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## Taxpayers Compliance: Economic Level, Regulations Comprehension, Rates, and Transformation of Administration System

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### ABSTRACT

This research aims to analyze the influence of economic level, tax regulations comprehension, tax rates, and modernization of tax administration on the compliance of non-employee individual taxpayers in Bandung Cicadas Primary Tax Office. The research utilized a quantitative approach. Non-probability sampling technique, specifically Slovin Sampling, was employed with a sample size of 100 taxpayers, and data were collected through surveys. The research data was analyzed using descriptive statistics and multiple linear regression analysis using SPSS 26 software. The findings suggest that collectively, various factors including economic level, comprehension of tax regulations, tax rates, and modernization of tax administration, influence taxpayer compliance. Partially, the research reveals that both economic level and comprehension of tax regulations have a positive and significant impact on taxpayer compliance. However, tax rates and the modernization of the tax administration system do not significantly affect taxpayer compliance. These findings provide insights into tax compliance in Bandung Cicadas Primary Tax Office for tax authorities and regulators

## INTRODUCTION

Taxes are vital to a nation as they serve as the primary source of government income. The amount of tax revenue obtained from the national budget varies yearly. The Covid-19 pandemic decreased tax revenues, resulting in a deficit in the national budget. The declining trend in tax revenues in recent times should concern the government. The government must optimize state revenues generated through the taxation sector. One possible approach the government can adopt to boost tax revenues is improving taxpayer adherence. Taxpayer compliance refers to taxpayers' conduct in fulfilling all their rights and responsibilities associated with taxation (Waluyo, 2020).

The main requirement for taxpayer compliance is to adhere to tax regulations, such as correctly calculating, paying, and accurately reporting tax liabilities (Kurnia & Fajarwati, 2022). Taxpayer compliance can be divided into two categories: formal and material. Formal involves adhering to the procedural and administrative requirements when fulfilling tax obligations. Conversely, the material focuses on meeting the substantive commitments, which entails following the fundamental principles and intentions of tax laws. This encompasses accurately determining the tax liability and adhering to the principles and provisions outlined in tax legislation. (Asmarani, 2020).

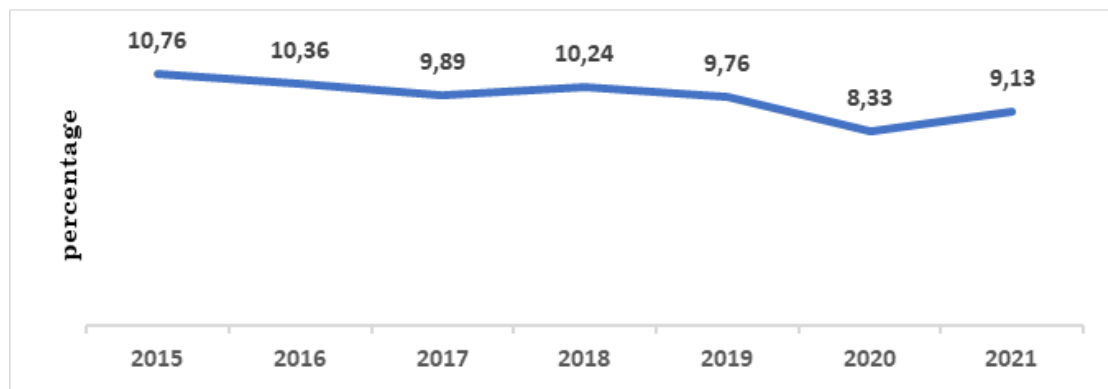


Figure 1. The Development of Tax Ratio on GDP Indonesia

Source: Ministry of Finance (Treated, 2022)

Taxpayer compliance can be measured by examining a country's tax ratio's development. According to Waluyo (2020), tax ratio is a measure that quantifies the proportion of tax revenue collected during a specific period concerning the Gross Domestic Product (GDP). It reflects the percentage or ratio of taxes received by the government relative to the overall economic output of a nation within that designated timeframe. In 2019, the issue of the tax ratio in Indonesia received special attention from The Organization for Economic Co-operation and Development (OECD). The OECD stated that Indonesia had the lowest tax ratio among other Asia-Pacific countries. The Minister of Finance of the Republic of Indonesia, Sri

Mulyani, noted that the target tax ratio to GDP would always be achieved through various policies, including tax reforms (DDTC News, 2019). Tax reform involves changes in the overall tax system, including improvements in tax administration, tax regulation refinements, and expanding the tax base (Mardlo, 2019).

