic tax return reports through e-Filing, e-Form, and e-SPT, which also grew by 26.1%, or 2.2 million more tax returns, than the previous year, which collected 8.6 million tax returns (cnnindonesia.com, 2021).

Judging from the data above, it can be concluded that tax digitalization can increase taxpayer compliance in submitting tax return reporting. Through the Tax Digitalization System, taxpayers are expected to be able to increase their level of compliance in registering themselves, compliance with re-depositing notification letters (SPT), and compliance in calculating and paying arrears (Anjelika, 2020).

According to the results of previous research (Tambun et al., 2020a), it is concluded that the Tax Administration Digitalization System has a significant effect on taxpayer compliance. The results of Rachmawati, Sunarto, and Nur's research (2018) also state that the results of the study support social learning theory and are in line with the research of Andika and Yasa (2020), which states that the application of the e-filing system has a positive and significant effect on taxpayer compliance.

The implementation of e-filing is one of the steps to digitize the tax system in Indonesia, which is expected to provide excellent service to the public so that it can change the behavior and compliance of taxpayers in paying taxes. Satisfied taxpayers will be able to change their behavior in paying taxes, and ultimately the level of taxpayer compliance can also change. Research on taxpayer compliance can use the perceived usefulness and perceived ease variables based on the Technology Acceptance Model framework (Alamri and Widyatama, 2019).

The technology acceptance model is one of the models commonly used to analyze factors that affect whether or not an information system is accepted. The TAM aims to explain and estimate the level of user acceptance of information, besides that TAM also provides a theoretical basis for knowing the factors that influence acceptance of a technology, and explains the causal relationship between beliefs and behavior, goals / needs, and users / users of an information system. The high use of information systems indicates that an information system is useful and easy to use (Tambun et al., 2020a).

The technology acceptance model is one of the theories about the use of information technology systems that are considered very influential and is generally used to explain individual acceptance of the use of information technology systems. This theory also shows that people often act based on their perceptions of what others think they should do. TAM theorizes that a person's intention to use a system or technology is determined by two factors: perceived usefulness and the level of user confidence that by using an item, it will be able to improve the user's performance. Meanwhile, perceived ease of use is defined as the level of user confidence that the system can be used easily and can be learned (Andika & Yasa, 2020).

Research, according to Anjelika (2020), on the Effect of the Technology Acceptance Model and Digital Taxation on Taxpayer Compliance with Internet Understanding states that the effect of the technology acceptance model has no significant effect on taxpayer compliance. According to Tambun, Sitorus, and Pramudya (2020b), TAM (perceived usefulness and perceived ease) affects taxpayer compliance through e-filing users.

The inconsistency in the results of previous studies is also the basis for proposing this research. The phenomenon gap and the research gap that is inconsistent and supported by the theories that have been stated above are the basis and background for the submission of this research. Based on the above background, researchers will test and find evidence regarding the application of the Tax Digitalization System and the Technology Acceptance Model (TAM) to taxpayer compliance. The purpose of this study is to determine the relationship between the digitization of the tax system and the level of taxpayer compliance, the relationship between the use of the technology acceptance model and the level of taxpayer compliance, the relationship between the tax digitalization system and the mediating variable of internet understanding, the effect of the technology acceptance model (TAM) on the mediating variable of internet understanding, and the effect of the mediating variable of internet

understanding on taxpayer compliance from the theory of planned behavior perspective.

THEORETICAL REVIEW

The Theory of Planned Behavior was originally derived from the Theory of Reasoned Action. The Theory of Planned Behavior is a theory that explains the relationship between beliefs and behavior. Anjelika (2020) this theory states that attitude, subjective norms, and perceived behavioral control together form an individual's intention and behavior (Lo Choi Tung, 2011). Perceived behavioral control comes from self-efficacy theory (SET). Self-efficacy is the most important prerequisite for behavior change, as it determines the initiation of coping behaviors. Self-efficacy theory provides a contribution to explaining the various relationships between beliefs, attitudes, intentions, and behavior (Andika and Yasa, 2020).

