



Analysis of Information Technology Utilization, Tax Knowledge, and Taxpayer Awareness of the Level of Individual Taxpayer Compliance

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ABSTRACT

The purpose of this study is to ascertain how information technology utilization affects taxpayer compliance, as well as the effects of tax knowledge and taxpayer awareness on compliance levels. A questionnaire is used to collect primary data for the quantitative research design. A random sampling methodology with one hundred respondents was used to carry out the sampling procedure. Multiple regression data analysis was done using SPSS version 25 software. The study's findings demonstrated that the level of individual taxpayer compliance was significantly impacted by the usage of information technology, tax knowledge, and taxpayer awareness. Individual taxpayer compliance was also significantly impacted by tax knowledge.

INTRODUCTION

Taxpayer compliance is categorized as an important problem in the world, both for developed and developing countries. According to pajakku.com, for developed countries, public compliance in paying taxes is very high. In developing countries, such as Indonesia, taxes are the basis for the country's progress so that people's compliance with paying taxes also needs to be considered. Therefore, one step to make this happen is to comply with taxes. A person can be said to be compliant if they fulfill all their tax obligations.

One of the most crucial parts of taxes is tax compliance. The government is working to improve the quality of tax office services and make it easier for taxpayers to comply with their tax administration obligations. One such initiative is the implementation of e-tax return services, which will simplify the tax system and give taxpayers a better understanding of their rights and obligations. State revenue is anticipated to be impacted by compliance. The tax compliance ratio may change in response to rising state revenue.

As of March 31, 2023, the official taxpayer compliance ratio reported by the Directorate General of Taxes (DGT) for the 2022 Annual Income Tax Return was 61.80%. The official tax compliance ratio for this year is still below the DGT's objective of 83%, or 16.1 million tax returns. This circumstance also exists at the Pratama Cirebon Satu tax office, where fewer taxpayer reports were filed in 2022 than in prior years, as shown in table 1 below:

**Table 1: Compliance Level of Registered Individual Taxpayers
at Tax Office Pratama Cirebon Satu**

Year	Number of Registered Individual Taxpayers	Individual Taxpayers Report tax return	Compliance Level
2018	90.293	30,008	33%
2019	97,054	28,356	29%
2020	116,292	31,265	26%
2021	121,938	31,204	25%
2022	127,584	25,536	20%

Source: Tax Office Pratama Cirebon Satu, 2023

Based on table 1, the number of WPOP submitting the 2018-2022 Annual tax return has decreased significantly. The development of compliance levels from 2018-2022 in numbers has increased from 90,293 to 127,586 with a percentage of 41.3%. However, on the other hand, the level of compliance with reporting has decreased from 30,008 to 25,536, so that when calculated the percentage is from 33% to 20%.

The factor that influences the level of individual taxpayer compliance is the use of information technology. The use of information technology, especially in tax administration, has led to various changes such as tasks carried out by humans being replaced by machines or electronics. The use of information technology in the modernization of e-system-based taxation is expected to increase tax compliance and also increase public confidence in tax administration. However, the use of technology in taxation to date has not been able to increase the level of taxpayer compliance.

The next factor that influences the level of individual taxpayer compliance is tax knowledge. It is hoped that the development of information technology will be able to provide learning education to the public, especially individual taxpayers, to understand the tax reporting mechanism. However, on the other hand, tax knowledge should be carried out offline and online by the Directorate General of Taxes in order to increase taxpayer knowledge. However, the efforts that have been made to date, both information technology and tax knowledge, have not been able to have an impact on increasing taxpayer compliance.

Another factor that influences the level of individual taxpayer compliance is tax awareness. Awareness that taxes are a form of participation in supporting state development. It is hoped that the awareness of taxpayers who report will have a proportional impact. The results of research conducted by Fadhilah & Afiqoh (2022) states that taxpayer awareness has a positive and significant effect on individual taxpayer compliance. It can be concluded that taxpayers should have a high awareness of the importance of taxes, so as a result this can increase compliance in paying taxes.

Based on previous phenomena and research that has been conducted, there is an inconsistent relationship between the use of information technology, tax knowledge, and taxpayer awareness of the level of individual taxpayer compliance. Therefore, the author wants to re-examine related variables. So, the reason the author chose to conduct research at tax Office Pratama Cirebon Satu is because the research location was operational in 2018 and is a split from tax office PratamaOne Cirebon which also serves 5 sub-districts in Cirebon City.