In their book Darussalam et al. (2019), it is stated that five factors can influence taxpayers' behaviour in fulfilling their tax obligations, including a) deterrence efforts, such as the intensity of tax audits, the risk of detection, and the level of sanctions imposed; b) personal beliefs and social norms; c) opportunities, related to low compliance costs or simple and non-complex regulations; d) fairness,

which includes fairness in outcomes or procedures and trust in the government and other taxpayers; e) economic factors, which encompass general economic conditions, business conditions, and the amount of tax to be paid. Several other variables can influence taxpayer compliance.

This research focuses on individual taxpayers who are non-employee registered individuals at KPP Pratama Bandung Cicadas as the research subjects. The data on the compliance ratio of non-employee individual taxpayers at KPP Pratama Bandung Cicadas can be seen in the following figure.

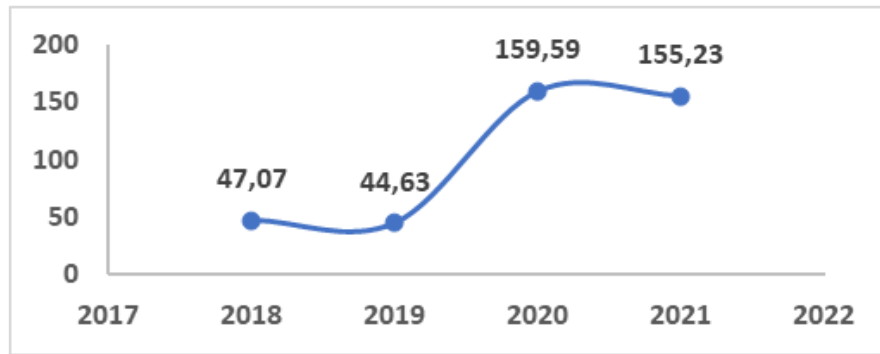


Figure 2. Compliance of Non-employee Individual Taxpayers  
Source: Bandung Cicadas Primary Tax Office (Treated, 2022)

Based on Figure 2, which contains data on the compliance of non-employee individual taxpayers at KPP Pratama Bandung Cicadas, it is known that in 2020 and 2021, KPP successfully achieved a compliance rate of over 100% for non-employee individual taxpayers who are required to file tax returns. However, in the previous two to three years, specifically in 2018 and 2019, the compliance rate for non-employee individual taxpayers was only around 44-47%. These figures indicate a low level of compliance.

The accomplishment of the compliance goal in 2021 at Bandung Cicadas Primary Tax Office does not imply an enhancement in tax performance. The target was attained because it was adjusted in response to the Covid-19 pandemic, and the government implemented various tax incentives. As a result, it can be deduced that the actual realization of tax compliance has not yet met the intended objective. Not all taxpayers, whether in terms of procedural or substantive obligations, fully fulfill their tax duties. The level of tax compliance rises with a greater number of taxpayers adhering to their obligations. Therefore, it is imperative to conduct a study on the compliance of non-employee individual

taxpayers registered at Bandung Cicadas Primary Tax Office.

### Literature Review and Hypothesis Development *Economic Levels*

Halmani (2005) defines economic level as economic growth characterized by increased income through economic activities within a specific period. The economic level is one-factor influencing taxpayers to comply with tax regulations. The economic level represents the improvement of welfare and prosperity of the society, which can be observed through economic activities and income levels. An increase in economic level typically leads to higher income for individuals. Taxpayers with higher incomes tend to meet their primary needs quickly. When immediate needs are met, taxpayers are more likely to fulfil their tax responsibilities.

