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ANALYSIS OF INDIVIDUAL TAXPAYER COMPLIANCE THROUGH SELF ASSESSMENT SYSTEM, SERVICE QUALITY, AND TAX SANCTIONS

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ABSTRACT

This study aims to evaluate the compliance level of taxpayers registered at KPP Pasar Rebo by reviewing three main variables: self-assessment system, service quality, and tax sanctions. This study involved 100 respondents selected using purposive sampling technique based on the calculation of the Slovin formula. Data analysis was conducted using the SMARTPLS version 4.0 application. The results showed that the self-assessment system and service quality had a significant effect on taxpayer compliance, while tax sanctions did not have a significant effect. Overall, the variables studied were able to explain 69.7% of the variation in the level of taxpayer compliance.

KEYWORDS: *Self Assessment System, Service Quality, Tax Sanctions, Taxpayer Compliance*

1. INTRODUCTION

Pahala (2020:03) states that taxes are state levies. The state collects taxes from the public based on the law. Taxes are mandatory without direct compensation. The result is to finance state spending. The law requires the payment of taxes that are coercive and applied to tax delinquents.

The state forces people to pay taxes. This tax finances government expenditure for the benefit of the people even though the people do not immediately feel the reward. State expenditure is mostly financed by taxes, which account for around 71% of the total state revenue in the state budget (Ministry of Finance, 2021).

The Minister of Finance of the Republic of Indonesia, Sri Mulyani Indrawati, highlighted the low level of taxpayer awareness in Indonesia. Many people still associate taxes with colonial history or feel that the state does not provide real benefits from the taxes that have been paid. This has a direct impact on the low enthusiasm and awareness of the public to pay taxes.

As evidence, Indonesia's tax ratio only reached 10.7% in 2019, even dropping to around 8% in 2020 due to the provision of incentives and tax relaxation during the COVID-19 pandemic. This ratio is relatively low compared to international standards, reflecting a major challenge for the government in collecting revenue to finance public programs.

To overcome this problem, an effective approach to education and communication is crucial. The government, through the Directorate General of Taxes, can expand tax education campaigns, provide transparent information about tax benefits, and show how tax funds are used to improve people's welfare.

In addition, tax reform that focuses on fairness for taxpayers and the efficiency of the tax system is expected to improve compliance and public trust. Thus, increasing tax awareness and compliance is a key factor in improving the tax ratio, which ultimately supports national development and prosperity.

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Table 1
Tax Compliance Ratio

Year	Number of Registered Persons	Number of Annual Tax Return Reporting for Individuals	Compliance Ratio of Annual Tax Return Reporting for Individuals
2019	16.201.534	11.697.090	72,20%
2020	16.862.466	12.430.688	73,72%
2021	17.524.294	13.863.378	79,11%
2022	17.350.334	14.964.085	86,25%
2023	19.002.585	18.761.252	98,73%

Source: Directorate General of Taxes Performance Report processed, 2024

Based on the data in table 1, there has been a significant development in the number of registered Individual Taxpayers, Annual Tax Return reporting, and the annual tax return reporting compliance ratio from 2019 to 2023. The number of registered taxpayers continues to increase every year, from 16.2 million in 2019 to 19 million in 2023.

This increase in the number of taxpayers was followed by a significant surge in Annual Tax Return reporting, which rose from 11.6 million in 2019 to 18.7 million in 2023. A positive trend is also seen in the compliance ratio of Annual Tax Return reporting, which increased from 72.20% in 2019 to reach 98.73% in 2023. This figure shows that full compliance is almost achieved.

The increase reflects improvements in the tax administration system, including simplification of the reporting and digitization process, as well as increased public awareness of the importance of paying taxes. The year 2023 is a testament to the success of the government's various efforts in optimizing tax compliance, supporting state revenue, and strengthening the tax system in Indonesia.

The level of compliance of taxpayers is influenced by various factors, one of which is the implementation of a *self-assessment system*. This system gives the authority, trust, and responsibility to taxpayers to independently calculate, pay, and report the amount of tax that must be paid. According to Efriyani et al., (2024), the self-assessment system allows taxpayers to carry out their tax obligations more independently and transparently.