THEORETICAL REVIEW

Theory of Planned Behavior

Theory of Planned Behavior, namely the theory put forward by Icek Ajzen (1988) which is a development of the theory of reasoned action (TRA) which is intended to analyze individual behavior. According to him, attitudes, subjective norms and perceived control in behavior influence the Theory of Planned Behavior or in English called attitude, subjective norms and perceived behavioral control.

The relationship between this research and the Theory of Planned Behavior is about how people's intentions can influence their behavior as taxpayers whether to comply or not. Solichin & Astuti (2021) states that taxpayers will behave as compliant taxpayers if they intend to fulfill the tax obligations for which they are responsible.

Information Technology

According to News (2008) Information technology is the facilities and infrastructure (hardware, software, useware) systems and methods for obtaining, transmitting, processing, interpreting, storing, organizing and using data meaningfully. Besides that, Prasojo & Riyanto (2011) states that information technology is science related to computer-based information and is developing very quickly. According to these experts, information technology includes all types of technology used to obtain, transmit, process, interpret, store, organize and use data effectively.

Tax Knowledge

Tax knowledge, according to Rahayu (2010), is a sufficient level of public tax awareness that will facilitate taxpayer compliance with tax laws. Tax knowledge refers to tax information that can be utilized as a foundation for actions, choices, and the application of particular tactics in the execution of one's tax responsibilities and rights. As one's tax knowledge grows, so do their tax duties since well-informed taxpayers understand their responsibilities and the repercussions of failing to meet them. (Hertati, 2021). According to study by Ermawati & Afifi (2018), taxpayer compliance is unaffected by tax knowledge. According to research by Ainul & Susanti (2021), individual taxpayers' degree of compliance is influenced by their tax expertise.

Taxpayer Awareness

Agoes & Trisnawati (2013) defines taxpayer awareness as behavior consisting of views or feelings involving knowledge, beliefs, and reasoning as well as a tendency to act in accordance with applicable tax regulations. Thus, it can be concluded that the taxpayer's awareness of paying taxes describes the taxpayer's behavior including views and feelings related to knowledge, beliefs and reasoning through the desire to act in accordance with the regulations determined by the taxation system. The level of tax awareness shows how much a person understands the meaning, function and role of taxes. The higher the level of taxpayer awareness, the better a person understands and carries out tax obligations which can increase compliance.

Taxpayer Compliance

Taxpayer compliance according to Nurmantu (2003) is taxpayer compliance as a condition where the taxpayer exercises his taxation rights and fulfills all his tax obligations. According to Law no. 28 of 2007, taxpayers are individuals or entities including taxpayers, tax withholding agents and tax collectors who have tax rights and obligations in accordance with the provisions of tax laws and regulations. Taxpayer compliance is the behavior of a taxpayer who complies with all his tax obligations and uses all his rights by referring to the applicable tax regulations.

HYPOTHESIS DEVELOPMENT

The Influence of the Use of Information Technology on the Level of Compliance of Individual Taxpayers

Research conducted by Djo (2022) that the use of information technology has a positive and significant effect on the level of compliance of individual taxpayers and shows that the lack of use of information technology by individual taxpayers can cause taxpayer compliance to lack understanding about the use of current technology.

H1: The use of information technology has a positive effect on the level of individual taxpayer compliance.

The Influence of Tax Knowledge on the Level of Individual Taxpayer Compliance

The results of research conducted by (Ermawati & Afifi (2018) shows that tax knowledge cannot influence taxpayer compliance. Meanwhile, research conducted by Ainul & Susanti (2021) states that tax knowledge influences the level of compliance of individual taxpayers.

H2: Tax knowledge has a positive effect on the level of individual taxpayer compliance.

The Influence of Taxpayer Awareness on the Level of Individual Taxpayer Compliance

Research conducted by Atarmawan (2022) states that taxpayer awareness does not have a positive and significant effect on taxpayer compliance. In contrast to research conducted by Cahyadi (2020) which states that taxpayer awareness has a positive effect on taxpayer compliance.

H3: Taxpayer awareness has a positive effect on the level of individual taxpayer compliance.

