The Role of Taxpayer Awareness in Enhancing Vehicle Tax Compliance in Indonesia: An Attribution Theory Approach

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ABSTRACT
This study explores the dynamics of taxpayer compliance with motor vehicle taxes, shedding light on the intricacies of transport taxation. Focusing on the mediating role of taxpayer awareness, the research employs a quantitative approach with Likert scale measurements. Primary data is gathered from 300 respondents in Bekasi Regency, Indonesia, out of a population of 1,789,548 taxpayers, using accidental sampling. SEM-PLS analysis reveals that adherence to tax rules, system updates, understanding tax intricacies, higher incomes, and taxpayer awareness contribute significantly to enhanced tax compliance within the context of motor vehicle taxation. Notably, the study finds that public education about taxes does not significantly impact compliance in this specific domain. The factors influencing taxpayer awareness encompass tax rules, system upgrades, tax knowledge, public education, and income levels. While taxpayer awareness is linked to system upgrades, tax knowledge, public education, income levels, and compliance, it doesn’t connect with tax rules and compliance in the realm of motor vehicle taxation. The research implications provide valuable guidance specifically tailored to policymakers and tax authorities dealing with transport taxation. Emphasizing the significance of tax penalties, system modernization, and tailored taxpayer awareness programs can foster improved compliance in the motor vehicle taxation domain. Policymakers are urged to reassess the efficacy of tax socialization initiatives in the context of transport taxation, exploring alternative approaches for public tax education in this specific domain. Understanding the nuanced interplay among tax rules, system upgrades, tax knowledge, public education, income levels, taxpayer awareness, and compliance in the realm of motor vehicle taxation can inform targeted interventions for an overall enhancement of tax adherence in this specialized area.

KEYWORDS
taxpayer awareness, tax socialization, tax knowledge, tax system modernization, tax sanctions

JEL H21, H23, H71

 acciones against tax evasion

Противодействие уклонению от уплаты налогов

The Role of Taxpayer Awareness in Enhancing Vehicle Tax Compliance in Indonesia: An Attribution Theory Approach

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АННОТАЦИЯ
В статье исследуется динамика соблюдения законодательства плательщиками налогов на транспортные средства, что проливает свет на тонкости налогообложения транспорта в Индонезии. Фокусируемся на посреднической роли
осведомленности налогоплательщиков, в исследовании используется коли-
чественный подход с измерениями по шкале Лайкерта. Первичные данные
были получены от 300 респондентов в округе Бекаси, Индонезия, из населения
в 1 789 548 налогоплательщиков, с использованием случайной выборки. Ана-
лиз SEM-PLS показывает, что соблюдение налоговых правил, их обновление,
понимание налоговых сложностей, более высокие доходы и осведомленность
налогоплательщиков в значительной степени способствуют улучшению соблю-
дения законодательства в области налогообложения транспортных средств. Ис-
следование показало, что просвещение общественности о налогах не оказывает
существенного влияния на соблюдение требований в этой конкретной области.
Факторы, влияющие на осведомленность налогоплательщиков, включают на-
логовые правила, модернизацию системы, налоговые знания, общественное
образование и уровень доходов. В то время как осведомленность налогопла-
тельщиков связана с модернизацией системы, налоговыми знаниями, обще-
ственным образованием, уровнем доходов и соблюдением требований, она не
связана с налоговыми правилами и соблюдением требований в области нало-
гообложения транспортных средств. Результаты исследования представляют
собой значимое руководство, специально разработанное для политиков и на-
логовых органов, занимающихся вопросами налогообложения транспорта.
Подчеркивание важности налоговых штрафов, модернизация системы и спе-
циализированные программы повышения осведомленности налогоплательщи-
ков могут способствовать улучшению соблюдения требований в области на-
логообложения транспортных средств. Директивным органам рекомендуется
пересмотреть эффективность инициатив по налоговой социализации в контек-
сте налогообложения транспортного транспорта, изучив альтернативные подходы к государ-
ственному налоговому просвещению в этой конкретной области. Понимание
июансов взаимодействия между налоговыми правилами, модернизацией си-
стемы, налоговыми знаниями, общественным образованием, уровнем доходов,
осведомленностью налогоплательщиков и соблюдением требований в области
налогообложения автотранспортных средств может послужить основой для це-
ленаправленных мероприятий по общему повышению соблюдения налогового
законодательства в области налогообложения транспортных средств.