Hidayat & Damayanti, (2024) explained that this method makes it easier for taxpayers in the process of reporting, calculating, and paying tax payable. By providing this convenience, the self-assessment system is expected to be able to improve the efficiency of tax administration, encourage voluntary compliance, and reduce dependence on tax authorities for administrative processes.

However, the success of this system is highly dependent on the awareness, understanding, and commitment of taxpayers, as well as reliable and transparent system support from the government. The combination of tax education and the implementation of supporting technology is the key in increasing the effectiveness of the self-assessment system.

According to Simanjuntak et al. (2023), tax services are a form of public service organized by government agencies with the aim of meeting the needs of the community and carrying out the mandate of the Law, without being profit-oriented. In the context of taxation, this service includes assistance provided by tax officers to taxpayers to ensure the fulfillment of tax obligations appropriately and efficiently.

Research conducted by Simanjuntak et al. (2023), Khodijah et al. (2021), and Syafira and Nasution (2021) concluded that the quality of tax services has a positive effect on taxpayer compliance. However, this finding is different from the results of research by Indriani et al. (2023) and Fahmi and Hari (2023), which stated that the quality of tax services does not have a significant influence on taxpayer compliance.

Taxpayer compliance is also affected by tax sanctions, which are defined as legal actions imposed on individuals who violate tax provisions in accordance with policies and regulations in the Tax Law (Nugroho & Kurnia, 2020). Tax sanctions serve as a preventive tool to avoid violations of tax norms by taxpayers (Maxuel & Primastiwi, 2021).

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Research conducted by Isnaini and Karim (2021), Khodhijah et al. (2021), and Andreansyah and Farina (2022) shows that tax sanctions have a significant influence on individual taxpayers' compliance. However, these results contradict the research of Supriatiningsih and Jamil (2021) and Maili (2022), which concluded that tax sanctions do not have a significant influence on taxpayer compliance.

2. LITERATURE REVIEW

2.1. Theory of Planned Behavior

According to Corner (2020), the Theory of Planned Behaviour (TPB) is a development of the Theory of Reasoned Action (TRA) introduced by Ajzen in 1988. TPB explains that individual behavior arises as a result of intention, which is formed by three main elements: attitudes, subjective norms, and perceived behavioral control (Mahendra & Oktaviani, 2020). Paul & Tarmidi (2023) assert that individuals generally act on rational considerations by paying attention to the information available and the impact of these behaviors. The TPB identifies three main factors that affect a person's intentions and behavior. First, behavioral beliefs, which are beliefs about the possible outcomes of behavior and evaluation of those outcomes, which affect attitudes toward behaviors that are considered good or bad. Second, normative beliefs, which are beliefs about the normative expectations of others and the motivation to meet those expectations, which results in subjective norms or perceived social pressure. Third, control beliefs, which are beliefs about factors that can facilitate or inhibit behavior, as well as perceptions about the power of these factors, which form perceived behavioral control. These components interact with each other and determine whether or not a behavior will be performed.

The relationship between the Theory of Planned Behaviour (SDG) and this study lies in the explanation of the compliance behavior or non-compliance of taxpayers in fulfilling their tax obligations. Based on the TPB, this behavior is influenced by the intention of the taxpayer. If taxpayers have a strong intention to comply with their tax obligations, then tax compliance behavior will be realized. This intention is formed from three main factors, namely attitudes towards tax compliance, subjective norms related to social expectations, and perceived behavioral control regarding the ease or obstacle in fulfilling tax obligations. Together, these three factors determine how likely a taxpayer is to exhibit compliant behavior.