An excellent economic level encourages individuals to pay taxes. This is supported by the statement by Setiyono et al. (2017) that the higher the economic stratum of a taxpayer, the higher their compliance in paying taxes due to their more significant assets. According to Setiyono et al. (2017), the economic level significantly influences taxpayer compliance. The research findings of

Purwanto et al. (2015) and Sopana et al. (2016) also indicate that the economic level positively and significantly impacts taxpayer compliance. These findings are consistent with the study by Setiyono et al. (2017), which shows that economic level greatly influences taxpayer compliance. However, in contrast to these three studies, Kurniawan & Suhardiyah (2019) argue that the economic level does not significantly affect taxpayer compliance.

### ***Tax Regulations Comprehension***

Taxpayer tax regulations comprehension refers to the state where taxpayers study tax laws and procedures to know, comprehend, and apply that knowledge when paying taxes (Safitri & Silalahi, 2020). When taxpayers possess a strong tax regulations comprehension, they are inclined to adhere to them and fulfill their tax obligations in a responsible manner, encompassing both formal and material compliance. On the other hand, taxpayers who lack tax regulations comprehension tend to be non-compliant and neglect their responsibilities. This statement aligns with the findings of a study conducted by Zahrani (2019), which states that taxpayer tax regulations comprehension facilitates accurate calculation, payment, remittance, and timely reporting of tax liabilities.

Ramadhani & Asalam (2021) study supports this theory by demonstrating that comprehending tax regulations has a beneficial effect on taxpayer compliance. Similarly, Sherina & Asalam (2021) found that taxpayer tax regulations comprehension positively and significantly influences compliance. In contrast, Subarkah & Dewi (2017) suggests that although understanding tax regulations has a positive impact, it is not statistically significant regarding individual taxpayer compliance. Meanwhile, Pebrina & Hidayatulloh (2020) study demonstrates that understanding does not impact taxpayer compliance.

### ***Tax Rates***

Before tax collection can take place, the government must first establish tax rates. Tax rates refer to the amount or percentage of tax imposed on a tax object (Jatmiko, 2022). Income tax uses a progressive rate, which means that the percentage of tax increases with each layer of taxable income for

taxpayers. The advanced tax rates for income tax are stipulated in Indonesian Law (2021), where there are five layers.

Tax rates are directly related to the functions of taxation, which are regulation and revenue generation. Tax rates must be established constitutionally and stated in the law. The tax rates set must be fair so that no taxpayer feels disadvantaged. Fairness in income tax refers to a system where the tax rate imposed on taxpayers is proportionate to their income. Hence, individuals with higher incomes are liable to pay taxes at higher rates, while individuals with lower incomes are subject to lower tax rates. The establishment of fair tax rates can act as an added incentive for taxpayers to responsibly meet their tax obligations and ensure compliance.

The findings of research conducted by Raharjo et al. (2020) and Dewi & Asalam (2021) indicate that tax rates positively impact taxpayer compliance. Other studies also state that tax rates significantly affect taxpayer compliance (Maharani & Asalam, 2022). However, Permata & Zahroh (2022) suggests differently that tax rates do not impact taxpayer compliance.

### ***Transformation of the Tax Administration System***

According to Rahayu (2017), tax administration systems are dynamic and periodic processes carried out in tax collection, where available human resources, tax authorities, and taxpayers work together. The tax administration system in Indonesia has been changing over time. An integrated system that operates systematically and consistently meets user needs will facilitate its users and create a favorable tax environment.

One way to improve taxpayer compliance is through the modernization of tax administration systems, which includes upgrading and enhancing the systems and procedures used for managing taxes. By upgrading administration system, numerous advantages will attain. One of the benefits is the ability to optimize and streamline the tax collection process, thereby increasing tax revenue. Secondly, it helps build public trust in the tax system by

demonstrating transparency and accountability. This, in turn, encourages taxpayers to comply willingly with their tax obligations. Additionally, transformation can improve fiscal integrity, enabling better monitoring and enforcement of tax regulations. As a result of these improvements, taxpayer compliance is anticipated to increase, leading to higher tax revenues for the government.