КЛЮЧЕВЫЕ СЛОВА
осведомленность налогоплательщиков, налоговая социализация, налоговые
знания, модернизация налоговой системы, налоговые санкции

1. Introduction

Taxes play a vital role in generating revenue for countries, and Indonesia is
no exception, as they form the backbone of governance and represent the prima-
ry national income source1. The payment of taxes is a manifestation of both civic
duty and the responsibility of taxpayers to fulfill their tax obligations, contribu-
ting directly and collectively to national financing for activities such as national
development.

One specific type of tax collection is the Motor Vehicle Tax (PKB), a regional
tax that supports provincial development.

Therefore, local governments need to fo-
cus on addressing challenges in the col-
clection of motor vehicle taxes to optimize
regional revenue.

As reported by the Governor of West
Java, the West Java Regional Revenue
Agency (Bapenda Jabar) exceeded its rev-
enue target, reaching IDR 32.7 trillion2.
This total includes IDR 22.9 trillion in Re-
gional Original Income (PAD), with the
most significant contribution coming from
Regional Taxes, totaling IDR 21.1 trillion.
Additionally, the Head of the West Java
Regional Revenue Agency noted that the
Vehicle Tax Amnesty program was uti-

1 https://bppk.kemenkeu.go.id/content/
berita/balai-diklat-keuangan-malang-
pengelolaan-sumber-penerimaan-pajak-
sebagai-sumber-pendanaan-utama-dalam-
pembangunan-2019-11-05-8774fd68/

2 https://bapenda.jabarprov.
go.id/2022/12/27/gubernur-jawa-barat-
apresiasi-bapenda-jabar-yang-berhasil-
realisasikan-pendapatan-rp32-triliun/
lized by 2.276 million taxpayers in 2022, indicating that a significant number of taxpayers are still not compliant with their tax obligations.

Based on the data from the author’s observational study, the number of motorized vehicles in West Java Province has increased. However, the regional income has experienced a decline. This is noteworthy as the regional income from motor vehicle taxes is a crucial component in the area’s development. Numerous similar studies have been conducted, but most of them focused on examining only a few variables (Table 1).

In contrast, this research considers several variables that may influence taxpayer compliance, such as tax penalties, system modernization, tax knowledge, tax socialization, and taxpayer awareness as a moderating variable. Previous research outcomes also indicate that taxpayer compliance in Indonesia is far from ideal and requires improvement.

Therefore, this study is of great importance as it conducts a more in-depth investigation, highlighting that tax non-compliance is a serious and complex issue. Taxpayer awareness is an inherent human trait, and it is from this perspective that the researcher is motivated to conduct further research on the taxpayer compliance variable.

Beside that, research examining factors influencing taxpayer compliance frequently utilizes tax sanctions as an independent variable, yielding varied outcomes. Kui-lim et al. [1] found that tax sanctions have nothing to do with taxpayer compliance, others assert a noteworthy impact [2].

Moreover, the mediation of taxpayer awareness in the influence of tax socialization on compliance may not be present, as the direct effect of tax socialization appears more robust [3].

This study builds upon prior research by Karnowati & Handayani [4], expanding the range of independent variables to encompass tax sanctions, tax system modernization, tax knowledge, tax socialization, and income level, with taxpayer awareness serving as the intervening variable.

The study employs the attribution theory to elucidate the behavioral link between taxpayer compliance and their inclination to fulfill tax obligations, underscoring that compliance hinges on the intentions and willingness of taxpayers. The attribution theory delves into internal factors (taxpayer awareness, tax knowledge, income level) and external attributions (tax sanctions and the modernization of the tax system).

This study aims to investigate the multifaceted factors influencing taxpayer compliance with motor vehicle taxes in Indonesia, focusing specifically on the mediating role of taxpayer awareness.