2.2. Taxpayer Compliance

According to Masur & Rahayu (2020), tax compliance refers to taxpayers' compliance in fulfilling applicable tax provisions. Compliant taxpayers are those who carry out their tax obligations in accordance with existing laws and regulations. Tax compliance can be divided into two categories, namely formal compliance and material compliance. Formal compliance includes taxpayers' compliance in fulfilling administrative provisions, such as timely registration of NPWP or NPPKP, timely payment of payable taxes, and reporting of taxes that have been paid according to the specified schedule. On the other hand, material compliance focuses on compliance in accurately calculating taxes payable, accounting for taxes in accordance with applicable regulations, and withholding or collecting taxes correctly if the taxpayer acts as a third party. Septriliani & Ismatullah (2021) explained that formal compliance is a state in which taxpayers fulfill administrative obligations in accordance with existing regulations, while material compliance emphasizes the fulfillment of substantial tax obligations. In the legal context, Law Number 16 of 2009 states that taxes are mandatory contributions to the state that are coercive based on the law, without direct compensation, and used for the welfare of the people. Mardiasmo (2019) also defines taxes as public contributions to the state that can be forced, without direct reciprocal services, which are used to finance public spending.

2.3. Self Assessment System

According to Pramudya et al., (2022), the tax collection system currently implemented in Indonesia is the Self Assessment System. This system gives taxpayers the authority to independently calculate, pay, and report the amount of tax owed in accordance with applicable regulations. In this system, taxpayers are required to be proactive and responsible for their obligations, including ensuring that tax payment procedures are carried out correctly. This system gives full authority to taxpayers to determine the value of taxes owed. Official (2019) emphasizes that this system assumes that taxpayers have the ability to calculate taxes, understand tax laws, have high integrity, and realize the importance of the obligation to pay taxes. In the context of regional tax collection, the self-assessment system is also implemented as stipulated in Law Number 18 of 1997 Article 7, where taxes are collected based on the policy of the regional head or paid independently by taxpayers (Pahala, 2020). In addition, Waluyo (2020) identified three tax collection systems: first, the Official Assessment System, where the government determines the amount of tax owed and taxpayers are passive; second, the Self Assessment System, which gives taxpayers the authority to calculate, pay, and report their taxes independently; and third, the Withholding System, where a third party is given the authority to deduct or collect taxes from taxpayers.

2.4. Quality of Service

According to Iskandar (2024), service is a technique in providing services, which includes helping, supervising, or preparing individual needs. In the context of taxation, service is defined as a method used by tax officers to help meet the needs of taxpayers. Service quality is very important, where tax services are classified as public services organized by government agencies with the aim of meeting the needs of the community without prioritizing profits. To achieve quality service, efforts are needed to provide satisfactory service for customers, in accordance with accountable standards, and carried out consistently and repeatedly (Ertika & Rahmawati, 2021).

2.5. Tax Sanctions

Tax sanctions function as a guarantee to ensure that the provisions of tax laws and regulations and tax norms are complied with by taxpayers. According to Mardiasmo (2019), tax sanctions act as a preventive tool to avoid violations of tax norms. With the sanctions, many taxpayers have become more compliant with their obligations, although there are still some who still violate existing provisions. Within the framework of tax law, there are two categories of sanctions, namely administrative sanctions and criminal sanctions. Threats arising from violations of tax norms can be in the form of administrative sanctions, criminal sanctions, or a combination of both. Mardiasmo (2019) explained that tax sanctions are an instrument used by the government to prevent taxpayer non-compliance. Applicable sanctions include administrative sanctions, such as fines or interest, as well as criminal sanctions, which include imprisonment or criminal fines. Taxpayers who do not meet their obligations may be subject to one type of sanction or both, depending on the type of violation committed (Siregar & Putri, 2022).

2.6. Hypothesis Development

2.6.1. The Effect of the Self Assessment System on Taxpayer Compliance

The Self Assessment *System* can cause some taxpayers to feel a fairly heavy burden, because all activities to fulfill tax obligations are carried out independently. If Taxpayers have a good understanding of taxation, they will be more motivated to fulfill their tax obligations based on the Self-Assessment System, which in turn will increase Taxpayers' compliance in paying taxes. This is in line with the results of research conducted by Wulantari & Putra (2020), which shows that the Self-Assessment System has a significant influence on taxpayer compliance. The more taxpayers who implement this system well, the higher their compliance level will increase (Amanda & Sudiartana, 2023).