The research conducted by Magribi & Yulianti (2022) showed that modernizing tax administration systems significantly positively affects taxpayer compliance. Similarly, Wahyuni (2018) found the same result, stating that modernizing tax administration systems positively affects taxpayer compliance. On the other hand, research conducted by Kopong & Widyaningrum (2016) yielded different results, indicating that modernizing tax administration systems hurt taxpayer compliance. A study by Arifah et al. (2017) also showed that modernizing tax administration systems do not affect taxpayer compliance.

## **METHODS**

The research method used in this study is similar to the one conducted by Lestari et al. (2019) which is a quantitative method. Quantitative research utilizes numerical data to study a population or sample (Sugiyono, 2019). The purpose of this study is descriptive, meaning that it presents data objectively and as it is, without connecting or comparing variables with each other (Sudaryono, 2019). This study is causal in nature, meaning it explains the cause-and-effect relationship between independent variables and the dependent variable (Sugiyono, 2019). In its theoretical development, the research adopts a deductive approach. In the research, the researcher's involvement is minimal,

indicating that the study is objective and the data is not intervened. The researcher used primary data from the central sources through questionnaires. The questionnaire was distributed using Google Form. The study was conducted naturally, where events usually occur or in non-contrived settings (Sudaryono, 2019). The research object is non-employee individual taxpayers registered at the Bandung Cicadas Primary Tax Office. Cross-sectional research studies the correlation dynamics between risk factors and their effects at a specific time (Sudaryono, 2019).

The research unit of analysis is individuals, and it is based on time. The research adopts a cross-sectional approach, which is conducted to study the dynamic correlation between risk factors and their effects by observing and collecting data at a specific time (Sudaryono, 2019). This study employs a non-probability sampling technique, explicitly using Slovin's formula for sample selection. According to Sugiyono (2019), non-probability sampling is a technique used to select samples from a population where not all samples have an equal chance of being included in the research. In this study, the data analysis technique employed is similar to the one used by (Pratomo & Hapsari, 2017). It includes several steps such as descriptive statistical analysis, classical assumption tests, multiple linear regression analysis, t-test, and F-test. The descriptive statistical analysis presents and describes the data without drawing general conclusions (Sugiyono, 2019). Multiple linear regression is an approach employed to examine the impact of multiple predictor variables on a single response variable (Ghozali, 2018). To perform multiple linear regression, researchers rely on IBM SPSS 26 software.

**RESULT AND DISCUSSION**  
*Descriptive Statistical Analysis*

Table 1. Descriptive Statistical Analysis

	<b>N</b>	<b>Maximum Value</b>	<b>Total Score</b>	<b>%</b>
Taxpayers Compliance	100	8000	6903	86,3%
The Economic Level	100	4500	3692	82,0%
Tax Regulations Comprehension	100	6500	5513	84,8%
Tax Rates	100	3500	2810	80,3%
Transformation of The Tax Administration System	100	4000	3364	84,1%

Based on Table 1, respondents' responses regarding the Taxpayer Compliance variable (Y) obtained an average score of 86.3%, classified as excellent. This means that non-employee individual taxpayers registered at the Bandung Cicadas Tax Office have shown excellent compliance. They can calculate, consider, pay, and report their tax obligations very well.

Table 1 also shows respondents' responses regarding the Economic Level variable (X<sub>1</sub>) obtained a total average score of 82%, which is classified as good. This indicates that most respondents have a good economic level and can effectively meet their basic needs and tax obligations.

According to Table 1, the respondents' responses regarding the tax regulations comprehension variable (X<sub>2</sub>) resulted in an average score of 84.8%, which is classified as "very good." This finding indicates that most respondents possess

a high level of understanding when it comes to tax regulations. As a result, they can fulfill their tax obligations per the relevant laws in Indonesia.

Table 1 also shows respondents' responses regarding the Tax Rate variable (X<sub>3</sub>) obtained a total average score of 80.3%, which is classified as good. This indicates that most respondents positively perceive the prevailing tax rates.

According to the information presented in Table 1, respondents' feedback on the transformation of the tax administration system variable (X<sub>4</sub>) resulted in an average score of 84.1%, which is classified as good. These findings imply that a significant number of participants express a favorable perception regarding the modernization initiatives implemented in the tax administration system at the Bandung Cicadas Tax Office.