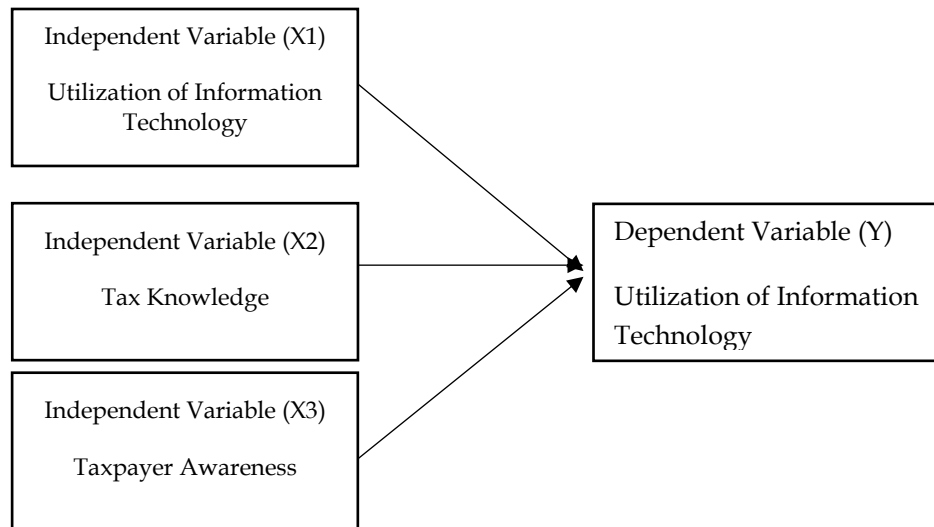


Figure 1. Framework of Thought

METHODOLOGY

The method used in this research is quantitative. The population of this journal is individual taxpayers registered at tax office Pratama Cirebon Satu, which currently amounts to 380,000 people. The sampling technique used was the Random Sampling method and the sample used was 100 respondents. The data analysis technique used was primary data collection by distributing questionnaires. Meanwhile, secondary data comes from statutory regulations, books, journals, theses and information from various other media sources. The measurement scale used is a Likert scale which is used to measure a person's attitudes and perceptions towards current phenomena.

RESULTS AND DISCUSSION

Classic assumption test

1. Normality test

The normality test is used to test normally distributed data using the Kolmogorov-Smirnov (KS) test. In the normality test it can be said to be normally distributed if profitability is > 0.05 then H_0 is accepted and if profitability is < 0.05 then H_0 is rejected or the data is not normally distributed.

Table 2 : Normality Test Results

One-Sample Kolmogorov-Smirnov Test

		<i>Unstandardized Residuals</i>
N		100
<i>Normal Parameters, b</i>	<i>Mean</i>	0.0000000
	<i>Std. Deviation</i>	3.22041751
<i>Most Extreme Differences</i>	<i>Absolute</i>	0.058
	<i>Positive</i>	0.058
	<i>negative</i>	-0.057
<i>Statistical Tests</i>		0.058
<i>Asymp. Sig. (2-tailed)</i>		,200c,d

- a. Test distribution is Normal.
- b. Calculated from data.
- c. Lilliefors Significance Correction.
- d. This is a lower bound of the true significance.

Source: Data processed with SPSS 25, 2024

Based on the normality test, data is said to be normal if the resulting significant value is > 0.05 . It can be seen in table 2 above that the results of the normality test carried out using One Sample Kolmogrov-Smirnov show that *Asymp. Sig. (2-tailed)* > 0.05 . From the processing results of IBM SPSS version 25, all variable values are 0.200 so that the data in this study can be declared normal.

2. Multicollinearity Test

The multicollinearity test aims to test whether this research found a correlation between variables. can be viewed from the variable tolerance score or VIF (Variance Inflation Factor). Tolerance determines the independent variable that is not explained by other independent variables.

Table 3
Multicollinearity Test Results

Coefficientsa

<i>Model</i>		<i>Collinearity Statistics</i>	
		<i>Tolerance</i>	<i>VIF</i>
1	Utilization of Information Technology	0.598	1,672
	Tax Knowledge	0.500	2,000
	Taxpayer Awareness	0.785	1,274

a. Dependent Variable: Taxpayer Compliance

Source: Data processed with SPSS 25, 2024

In table 3, the results of the multicollinearity test show that the variables of information technology utilization, tax knowledge and taxpayer awareness have a Tolerance value > 0.1 and a VIF value < 10 , so it can be concluded that the independent variables have no correlation with each other.

3. Heteroscedasticity Test

The heteroscedasticity test aims to test whether the data in the regression model has unequal variances from the residuals of one observation to another observation. The results of the heteroscedasticity test can be seen in the following table:

Table 4 : Heteroscedasticity Test Results

Coefficientsa

<i>Model</i>		<i>Unstandardized Coefficients</i>		<i>Standardized Coefficients</i>	<i>t</i>	<i>Sig.</i>
		<i>B</i>	<i>Std. Error</i>	<i>Beta</i>		
1	(Constant)	0.601	1,843		0.326	0.745
	Utilization of Information Technology	0.007	0.060	0.015	0.111	0.912
	Tax Knowledge	0.045	0.069	0.093	0.651	0.516
	Taxpayer Awareness	0.020	0.058	0.040	0.351	0.726

a. Dependent Variable: ABS_RES

Source: Data processed with SPSS 25, 2024

Based on the test results in table 4 above, it shows that the significant value of each independent variable is greater than 0.05. The significant value for the variable understanding the use of information technology is 0.912. The significant value for the tax knowledge variable is 0.516. The significant value for the taxpayer awareness variable is 0.725. So it can be concluded that the regression model in this research does not contain heteroscedasticity, so the regression model is suitable for predicting these variables on individual taxpayer compliance.