The Theory *of Planned Behavior* (SDG) can explain the influence of the Self-Assessment System on Taxpayer compliance by highlighting three main components: attitudes, subjective norms, and perception of behavioral control. Taxpayers who have a positive attitude towards the Self-Assessment System, driven by supportive social norms, and feel able to fulfill tax obligations independently, tend to show a higher level of compliance. Research shows that a good understanding of this system is directly proportional to their level of adherence, in accordance with the principle of the SDGs which emphasizes that behavior is influenced by an individual's attitudes, social influences, and perceptions of their abilities. Based on this explanation, the hypothesis that can be formulated is:
H1: Self Assessment System Has a Positive Effect on Taxpayer Compliance

2.6.2. The Effect of Service Quality on Taxpayer Compliance

Quality service is a crucial element in creating customer satisfaction, which must also meet service standards that can be accounted for and carried out on an ongoing basis. In the context of taxation, quality services can encourage taxpayers to fulfill their tax obligations. When tax officers provide good service, such as showing a polite attitude, not being indifferent to customers, and having adequate competence and facilities, taxpayers will feel appreciated and well served. This will motivate them to pay their tax obligations and comply with applicable tax regulations (Hartopo et al., 2020).

Service quality has an important role in ensuring taxpayer compliance runs smoothly. With good service from tax officers, taxpayers will tend to show an obedient attitude to tax obligations. Therefore, tax officers are expected to provide optimal service, which in turn will create a positive impression and encourage taxpayer compliance in fulfilling their tax obligations (Anastasia et al., 2022).

The Theory of Planned Behavior (CPD) can explain how service quality affects taxpayer compliance through three main components: attitudes, subjective norms, and perception of behavioral control. If taxpayers feel that the quality of service is good, such as a transparent, fast, and friendly process, they will develop a positive attitude towards tax obligations and be more motivated to comply. Subjective norms, such as social pressure or support from the environment, also play an important role in encouraging compliance. In addition, taxpayers' perception

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of their ability to meet their obligations with good service support will increase their sense of control and ultimately increase compliance levels. Thus, quality service can strengthen the three factors of the SDGs that encourage taxpayer compliance. Based on this explanation, the hypotheses that can be put forward are:
H2: Service Quality Has a Positive Effect on Taxpayer Compliance

2.6.3. The Effect of Tax Sanctions on Taxpayer Compliance

Tax sanctions have a significant role in increasing taxpayer compliance, by providing a preventive effect that encourages taxpayers to fulfill their tax obligations. According to Mardiasmo (2019), tax sanctions serve to ensure that tax regulations are complied with, with the main goal of increasing taxpayer awareness and compliance. Research conducted by Harmana (2024) and Amalia and Widyawati (2021) shows that both administrative and criminal sanctions can encourage taxpayers to fulfill their tax obligations to avoid losses. The Theory of Planned Behavior (TPB) can explain how tax sanctions affect taxpayer compliance through three main components: attitudes, subjective norms, and perception of behavioral control. Strict tax sanctions can affect taxpayers' attitudes by creating fears of legal consequences, which in turn can encourage them to comply with tax obligations. In addition, subjective norms that consider tax compliance as a social responsibility and pressure from the surrounding environment can reinforce compliant behavior. Finally, the perception of behavioral control, in which taxpayers feel they have the ability to avoid sanctions by fulfilling obligations on time, also plays a crucial role. Therefore, clear and effective tax sanctions can increase taxpayer compliance through a stronger influence on attitudes, norms, and behavioral controls. Based on this explanation, the hypothesis that can be formulated is:
H3: Tax Sanctions Have a Positive Effect on Taxpayer Compliance

3. RESEARCH METHODS

3.1 Type of Research

This study adopts a causal approach in order to identify the cause-and-effect relationship between independent variables, namely the Self-Assessment System, Tax Service Quality, and Tax Sanctions, with Taxpayer Compliance as the dependent variable. These independent variables are analyzed to evaluate their influence on taxpayer compliance, with the aim of obtaining information that can be used to draw conclusions about factors that affect tax compliance.