## Classic Assumption Test

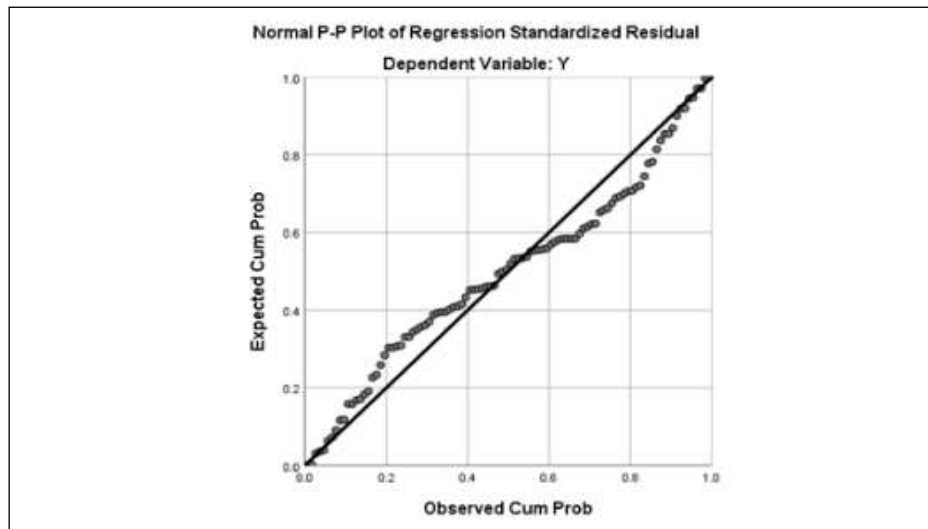


Figure 3. Normality Test

### Normality Test

Figure 3 shows the characteristics of the normality test conducted in this investigation. The chart uncovers that the information dispersion is centered around the corner-to-corner line and takes

after its heading. This perception demonstrates that the information utilized in this consideration shows a normal conveyance design.

Table 2. Multicollinearity Test

Model	Coefficients <sup>a</sup>						Collinearity Statistics	
	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Tolerance	VIF	
	B	Std. Error						Beta
1	(Constant)	21,255	4,749		4,476	0,000		
	Economic Level (X <sub>1</sub> )	0,323	0,150	0,218	2,146	0,034	0,475	2,107
	Tax Regulations Comprehension (X <sub>2</sub> )	0,450	0,123	0,397	3,665	0,000	0,418	2,392
	Tax Rate (X <sub>3</sub> )	0,325	0,216	0,184	1,508	0,135	0,331	3,025
	Transformation of The Tax Administration System (X <sub>4</sub> )	0,057	0,200	0,034	0,287	0,775	0,347	2,880

a. Dependent Variable: Y

### Multicollinearity Test

Table 2 describes the results of the multicollinearity test conducted in this study. Based on the table, it is observed that the tolerance values for each independent variable used in this study are

> 0.10, and the VIF values for each variable are < 10. Therefore, the multicollinearity test indicates no correlation among the independent variables used. In other words, there is no issue of multicollinearity.