Main hypothesis of the study: The proposed relationships and mediations suggest that various factors, including tax

Table 1. Regional Revenue of Bekasi Regency Originating from Motor Vehicle Tax (PKB)

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Vehicles/Units</th>
<th>Regional Revenue of Bekasi Regency from Vehicle Tax (PKB)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Target</td>
</tr>
<tr>
<td>2016</td>
<td>1,314,542</td>
<td>568,756,000,000</td>
</tr>
<tr>
<td>2017</td>
<td>1,446,049</td>
<td>598,381,000,000</td>
</tr>
<tr>
<td>2018</td>
<td>1,516,084</td>
<td>724,159,000,000</td>
</tr>
<tr>
<td>2019</td>
<td>1,552,045</td>
<td>833,220,000,000</td>
</tr>
<tr>
<td>2020</td>
<td>1,604,539</td>
<td>862,845,000,000</td>
</tr>
<tr>
<td>2021</td>
<td>1,753,587</td>
<td>988,623,000,000</td>
</tr>
<tr>
<td>2022</td>
<td>1,789,548</td>
<td>1,097,684,000,000</td>
</tr>
</tbody>
</table>
penalties, tax system modernization, knowledge of taxation, tax socialization, income level, and taxpayer awareness, collectively influence taxpayer compliance in the context of motor vehicle taxation in Indonesia.

2. Literature Review

Heider [5] showed that attribution theory serves as a framework for understanding individual behavior, determining the causes of behavior through internal and external factors. In this study, external factors include tax penalties, system modernization, and tax socialization, while internal factors comprise tax knowledge, income levels, taxpayer compliance, and taxpayer awareness.

2.1. Tax Sanctions (TSc)

Allingham & Sandmo [6] showed that sanctions are punitive measures against individuals violating regulations. In taxation, they guarantee adherence to tax laws. Tax sanctions, categorized as administrative and criminal, impact taxpayer compliance. Hefty penalties, such as fines and imprisonment, deter violations.

Congda [7] indicates a positive relationship between tax penalties, taxpayer compliance, and awareness, emphasizing their preventive and control roles.

Referring to the research conducted by Rizkiani [8], tax penalties can be considered a preventive measure taken by the government to prevent taxpayers from violating tax regulations. Tax penalties can take the form of administrative sanctions or criminal penalties, where administrative sanctions include fines, tax rate increases, and so on [8]. Meanwhile, criminal penalties can involve imprisonment. Therefore, with the existence of these tax penalties, it is expected that taxpayers will adhere more closely to tax compliance.

Furthermore, tax penalties have a positive impact on taxpayer compliance, indicating that the higher the penalties imposed by the government, the higher the level of taxpayer compliance [7]. This occurs because taxpayers become deterred by the penalties imposed by the government, preventing them from repeating violations in the future [7]. On the other hand, the tax penalties imposed by the government also serve as a control to prevent taxpayers from violating tax norms. Stringent penalties for violations committed by taxpayers have a deterrent effect, preventing taxpayers from committing tax offenses.

Moreover, the research [6] also states that tax penalties have a positive impact on taxpayer awareness, meaning that heavier penalties lead to an increase in taxpayer awareness.

2.2. Modernization of Taxation System (MTS)

Tax system modernization aims to optimize revenue by creating a transparent and accountable system (Andri & Sandra [9]).

Mudjiyanti et al. [10] showed that modernization of the taxation system has a positive impact on taxpayer compliance, which is facilitated by technological advances. Furthermore, Mudjiyanti et al. [10] states that modernization encourages awareness and facilitates tax obligations so that it has an impact on regional income.

This research is in line with Turambi et al. [11] who found a positive impact of tax modernization on taxpayer awareness. In the context of motor vehicle taxes, the modernization of the tax system represents an initiative to establish a transparent and accountable tax system by harnessing contemporary knowledge and technological advancements. Where according to Mudjiyanti et al. [10] dan Patriandari et al. [12], this comprehensive approach aims to stimulate taxpayer adherence to their tax responsibilities, thereby influencing local revenue generated from motor vehicle taxes.

The modernization of the tax system can be associated with attribution theory, as it facilitates taxpayers in meeting their tax obligations, consequently impacting taxpayer compliance. The notion of modernizing the tax system involves a transformation in the mindset and conduct of tax officials and organizational values, with the objective of shaping the Directorate General of Taxes into a professional insti-
tution with a positive public image [9]. This enhancement is anticipated to bolster public trust, productivity, and the integrity of tax officials, ultimately promoting voluntary taxpayer compliance [9].

Mudjiyanti et al. [10] state that tax system modernization is a step towards creating transparent and accountable tax administration services by leveraging the latest technological advancements. The modernization of the tax system is designed to facilitate taxpayers in fulfilling their tax obligations. They also mention that tax system modernization has a positive impact on the level of taxpayer compliance. This is due to the fact that many taxpayers, constrained by work or other commitments, can be assisted by this modernized system, allowing them to fulfill their tax obligations anywhere and anytime.