3.2 Definition of Variable Operationalization and Variable Measurement

Table 2
Definition of Variable Operationalization

It	Variable	Definition	Dimension	Indicators	Scale
1	Taxpayer Compliance (Y) Purnomo (2020)	Tax compliance is the compliance of taxpayers in fulfilling applicable tax provisions. Compliant taxpayers are those who carry out their tax obligations in accordance with laws and regulations. Tax compliance is divided into formal and material compliance.	Formal Compliance	1. Compliance to register to have an NPWP	Ordinal
				2. Calculate and pay taxes on time	
				3. Reporting Annual Tax Returns	
			Material Compliance	4. Compliance in filling out the Annual Tax Return honestly and correctly	
				5. Compliance in making tax arrears payments	
2	*Self Assessment System* (X1) Official (2019)	Self Assessment System, which is a system that gives taxpayers the authority to independently calculate, pay, and	Calculating Tax Payable	1. Calculate the amount of tax payable yourself	
				2. Fixing the basic amount of tax imposition correctly	

		report the amount of tax payable in accordance with applicable regulations.		
			Paying Taxes Payable	3. Pay taxes to the state according to the amount of tax payable
				4. Make e-billing according to the amount of tax payable
			Reporting Tax Payable	5. Report the amount of tax payable through the tax return
				6. Keeping proof of tax payable
3	Quality of Tax Services (X2)Ertika & Rahma4wati, (2021)	Service is defined as a way for tax officers to help prepare taxpayers' needs	Service Facilities	1. Providing adequate facilities and infrastructure for taxpayers
				2. Doing a good service system that is easy to feel by taxpayers
				3. Providing a call center system to taxpayers
			Officer Capabilities	4. Serve taxpayers properly and correctly according to the needs of taxpayers
				5. Able to explain easily and concisely about each taxpayer's case
4	Tax Sanctions (X3)Mardiasmo (2018)	Tax sanctions are a guarantee that the provisions of tax laws and regulations or tax norms are complied with by taxpayers.	Administrative Sanctions	1. Sanction of fines to taxpayers who commit violations
				2. Interest sanctions to taxpayers who commit violations
				3. Sanction of an increase in the amount of tax payable to taxpayers who commit violations
			Criminal Sanctions	4. Criminal sanctions against taxpayers who commit violations
				5. Criminal sanctions give the impression of anxiety and fear to taxpayers

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3.3 Research Objects and Data Collection Methods

The object of this research is Individual Taxpayers registered at KPP Pratama Pasar Rebo until 2023, with a total of 419,904 individuals. The researchers applied the Simple Random Sampling technique, where samples were taken randomly without considering the strata in the population. To determine the required number of samples, the Slovin formula with a margin of error of 10% was used, which resulted in a sample of 100 people from the population. In the data collection process, the researcher utilized primary sources by distributing questionnaires to individual taxpayer respondents registered at KPP Pratama Jakarta Pasar Rebo. The questionnaire included questions representing the indicators of the research variables, which were answered by respondents to obtain the necessary data.

3.4 Data Analysis Methods

In this study, data analysis was carried out using the SmartPLS application version 4.0. The outer model test is carried out to evaluate the validity and reliability of the measurement model. There are two types of validity tested, namely convergent validity and discriminatory validity. Convergence validity tests the presence of a high correlation between indicators in the construct, with a minimum loading factor of 0.7 for confirmatory research, and an Average Variance Extracted (AVE) greater than 0.5. Meanwhile, the validity of discrimination assesses whether the square root of the AVE is greater than the correlation between constructs, with the AVE value also above 0.5. The reliability test was carried out using Cronbach Alpha and Composite Reliability, with a minimum construction reliability value of 0.7 for confirmatory research. Furthermore, in the inner model test, which predicts the relationship between latent variables, it is evaluated using the R-Square value to see the percentage of variance described, as well as the Stone-Geisser test to test the predictive relevance. R-Square values of 0.75, 0.5, and 0.25 indicate strong, moderate, and weak model strengths, respectively.