The advantage of the Theory of Planned Behavior is that it helps predict (increase predictability) a person's behavioral intentions. This theory can explain individual social behavior by considering social norms as an important variable. While the weakness of the Theory of Planned Behavior is that individual health behavior is influenced by their personal emotions and nature affects the laden, this is a decisive weakness for predicting related behavior (Alamri and Widyatama, 2019). The Theory of Planned Behavior is one of the most frequently used social psychology models to predict behavior and is a good predictor of behavior because it is balanced by the intention to carry out the behavior. This basis is the motivation for the two researchers to choose to use the Theory of Planned Behavior in explaining the phenomena or factors that influence taxpayer compliance. In the theory of planned behavior, the behavior displayed by taxpayers arises because of the intention to behave. The emergence of behavioral intentions is determined by three determining factors, namely: attitude toward behavior, subjective norms, and perceived behavioral control.

The Relationship between the Tax Digitalization System and Taxpayer Compliance

By providing access to the Tax Digitalization System, taxpayers are given easy access to register, pay, and submit tax reports. The ease of access to the Tax Digitalization System is expected to increase taxpayer compliance in fulfilling their tax obligations. The e-filling service is one of the tax digitalization systems that can be used as a basis for determining the level of taxpayer compliance. The concept of tax digitalization requires excellent service and intensive supervision with the implementation of good governance. The objectives of creating a tax digitalization system include increasing tax compliance, increasing trust in tax administration, and spurring high productivity among tax employees (Sarunan, 2015).

The results of Alamri and Widyatama (2019) also concluded that the Tax Administration Digitalization System has a significant positive effect on taxpayer compliance. In line with the results of research (Tambun et al., 2020b),

which states that the tax digitalization system has a positive effect on individual income taxpayer compliance at KPP Pratama Cikarang Selatan. Based on the description above, the hypothesis in this study is as follows:

H1: The tax digitalization system has a positive and significant effect on taxpayer compliance.

The Relationship of the Tax Digitalization System to Internet Understanding

According to research (Tambun et al., 2020a), Internet understanding can moderate (strengthen) the effect of e-filing system implementation on taxpayer compliance. The better the Internet understanding owned by taxpayers, the more they will encourage taxpayers to use the e-filing system so as to further increase taxpayer compliance. Based on the results of the previous research above, the following hypothesis is determined:

H2: The Tax Digitalization System has a positive and significant effect on tax compliance.

Relationship between the Technology Acceptance Model and Taxpayer Compliance

When using e-filing, the most important thing is how easy and useful it is to report taxes online. To find out this, there is such a thing as the Technology Acceptance Model (TAM). Davis provides the statement that two variables, namely perceived usefulness and perceived convenience, are part of TAM, which is used as a model to predict acceptance of the use of technology. The higher the perceived usefulness and ease of e-filing, the more it will affect taxpayer compliance in reporting their tax obligations. Perceived usefulness and perceived convenience are used to test taxpayer acceptance of the information technology system that has been created (Alamri and Widyatama, 2019).

According to the results of research (Tambun et al., 2020b), entitled "The Effect of the Technology Acceptance Model on the Use of eFiling," the technology acceptance model affects taxpayer compliance. Based on the results of research from Karmila (2016), it states that "TAM (perceived usefulness and perceived ease) has a positive effect on taxpayer compliance through e-filing users."

Based on the previous research above, the authors conclude the following hypothesis:

H3: The technology acceptance model has a positive effect on taxpayer compliance.

Technology Acceptance Model (TAM) Relationship to Internet Understanding

The TAM theory explains how a technology user can accept a system. One of the variables in TAM is perceived usefulness. Taxpayers who think that using e-filing is easy will be more compliant in carrying out their tax obligations. To be able to use e-filling, taxpayers are required to understand how to operate the Internet. This is in line with research (Andika and Yasa 2020) showing that internet understanding can moderate the effect of

implementing the e-filling system on taxpayer compliance. Based on the results of the previous research above, the following hypothesis is determined: H4: The Technology Acceptance Model (TAM) has a positive and significant effect on Internet understanding.

Relationship between Internet Understanding and Taxpayer Compliance

According to research (Sudrajat & Ompusunggu, 2015), internet understanding has a positive and significant effect on taxpayer compliance. Based on the results of the previous research above, the following hypothesis is determined:

H5: There is a significant influence of Internet understanding on taxpayer compliance.