2.3. Tax Knowledge (TKn)

Tax knowledge encompasses information about tax laws, aiding voluntary compliance [13]. Leontyeva & Mayburrov [14] shows a positive relationship between tax knowledge and awareness. Tax knowledge is intricately connected to attribution theory, signifying an internal factor within the taxpayer that shapes behavior in meeting tax responsibilities. By comprehending taxation, taxpayers acquire insights for tax-related actions and strategies, facilitating tax planning and decision-making in fulfilling tax obligations consciously and voluntarily, devoid of external coercion [4].

Through his research on motor vehicle taxes, Congda states that tax knowledge is one of the efforts to mature an individual or group by providing information or teaching about taxation [7]. This ensures that taxpayers understand the basic concepts of taxation, impacting their voluntary decisions to fulfill their tax obligations based on these concepts.

Petra et al. [15] further found that tax knowledge can influence taxpayers in fulfilling their tax obligations. When someone understands what needs to be done, they willingly undertake the tasks, and this applies to tax compliance. When taxpayers comprehend the basic concepts of taxation, they are voluntarily and consciously fulfill their tax obligations, thereby enhancing tax compliance.

Fulfilling tax obligations should be done conscientiously based on prevailing regulations. Understanding tax information makes taxpayers aware of the importance of meeting their tax obligations, indirectly fostering a sense of responsibility for tax payment. This aligns with study [14], indicating a positive relationship between tax knowledge and taxpayer awareness.

2.4. Taxation Socialization (TSo)

Taxation socialization educates taxpayers to enhance compliance motivation. It positively impacts compliance, emphasizing the government’s role in informing taxpayers [16].

According Ariani et al. [17], efficient socialization considers various aspects, fostering taxpayer awareness of motor vehicle tax obligations.

In alignment with attribution theory, socialization of motor vehicle taxation is an external factor influencing taxpayers to take specific actions. The government utilizes taxation socialization to convey information and offer guidance to taxpayers on all aspects related to taxation [9].

According to Karnowati & Handayani [4], tax socialization is the activity of providing information about tax regulations, enabling the general public to understand what should be done to fulfill their tax obligations. When taxpayers comprehend tax regulations, they won’t feel confused about meeting their tax obligations, leading them to willingly comply.

Wulanningrat & Rachmawati [16] states in their research that tax socialization has a positive impact on the compliance of motor vehicle taxpayers. This illustrates the government’s efforts to inform taxpayers about the benefits received when fulfilling their obligations and the sanctions incurred when violated. As a result, taxpayers willingly fulfill their obligations, contributing to an increased level of tax compliance. Additionally, tax socialization is a government initiative to provide information and guidance to all
taxpayers, conducted through both direct and indirect socialization methods [18]. Thus, tax socialization can cultivate taxpayer awareness of the importance of paying taxes [16].

2.5. Income Level (InL)

Puspanita & Machfuzhoh [19] showed that when correlated with attribution theory, the income level is an internal factor within the taxpayer that drives compliance with tax obligations. The additional economic gains obtained by the taxpayer, both domestically and internationally, can be fully utilized to fulfill various aspects of their life, including adhering to tax obligations.

According Wijiyanti et al. [20], the level of income, obtained through work, influences compliance, where high income is correlated with voluntary tax payments [20]. Financial conditions positively relate to awareness and compliance [21]. Wijiyanti et al. [20] also found a positive influence of income levels on taxpayer compliance. This is because if taxpayers have a high income, they won’t face difficulties in taking actions, leading them to voluntarily pay their taxes.

Puspanita & Machfuzhoh [19] states that the income level represents any additional economic earnings acquired by the taxpayer, both domestically and internationally, which can then be fully utilized by the taxpayer. It can be assumed that this income can be used for their living expenses, and if taxpayers have higher earnings, they are more likely to comply with their tax obligations.

Risna & Priono [21] reveals a positive relationship between taxpayers’ income levels and their awareness, as having good financial conditions prompts taxpayers to conscientiously fulfill their tax obligations.