4. RESULTS AND DISCUSSION

4.1 Respondent Characteristics Analysis

The majority of respondents in this study at KPP Pratama Jakarta Pasar Rebo are men, with a percentage of 55%, while women reach 45%. This shows that male respondents are more dominating in this study. In terms of age, the 21-25 year age group recorded the highest percentage at 50%, followed by the 26-30 year age group at 28%. Respondents over 30 years old have a lower percentage, with the age group of 36-40 years old at 9%, age 41-45 years at 6%, and over 45 years old at 4%. These findings show that the majority of respondents are relatively young individuals, with a productive age that tends to be in the range of 21 to 30 years.

In terms of the type of tax return, the majority of respondents (58%) use the 1770S type tax return, which is usually used by taxpayers with an income of more than 60 million per year. This reflects that most respondents have a fairly high income. For the level of education, most of the respondents had the last S1 education (59%), indicating that the level of formal education owned by the respondents was generally quite high. Followed by respondents with Diploma-III education (19%) and high school/equivalent (18%), and only a few have S2 education (4%). These findings indicate that the majority of respondents are individuals with higher education levels, which may also affect taxpayers' awareness and understanding of tax obligations.

4.2 Validity and Reliability Test Results

Based on the test results through SmartPLS, it shows the results of the outer loading test for the indicators on each variable. Each indicator is measured using a loading factor value, which must be greater than 0.6 to be valid. Based on the results in the table, the *X1.1* indicator has a loading factor of 0.578, which is slightly below 0.6 but is still considered valid. Meanwhile, the *X1.2 indicator* has a loading factor of 0.512 which is also still valid even though it is slightly low. On the other hand, indicators such as *X1.3* (0.883), *X1.4* (0.865), *X1.5* (0.822), and *X1.6* (0.755) have very high loading factor values, which indicates strong validity. In the *Quality of Service* variable, all indicators also showed high loading factor values, such as *X2.1* (0.834), *X2.2* (0.952), *X2.3* (0.867), *X2.4* (0.953), and *X2.5* (0.912), all of which were greater than 0.6, indicating excellent validity. Indicators on Tax *Sanctions variables* such as *X3.1* (0.855), *X3.2* (0.867), *X3.3* (0.841), *X3.4* (0.755), and *X3.5* (0.618) also show valid loading factor values, with the lowest value *of X3.5* still meeting the minimum limit of 0.6. Finally, indicators on the *Taxpayer Compliance* variables, such as *Y.1* (0.868), *Y.2* (0.893), *Y.3* (0.838), *Y.4* (0.889), and *Y.5* (0.787), also show an excellent loading factor, greater than 0.7, indicating very strong validity.

The results of the next test also showed the results of the reliability test using Cronbach's Alpha and Composite Reliability. For *the Self Assessment System*, Cronbach's Alpha value of 0.847 and Composite Reliability of 0.904, which is greater than 0.7, indicates good reliability. Likewise for *Service Quality* with Cronbach's Alpha 0.944

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and Composite Reliability 0.953, which shows very high reliability. For the Tax Sanctions variable, Cronbach's Alpha of 0.848 and Composite Reliability of 0.854 also show good reliability, while for *Taxpayer Compliance*, Cronbach's Alpha value of 0.908 and Composite Reliability of 0.913 are also above the value of 0.7, indicating excellent reliability. The Average Variance Extracted (AVE) value for all constructs is also greater than 0.5, with the AVE value for *the Self Assessment System* of 0.562, *Service Quality* of 0.819, *Tax Sanction* of 0.628, and *Taxpayer Compliance* of 0.733, indicating that more than 50% of the variance of the indicator can be explained by the construct, which indicates that the construct is valid and reliable.

4.3 R - Square Test Results

The inner model or structural model test aims to assess the relationships between constructs in this study, including significance values and R-Square. R-Square is used to measure how much independent variables (self-assessment system, service quality, and tax sanctions) can explain the dependent variable (taxpayer compliance). The results of the R-Square test can be seen in the table below

Table 3
R – Square Test Results

	R-Square	R-Square Adjusted
Taxpayer Compliance	0.697	0.688

Source: Data processed with SmartPLS, 2024

The test results showed that the R-Square value for *Taxpayer Compliance* was 0.697 (69.7%), which showed that the variables studied could explain 69.7% of the variation in taxpayer compliance. The remaining 30.3% was explained by other factors that were not included in this research model. This R-Square value belongs to the moderate category, as it is more than 50%, which means that this structural model is quite strong in explaining dependent variables.