METHODOLOGY

Based on the problem under study, this research can be classified as associative research (relationship), namely, this research analyzes the relationship between the Tax Digitalization System, the Technology Acceptance Model (TAM), Internet understanding, and taxpayer compliance. All data used in this study will be processed and supported by empirical theories that aim to prove the hypothesis and provide an explanation of the problem formulation that has been made previously. The population in this study were individual taxpayers who had NPWP registered at KPP Cikarang Selatan, which was used as a data source that represented certain characteristics in the research conducted on as many as 102 individual taxpayers. In this study, we used probability sampling techniques. While the sampling used in this study is simple random sampling, This simple random sampling technique is called "simple sampling because taking sample members from the population is done randomly without regard to the size of that population. The sample in this study amounted to 62. Data analysis method with the help of the Smart PLS program.

RESULTS

Research Results Research data processing begins with testing the validity of research data and testing the reliability of research data. The validity test is to see whether the research instrument, especially the statements or questions in the research questionnaire, is feasible to represent the variables under study. Meanwhile, the reliability test is to see the consistency of the answers from respondents, serious or not, in answering the research questionnaire. The validity test is tested by looking at the results of the outer model as below.
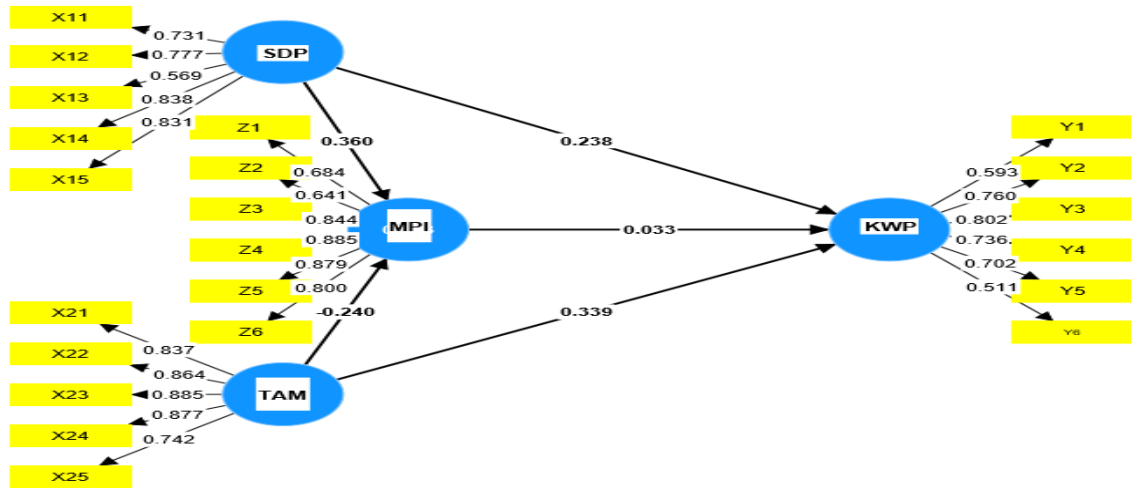
Figure 1. Outer Model Results
Source : SmartPLS 4.0 output primary data processed, 2023

Inner Model Test

This test is a test of a structural model by looking at the R-square value, which is the test result of the goodness of fit model. The Taxation Digitalization System and Technology Acceptance Model model on Taxpayer Compliance has an R-square value of 0.235, which can be interpreted to mean that the variability of the Taxpayer Compliance construct can be explained by the Taxation Digitalization System and Technology Acceptance Model construct variables by 23.5%, while 76.5% is explained by other variables outside this study. Another influence model is the Internet Understanding variable, which is indicated by a value of 0.052, so that it can be interpreted that 5.2% of the Internet Understanding construct is dependent on the dependent variable, namely taxpayer compliance. Meanwhile, 94.8% is explained by other variables outside this study. These results can be seen in the following table:

Table 1. R Square

Variabel	R Square
Internet Understanding	0.052
Taxpayer Compliance	0.235

Source : SmartPLS 4.0 output primary data processed, 2023

Structural Model Test

Structural model tests are obtained using smartPLS 4.0 by testing boothstrapping. The level of confidence used is 95%, with a limit of inaccuracy.