2.6. Taxpayer Awareness (TpA)

Taxpayer awareness involves understanding and voluntarily fulfilling tax obligations. Awareness positively influences compliance, mediating the impact of penalties, knowledge, and socialization [22]. Government-led socialization succeeds when taxpayers have inherent awareness.

Through taxpayer awareness of the role of taxation in financing a region or country, taxpayer compliance with tax obligations is consciously established, devoid of coercion from any party [8]. This is closely linked to the internal factor of attribution theory, where human behavior influences actions toward an object based on the knowledge, beliefs, and reasoning of motor vehicle taxpayers in accordance with the provisions, functions and understanding of their tax obligations in accordance with applicable laws and regulations.

Additionally, taxpayer awareness can mediate the influence of tax knowledge [21] and tax socialization [22] on taxpayer compliance. This proves that when taxpayers have knowledge, including the fundamentals of taxation, tax rates, tax functions, etc., they naturally develop awareness to fulfill their tax obligations. Moreover, government-led socialization efforts will be effective only if taxpayers have an inherent awareness of the importance of tax payment. This demonstrates that tax socialization will succeed when taxpayers have self-awareness.

2.7. Taxpayer Compliance (TpC)

Kuilim et al. [1] and McKee et al. [23] defines that taxpayer compliance reflects awareness and willingness to fulfill tax payments immediately. It involves economic, psychological, legal, and financial perspectives.

Manrejo & Yulaeli [24] showed that compliance contributes to increased tax revenue. Furthermore, Markonah & Manrejo [25] adds that there are several factors that can influence an individual’s tax compliance, and these factors are related to the cost of compliance, laws / regulations on taxes, and law enforcement / implementation of existing tax regulations.

Broadly speaking, taxpayer compliance can be categorized into two types: formal compliance and material compliance. Formal compliance is related to meeting tax obligations based on the law, while material compliance involves compliance in fulfilling material aspects of tax obligations. Through compliance, taxpayers will voluntarily, obediently, and responsibly
fulfill their tax obligations and use their tax rights more wisely [4; 7], thereby contributing to increased tax revenue for the country [24; 25].

2.8. Conceptual Framework and Hypotheses

These hypotheses form the basis for testing the relationships and mediation effects within the conceptual framework. The proposed relationships and mediations suggest that various factors, including tax penalties, tax system modernization, knowledge of taxation, tax socialization, income level, and taxpayer awareness, collectively influence taxpayer compliance in the context of motor vehicle taxation in Indonesia (Figure 1).

Research hypotheses:

- **H1**: Applying tax sanctions encourages taxpayers to comply.
- **H2**: Improving the tax system positively impacts taxpayer compliance.
- **H3**: Having a good understanding of taxation promotes taxpayer compliance.
- **H4**: Tax socialization contributes positively to taxpayer compliance.
- **H5**: Higher income levels contribute positively to taxpayer compliance.
- **H6**: Taxpayer awareness plays a positive role in promoting taxpayer compliance.
- **H7**: Tax sanctions contribute positively to taxpayer awareness.
- **H8**: Enhancing the tax system has a positive impact on taxpayer awareness.
- **H9**: Understanding taxation positively influences taxpayer awareness.
- **H10**: Tax socialization has a positive impact on taxpayer awareness.
- **H11**: Higher income levels contribute positively to taxpayer awareness.
- **H12**: Taxpayer awareness serves as a mediator for the positive impact of tax sanctions on taxpayer compliance.
- **H13**: Taxpayer awareness acts as a mediator for the positive impact of the improved tax system on taxpayer compliance.
- **H14**: Taxpayer awareness serves as a mediator for the positive impact of understanding taxation on taxpayer compliance.
- **H15**: Taxpayer awareness acts as a mediator for the positive impact of tax socialization on taxpayer compliance.
- **H16**: Taxpayer awareness serves as a mediator for the positive impact of income level on taxpayer compliance.

3. Methods

This study employs a quantitative method with a causal approach, aiming to quantify research variables (Karunia et al. [26], Cahaya et al. [27]), representing numerical data that is subsequently analyzed mathematically (quantitatively) to derive conclusions about the interrelationships among variables (Karunia et al. [28]).
This study employs an attribution theory approach to explain the connection of behavior [5] related to taxpayer compliance based on internal and external factors influencing it, such as tax penalties, modernization of the tax system, individuals' knowledge of taxes, tax socialization, and individuals' income levels as taxpayers.