Hypothesis testing

1. F Test (Simultaneous Test)

Table 5
F Test Results (Simultaneous Test)

ANOVA^a

<i>Model</i>		<i>Sum of Squares</i>	<i>Df</i>	<i>Mean Square</i>	<i>F</i>	<i>Sig.</i>
1	<i>Regression</i>	265,443	3	88,481	15,100	,000b
	<i>Residual</i>	562,517	96	5,860		
	<i>Total</i>	827,960	99			

a. Dependent Variable: Taxpayer Compliance

b. Predictors: (Constant), Taxpayer Awareness, Utilization of Information Technology, Tax Knowledge

Source: Data processed with SPSS 25, 2024

Based on table 5 above, it states that the three independent variables have a significant effect of 0.000. The calculated F value in the research is 15.100 which is above the F table value, namely 2.699. So the three variables of information technology utilization, tax knowledge, and taxpayer awareness can simultaneously influence the dependent variable of individual taxpayer compliance.

2. Coefficient of Determination Test (R2)

Table 6 : Coefficient of Determination Test Results (R2)

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.566a	0.321	0.299	2.42065

a. Predictors: (Constant), Taxpayer Awareness, Utilization of Information Technology, Tax Knowledge

Source: Data processed with SPSS 25, 2024

Table 6 above can be concluded that the adjusted R square value is 0.299 or 29.9%. This states that the use of information technology, tax knowledge and taxpayer awareness can influence individual taxpayer compliance by 29.9%. While the remaining 70.1% depends on other variables.

3. Partial Test Results (t Test)

Table 7 : Partial Test Results (t Test)

Coefficientsa

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	34,897	2,782		12,542	0,000
	Utilization of Information Technology	0.171	0.080	0.201	2,126	0.036
	Tax Knowledge	0.556	0.083	0.636	6,701	0,000
	Taxpayer Awareness	0.190	0.083	0.217	2,288	0.024

a. Dependent Variable: Taxpayer Compliance

Source: Data processed with SPSS 25, 2024

Based on table 7 it can be concluded that:

a. Hypothesis 1: The Effect of Information Technology Utilization on Individual Taxpayer Compliance

The use of information technology has a significant positive effect on individual taxpayer compliance. This is proven by the calculated t value of 2.126 > from the t table of 1.985 and the significance value is below 0.05, namely 0.036.

b. Hypothesis 2: The Effect of Tax Knowledge on Individual Taxpayer Compliance

Tax knowledge influences individual taxpayer compliance. This is proven by the calculated t value of $6.701 >$ from t table 1.985 and the significance value is below 0.05, namely 0.000.

c. Hypothesis 3: The Influence of Taxpayer Awareness on Individual Taxpayer Compliance

Taxpayer awareness has a positive effect on individual taxpayer compliance. This is proven by the calculated t value of $2.288 >$ from the t table of 1.985 and the significance value is below 0.05, namely 0.024.

CONCLUSIONS AND RECOMMENDATIONS

This research shows that the variable use of information technology has a significant effect on the level of taxpayer compliance, which means that the more information technology, the higher the level of taxpayer compliance. The tax knowledge variable has a significant effect on the level of taxpayer compliance. This shows that the greater the tax knowledge, the more taxpayer compliance will increase. Furthermore, the taxpayer awareness variable has a significant effect on the level of taxpayer compliance. This shows that the higher the taxpayer's awareness, the more taxpayer compliance will increase. It is hoped that the results of this research can be used as reference material for further research related to the analysis of factors that influence the level of individual taxpayer compliance at the Cirebon Satu Pratama Tax Service Office, especially the factors of information technology utilization, tax knowledge and taxpayer awareness.

ADVANCED RESEARCH

This research uses data collection in the form of a questionnaire, future researchers are expected to be able to meet respondents directly and are advised to research other variables that influence the level of compliance of individual taxpayers which can be seen in terms of public finance, law enforcement, organizational structure, workforce, ethics (code of conduct), or a combination of all these aspects.

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