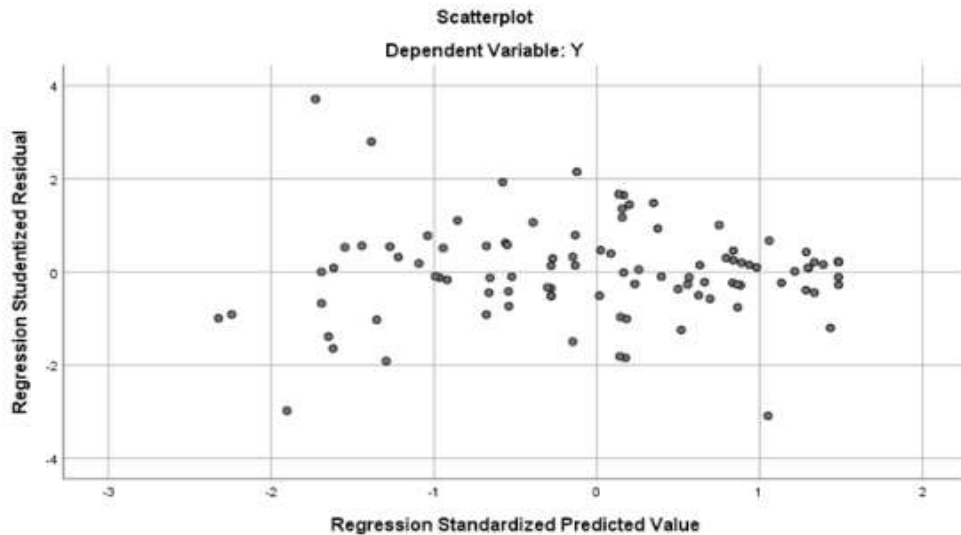


Figure 4. Heteroscedasticity Test

**Heteroscedasticity Test**

The findings of the heteroscedasticity test in this study are depicted in Figure 4. Upon examination of the graph, it is evident that there is no identifiable pattern formed by the dispersion of

points. Moreover, the data points are dispersed in both positive and negative ranges of the Y-axis, indicating the absence of heteroscedasticity in this study.

Table 3. Multiple Linear Regression Analysis

Model	Coefficients <sup>a</sup>					
	Unstandardized Coefficients		Standardized Coefficients		t	Sig.
	B	Std. Error	Beta			
1	(Constant)	21,255	4,749		4,476	0,000
	Economic Level (X <sub>1</sub> )	0,323	0,150	0,218	2,146	0,034
	Tax Regulations Comprehension (X <sub>2</sub> )	0,450	0,123	0,397	3,665	0,000
	Tax Rate (X <sub>3</sub> )	0,325	0,216	0,184	1,508	0,135
	Transformation of The Tax Administration System (X <sub>4</sub> )	0,057	0,200	0,034	0,287	0,775

a. Dependent Variable: Y

**Multiple Linear Regression Analysis**

Table 3 shows the results of this study's multiple linear regression analysis tests. Based on this table, the regression equation can be arranged as follows:

$$Y = 21,255 + 0,323X_1 + 0,450X_2 + 0,325X_3 + 0,057X_4 + e$$

Information:

- Y = Taxpayers Compliance
- X<sub>1</sub> = Economic Level
- X<sub>2</sub> = Tax Regulations Comprehension
- X<sub>3</sub> = Tax Rates
- X<sub>4</sub> = Transformation of The Tax Administration System



Based on the explanation, the following conclusions can be drawn:

- a. When the economic level, tax regulations comprehension, tax rate, and transformation of the tax administration system variables are zero or constant, the expected level of tax compliance is 21.255.
- b. Assuming other variables remain constant, a one-unit increase in the economic level variable is expected to result in a 0.323 addition in tax compliance.
- c. Assuming other variables remain constant, a one-unit increase in the tax regulations comprehension variable is expected to lead to a 0.450 increase in tax compliance.
- d. Assuming other variables remain constant, a one-unit increase in the tax rate variable is expected to result in a 0.325 addition in tax compliance.
- e. Assuming other variables remain constant, a one-unit increase in the transformation of the tax administration system variable is expected to lead to a 0.057 increase in tax compliance.

Table 4. Coefficient of Determination

<i>Model Summary<sup>b</sup></i>				
<i>Model</i>	<i>R</i>	<i>R Square</i>	<i>Adjusted R Square</i>	<i>Std. Error of the Estimate</i>
1	,731 <sup>a</sup>	0,534	0,515	6,202
a. Predictors: (Constant), X4, X1, X2, X3				
b. Dependent Variable: Y				

#### Coefficient of Determination ( $R^2$ )

According to Table 4, this study's Adjusted R Square value is reported as 0.534. This indicates that the variables of economic level, tax regulations comprehension, tax rate, and transformation of the tax administration system collectively account for

53.4% of the variation in tax compliance among non-employee individual taxpayers. The remaining 46.6% of the variation is attributed to other factors not included in the study.