4.4 Path Coefficient Test Results

The hypothesis test was carried out by measuring the path coefficient to determine the parameter coefficient between variables, as well as looking at the t-statistics value to assess the significance of the relationship between variables. The t-statistics value is compared with the p-value at the significance level of 5% to determine whether the relationship between the variables is significant. The results of the hypothesis test can be seen in table 4, which presents information about the influence and significance of each relationship between independent variables (self-assessment system, service quality, and tax sanctions) on dependent variables (taxpayer compliance).

Table 4
Path Coefficient *Test Results*

	Original Sample (O)	*Sample Mean (M)*	*Standard Deviation (STDEV)*	*T - Statistic*	*P-Value*	**Hypothesis Conclusion**
Self Assessment System	0.548	0.560	0.100	5,471	0.000	Hypothesis Accepted
Quality of Service	0.407	0.386	0.125	3,244	0.001	Hypothesis Accepted
Tax Sanctions	-0.072	-0.051	0.071	1,008	0.314	Hypothesis Rejected

Source: Data processed with SmartPLS, 2024

Based on the results of hypothesis testing presented in table 4, it can be explained as follows:

1. **The self-assessment system has a significant effect on taxpayer compliance**. The test results showed a t-statistics value of 5,471 (greater than 1.65) and a p-value of 0.000 (less than 0.05), which means that the self-assessment system variable had a significant effect on taxpayer compliance. Therefore, the first hypothesis is accepted.
2. **Service quality has a significant effect on taxpayer compliance**. The test produced t-statistics of 3,244 (greater than 1.65) and a p-value of 0.000 (less than 0.05), which showed that service quality also had a significant effect on taxpayer compliance. Thus, the second hypothesis is accepted.
3. **Tax sanctions have no effect on taxpayer compliance**. The test results showed t-statistics of 1.008 (less than 1.65) and p-value of 0.314 (greater than 0.05), which indicates that tax sanctions have no significant effect on taxpayer compliance. Therefore, the third hypothesis is rejected.

4.5 Discussion

4.5.1 The Effect of the Self Assessment System on Taxpayer Compliance

The results of the study show that the self-assessment system has a significant influence on taxpayer compliance, which is influenced by the level of education of respondents, most of whom (82%) have education above high school. This figure indicates that most respondents have good knowledge about taxation, which makes it easier for them to understand and implement the system. In this context, the implementation of the self-assessment system is highly dependent on the understanding and ability of taxpayers to calculate, pay, and report taxes independently in accordance with applicable regulations.

This explanation is in line with *the theory of planned behavior*, which states that the self-assessment system is related to *control beliefs*, namely the taxpayer's belief that they have control over their future tax actions. In this case, the taxpayer not only complies with the existing rules but also has the control to manage tax obligations independently. The results of this study are supported by previous studies by Wulantari & Putra, (2020), Aryanti & Andayani, (2020), Ardiansyah & Irawan, (2022) which also concluded that the implementation of the self-assessment system contributes positively to taxpayer compliance. With this system, taxpayers are expected to show greater capabilities in carrying out their tax obligations, such as conducting calculations and reporting independently, which in turn can increase compliance with applicable tax regulations.

4.5.2 The Effect of Service Quality on Taxpayer Compliance

The results of the study show that service quality has a significant influence on taxpayer compliance. This is supported by respondents who have reported taxes through SPT 1770SS or 1770S, which reflects the interaction of taxpayers with KPP Pasar Rebo, either directly or through electronic media such as WhatsApp, email, or social media. The quality of service provided by KPP Pasar Rebo, including guidance to overcome obstacles related to tax returns or other tax problems, makes taxpayers feel assisted in fulfilling their obligations, thereby encouraging increased compliance.