Table 2. Path Coefficient

Variabel	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (IO/STDEVI)	P Values
SDP → KWP	0.238	0.272	0.176	1.354	0.176
SDP → MPI	0.360	0.368	0.169	2.131	0.033
TAM → KWP	0.339	0.337	0.169	1.999	0.046
TAM → MPI	-0.240	-0.228	0.187	1.287	0.198
MPI → KWP	0.033	0.042	0.177	0.187	0.851

Source : SmartPLS 4.0 output primary data processed, 2023

Table 3. Specific Indirect Effect

Variabel	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (IO/STDEVI)	P Values
SDP → MPI → KWP	0.012	0.008	0.067	0.179	0.858

Source : SmartPLS 4.0 output primary data processed, 2023

The estimated values for the path relationships in the structural model should be evaluated in terms of the strength and significance of the relationships. The significance of the relationship can be determined by conducting the bootstrapping test. The value generated from the bootstrapping test is in the form of a p value. If the p value is smaller than 0.50 at the 5% alpha value level, the estimated path value can be said to be significant.

DISCUSSION

The Relationship between the Tax Digitalization System and Taxpayer Compliance

Testing the first hypothesis, the effect of digital taxation (X1) on taxpayer compliance (Y) is not significant with P values of 0.176 > 0.05. The original sample value is positive but does not have a significant impact. Thus, the first hypothesis is rejected. The results of this study contradict the results of research from Sarunan (2015) and Tambun et al. (2020b), which state that digital taxation has a significant positive effect on taxpayer compliance.

The Relationship of the Tax Digitalization System to the Mediation of Internet Understanding

Testing the second hypothesis in this study shows that the Tax Digitalization System variable has a positive and significant effect on the Internet Understanding Mediation variable. Thus, the second hypothesis is accepted. So this means that the higher the Tax Digitalization System variable, the higher the Internet Understanding Mediation variable. As in the journal (Tambun et al., 2020a), which states that digital taxation is significantly correlated with internet understanding.

Technology Acceptance Model (TAM) Relationship to Taxpayer Compliance

Testing the third hypothesis, the effect of the technology acceptance model (X2) on taxpayer compliance (Y) is significant with a P value of 0.046 < 0.05. The original sample value is positive, and the impact provided by the technology acceptance model on taxpayer compliance is significant. Thus, the third hypothesis is accepted. This contradicts the research of Sari (2014) and Sudrajat and Ompusunggu (2015), which state that the technology acceptance model (X2) has a significant positive relationship with taxpayer compliance.

Relationship between the Technology Acceptance Model (TAM) and Internet Understanding

Testing the fourth hypothesis in this study shows that the Technology Acceptance Model (TAM) variable has a negative and insignificant effect on the Internet Understanding Mediation variable. Thus, the fourth hypothesis is rejected. So this means that the higher the Technology Acceptance Model (TAM) variable, the lower the Internet Understanding Mediation variable. The results of this study contradict the results of research from (Tambun et al., 2020a), which state that the technology acceptance model (TAM) has a significant effect on Internet understanding.

Relationship between Internet Understanding and Taxpayer Compliance

Testing the fifth hypothesis, the effect of understanding the Internet (Z) on taxpayer compliance (Y) is positive and insignificant, with P values of 0.851 > 0.05. The original sample value is positive but does not have a significant impact. Thus, the fifth hypothesis is rejected. The results of this study are in line with the contradictory research results from Tambun et al. (2020b), which state that Internet understanding has a positive and significant effect on taxpayer compliance.

CONCLUSIONS AND RECOMMENDATIONS

The results of this study are: first, the tax digitalization system has a positive but insignificant effect on taxpayer compliance. Second, the tax digitalization system has a positive and significant effect on the mediating variable of internet understanding. Third, the Technology Acceptance Model (TAM) has a positive and significant effect on taxpayer compliance. Fourth, the Technology Acceptance Model (TAM) has a negative and insignificant effect on

the mediating variable of Internet understanding. Fifth, internet understanding has a positive but insignificant effect on taxpayer compliance.

The scope of research is limited to one place, namely KPP Pratama Cikarang Selatan, so the results of this study are not optimal. The research was conducted during a pandemic, so researchers had difficulty finding respondents who were properly registered at KPP Pratama Cikarang Selatan, and the sample collected was only 62 respondents.

FURTHER STUDY

Future research can expand the object of research, for example, beyond KPP Pratama Cikarang Selatan, and it is necessary to conduct repeat research with the same aspects to determine the consistency of the results of this previous research.

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