Table 5. Simultaneous Test

<i>ANOVA<sup>a</sup></i>						
<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>	4194,888	4	1048,722	27,265	,000 <sup>b</sup>
	<i>Residual</i>	3654,022	95	38,463		
	<i>Total</i>	7848,910	99			
a. Dependent Variable: Y						
b. Predictors: (Constant), X4, X1, X2, X3						

#### Simultaneous Test (Uji F)

The results presented in Table 5 demonstrate that the significance value obtained in this study is 0.000, which is below the predetermined significance level of 0.05. As a result, the null hypothesis ( $H_0$ ) is rejected, and the alternative

hypothesis ( $H_a$ ) is accepted. This indicates that the variables of economic level, tax regulations comprehension, tax rate, and transformation of the tax administration system collectively significantly impact tax compliance among non-employee

individual taxpayers registered at Bandung Cicadas Primary Tax Office in the year 2022.

This suggests that if the economic level, tax regulations comprehension, and transformation of

the tax administration system are improved, and the tax rate is made fairer and more proportional, the tax compliance of non-employee individual taxpayers can increase.

Table 6. Partial Test

Model	Coefficients <sup>a</sup>					
	Unstandardized Coefficients		Standardized Coefficients		t	Sig.
	B	Std. Error	Beta			
1	(Constant)	21,255	4,749		4,476	0,000
	Economic Level (X <sub>1</sub> )	0,323	0,150	0,218	2,146	0,034
	Tax Regulations Comprehension (X <sub>2</sub> )	0,450	0,123	0,397	3,665	0,000
	Tax Rate (X <sub>3</sub> )	0,325	0,216	0,184	1,508	0,135
	Transformation of The Tax Administration System (X <sub>4</sub> )	0,057	0,200	0,034	0,287	0,775

a. Dependent Variable: Y

### Partial Test (Uji t)

In Table 6, the results of the t-test in this study are presented. Here is an explanation of the t-test results:

#### X<sub>1</sub>: Economic Level

The variable of economic level in this study has a significance value of 0.034, which is <0.05. Furthermore, the t-value for this variable is 2.146. Therefore, it can be concluded that the research hypothesis is accepted, indicating that the economic level variable positively affects tax compliance.

The economic level can influence tax compliance because it determines the amount of tax to be paid by taxpayers. Taxpayers with a higher economic status are more prone to adhere to their tax responsibilities. Taxpayers of a higher economic standing are more inclined to fulfill their tax obligations. This can be demonstrated by analyzing the descriptive statistics of the statements related to the economic level variable (X<sub>1</sub>). The test results show that the average score for these items is 82.0%.

Thus, all the statements related to the economic level are classified as good.

When related to the research data, this is reflected in Table 7 (item 1), with a percentage of 89.0% indicating that taxpayers can meet their daily needs. The ability of taxpayers to meet their basic needs (clothing, shelter, food) makes them more compliant with their tax obligations. This is also evident in other items (item 6), with a percentage of 87.2% indicating that taxpayers always set aside their income for savings. The ability of taxpayers to save can also increase tax compliance.

The current study's findings align with prior research conducted by Setiyono et al. (2017), Purwanto et al. (2015), and Sopana et al. (2016) which found a positive relationship between economic level and tax compliance. These earlier studies support that individuals with higher economic status tend to comply more with their tax obligations

### **X<sub>2</sub>: Tax Regulations Comprehension**

The variable of understanding tax regulations in this study has a significance value of 0.000,  $< 0.05$ . Furthermore, the t-value for this variable is 3.665. Therefore, it can be concluded that the research hypothesis is accepted, indicating that the tax regulations comprehension variable positively affects tax compliance.

Tax regulations comprehension can affect tax compliance since taxpayers who comprehend these regulations are more likely to fulfill their tax liability with responsibility, both in formal and material terms. When taxpayers possess a strong understanding of tax regulations, their likelihood of adhering to their tax obligations increases. This relationship can be observed by analyzing the outcomes of descriptive statistical tests conducted on statements concerning the variable of tax regulations comprehension ( $X_2$ ). The test results show that the average score for these items is 84.8%. Thus, all the statements related to understanding tax regulations are classified as very good.

Regarding the research data, this is reflected in Table 8 (items 1 and 2) with a percentage of 81.2% and 81.6%, indicating that taxpayers understand the general tax provisions and the Income Tax Law. When taxpayers understand the general tax provisions and the Income Tax Law, they are more likely to comply with their tax obligations.