According to *the theory of planned behavior*, the quality of service is related to *intention*, namely the taxpayer's intention which is influenced by the surrounding environment. In this context, the services provided by KPP Pasar Rebo affect the taxpayer's intention to fulfill their tax obligations correctly. The positive influence of this effective and responsive service contributes to the increase in taxpayer compliance. The results of this study are also supported by research by (Simanjuntak et al., 2023), (Khodijah et al., 2021) and (Syafira & Nasution, 2021) which conclude that service quality has a significant effect on taxpayer compliance. With good service from KPP, taxpayers will find it easier to understand and fulfill their tax obligations.

4.5.3 Effect of Tax Sanctions on Taxpayer Compliance

The results of the study show that tax sanctions do not have a significant effect on taxpayer compliance. This is reflected in the respondents in this study, the majority of whom are 21–25 years old (50%). At this age, many taxpayers feel that the implementation of tax regulations in Indonesia is very minimal in its implementation, so that the existing sanctions do not appear to be real or effective in influencing their behavior. The lack of clear and firm application of sanctions makes tax regulations less significant impact on taxpayer compliance.

According to *the theory of planned behavior*, tax sanctions should be related to *behavior*, where taxpayers are influenced by the existing culture, namely a tax culture that is in accordance with applicable regulations. However, in reality, many tax regulations are only rules on paper and are not applied consistently. This causes taxpayers to be unfamiliar with the consequences of tax violations. The results of this study are also in line with the findings of Paulus & Tarmidi (2023), Supriatiningsih & Jamil, (2021), Maili, (2022) who concluded that tax sanctions do not have a significant effect on taxpayer compliance, due to the lack of real implementation of these sanctions.

5. CONCLUSIONS, SUGGESTIONS AND LIMITATIONS OF THE RESEARCH

5.1 *Research Conclusions*

Based on the results of the discussion that has been described, it can be concluded that:

1. The Self Assessment System has a significant effect on taxpayer compliance. The implementation of the self-assessment system shows that taxpayers have the capability to calculate, pay, and report taxes independently. This shows an increase in the knowledge and ability of taxpayers in fulfilling their tax obligations.
2. Service quality has a significant effect on taxpayer compliance. The services provided by KPP Pasar Rebo, both face-to-face and electronic media, assist taxpayers in fulfilling their tax obligations. Adequate services provide support that makes it easier for taxpayers to understand and carry out tax obligations correctly.

3. Tax sanctions have no effect on taxpayer compliance. Despite the existence of tax regulations, existing sanctions tend not to appear clear or effective in changing taxpayer behavior. The number of regulations that are not strictly implemented causes tax sanctions to not have a significant impact on taxpayer compliance.

5.2 *Research Advice*

1. Improving Taxpayer Understanding and Capability: Given the importance of the self-assessment system, KPP can expand education and training to taxpayers to increase their knowledge of tax obligations, as well as the use of this system. More intensive counseling can increase taxpayers' capabilities in calculating and paying taxes independently.
2. Improving Service Quality: Although the services provided are quite good, KPP needs to increase the effectiveness of services, especially through electronic media. The use of more sophisticated and responsive technology can reduce communication barriers between taxpayers and tax officers, as well as facilitate access to tax information.
3. Tax Sanctions Reform: In order for tax sanctions to affect taxpayer compliance, it is necessary to evaluate and strengthen the implementation of sanctions that are more firm and visible. More intensive supervision and the provision of clear and measurable sanctions can increase taxpayers' awareness of the importance of compliance with tax regulations.

5.3 *Research Limitations*

1. Focus on Limited Respondents: This study only included respondents from KPP Pratama Jakarta Pasar Rebo, so the results may not be generalizable for all taxpayers in Indonesia. Further research with a wider sample and covering different regions will provide a more comprehensive understanding of the factors that affect taxpayer compliance.
2. Other Unresearched Factors: Although this study identifies the influence of the self-assessment system, service quality, and tax sanctions, there are other factors such as economic factors, local culture, and taxpayers' personal perceptions that also affect compliance. Further research should examine more variables to get a more complete picture.
3. Long-Term Influence: This study focuses on testing the short-term relationship between these variables. Long-term research on the implementation of the self-assessment system and its impact on taxpayer compliance over time will provide deeper insights into the effectiveness of tax policies.

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