The findings of this study are supported by previous research conducted by Ramadhani & Asalam (2021) and Sherina & Asalam (2021), which stated that Understanding tax regulations has a positive effect on tax compliance.

### **X<sub>3</sub>: Tax Rates**

The tax rate variable in this study has a significance value of 0.135, which is  $> 0.05$ . Therefore, it can be concluded that the research hypothesis is rejected, indicating that the tax rate variable does not affect tax compliance.

Based on the research data (Table 9), the results of descriptive statistical tests on the statements related to the tax rate variable ( $X_3$ ) are classified as good. However, these results are insufficient to conclude that the tax rate affects tax

compliance. One factor indicating that the tax rate does not affect taxpayer compliance is that 23% and 10% of taxpayers stated neutrality and disagreement regarding whether the current tax rate is appropriate for the country's economic conditions.

The fact is that regardless of the tax rate set by the government, whether it is low or high, taxpayers will still fulfill their tax obligations. This is because tax is a compulsory contribution to the state. Taxpayers who fail to fulfill their tax obligations will be subject to tax penalties.

The statistical test results are inconsistent with the research hypothesis, which states that the tax rate positively affects tax compliance for non-employee individual taxpayers at KPP Pratama Bandung Cicadas. However, these findings are supported by the research conducted by Permata & Zahroh (2022), which stated that the tax rate does not affect tax compliance.

### **X<sub>4</sub>: Transformation of the tax Administration System**

Based on your information, this study's variable of modernization of the tax administrations system has a significance value of 0.775, where the value is  $> 0.05$ . Therefore, it can be concluded that the research hypothesis is rejected, indicating that the modernization of the tax administration does not significantly affect tax compliance.

Based on the descriptive statistical test results, it can be concluded that taxpayers' perceptions of the items related to Tax Administration System Modernization are evaluated as highly positive and classified as very good. However, this does not imply that the transformation of the tax administration system impacts taxpayer compliance. One possible reason is evident in Table 10 (item 4), where the percentage is lower compared to other items, indicating that the Directorate General of Taxes is still less effective in socializing changes or reforms in taxation.

This fact suggests that taxpayers' proficiency in using the latest administrative systems and their knowledge of changes in bureaucratic procedures to fulfill their tax obligations are not influenced by the government's modernization

efforts. Taxpayers acquire their proficiency and knowledge through the process of fulfilling their tax obligations. Before fulfilling their tax obligations, taxpayers tend to be unaware of ongoing tax reforms. Despite the lack of information about tax reforms, taxpayers still fulfill their tax obligations because taxes are mandatory contributions, and failure to comply may result in penalties.

The statistical test results are inconsistent with the research hypothesis that the transformation of the tax administration system has a positive partial effect on the tax compliance of non-employee individual taxpayers at KPP Pratama Bandung Cicadas. However, these findings are supported by previous studies conducted by Kopong & Widyaningrum (2016) and Arifah et al. (2017), which stated that the transformation of the tax administration system does not significantly impact tax compliance.

## CONCLUSION

Based on the research findings and discussions described above, the following conclusions can be drawn:

1. Simultaneously, the variables of economic level, tax regulations comprehension, tax rates, and transformation of the tax administration system have a positive and significant influence on the tax compliance of non-employee individual

taxpayers at the Bandung Cicadas Primary Tax Office.

2. Partially:
  - a. The economic level positively influences the tax compliance of non-employee individual taxpayers registered at the Bandung Cicadas Primary Tax Office.
  - b. Tax regulations comprehension positively influences the tax compliance of non-employee individual taxpayers registered at the Bandung Cicadas Primary Tax Office.
  - c. Tax rates do not influence the tax compliance of non-employee individual taxpayers registered at the Bandung Cicadas Primary Tax Office.
  - d. Transformation of the tax administration system does not have an influence on the tax compliance of non-employee individual taxpayers registered at the Bandung Cicadas Primary Tax Office.

For future researchers, it is recommended to expand the scope of the research and/or increase the sample size by including multiple Tax Offices in a specific Regional Office. Future studies are also suggested to incorporate additional variables such as tax corruption and/or public trust.

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