The unit of analysis for this research is all motor vehicle taxpayers at the Samsat Office of Bekasi Regency, with a total population of 1,789,548 taxpayers.

In this study, nonprobability sampling is used, with accidental sampling techniques where the researcher meets taxpayers who are considered to meet the criteria as respondents (Cahaya et al. [29], Khan et al. [30]).

Based on the Isaac & Michael table with a total population (N) = ∞ and a 5% error rate [30], the sample size for this study is determined to be 349. However, the researcher rounds the result from the Isaac & Michael table to 300 respondents (Hair et al. [31]).

This study utilizes quantitative data [30; 32], and the primary data sources are derived from real-world situations, collected through the distribution of questionnaires (employing a Likert scale ranging from 1 to 5) related to the research variables. The collected data is then analyzed using the SEM-PLS analysis technique, with the support of SmartPLS tools, to examine the research hypotheses (Table 2).

According Khan et al. [30] and Sarstedt et al. [32], in the data analysis employing SEM-PLS, the testing procedure involves scrutinizing both the outer (measurement) model and inner (structural) model.

Idrus et al. [33] convey the outer model measurement is an analytical technique used to assess the validity and reliability of data, while the inner model, commonly known as the structural model, is evaluated based on the percentage of explained variance [34].

Convergent validity, discriminant validity, and composite reliability are utilized to assess the outer model in this study, while statistical tests (hypothesis testing), R-Square, Q-Square, and F-Square tests are applied for assessing the inner model [34].

4. Result

In evaluating convergent validity in the outer model, it was determined that all 35 research indicators had outer loading values > 0.70, indicating that all questionnaire items are deemed satisfactory and suitable for subsequent testing [34]. Based on the results of discriminant validity testing, it can be inferred that the relationship value of a construct is greater than the relationship with other constructs.

Consequently, it can be concluded that the data used in this study exhibits good discriminant validity, allowing the data to proceed to further analysis [34]. Lastly, relying on the results of reliability and validity testing, it can be observed that each variable has AVE values and composite reliability values > 0.6, signifying that the variables utilized in this study have good validity and high reliability levels [34].

In examining the inner model, for addressing the previously formulated hypotheses, the analysis involves scrutinizing the test results through t-statistics and p-values (Table 3).

The outcomes of the statistical tests presented in Table 3 lead to the following conclusions:

1. Tax penalties significantly influence taxpayer compliance, as indicated by a statistical test value of 3.471, surpassing 1.96, and a p-value of 0.001, less than 0.05. The positive original sample value underscores this impact.

2. The positive impact of updating the tax system on taxpayer compliance is evident from a statistical test value of 3.303, exceeding 1.96, and a p-value of 0.001, less than 0.05. The positive original sample value affirms this influence.

3. Knowledge about taxes positively and significantly affects taxpayer compliance, supported by a statistical test value of 3.312, surpassing 1.96, and a p-value of 0.001, below 0.05. The positive original sample value affirms this influence.

4. Tax socialization does not seem to affect taxpayer compliance, as the statistical test value is 0.310, below 1.96, and the p-value is 0.757, exceeding 0.05.
**Table 2. Questionnaire Items in the Study**

<table>
<thead>
<tr>
<th>Items</th>
<th>Questionnaire list</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Taxpayer Compliance (Y)</strong></td>
<td></td>
</tr>
<tr>
<td>Y.1</td>
<td>I am aware of the prevailing tax regulations.</td>
</tr>
<tr>
<td>Y.2</td>
<td>I fulfill the administrative requirements for taxation.</td>
</tr>
<tr>
<td>Y.3</td>
<td>I pay vehicle taxes on time.</td>
</tr>
<tr>
<td>Y.4</td>
<td>I have not faced penalties for motor vehicle taxes.</td>
</tr>
<tr>
<td>Y.5</td>
<td>I have never breached motor vehicle tax regulations.</td>
</tr>
<tr>
<td><strong>Tax Sanctions (X₁)</strong></td>
<td></td>
</tr>
<tr>
<td>X₁.1</td>
<td>Penalties for violating tax regulations administratively are quite lenient.</td>
</tr>
<tr>
<td>X₁.2</td>
<td>Criminal penalties for violating tax regulations are relatively severe.</td>
</tr>
<tr>
<td>X₁.3</td>
<td>Tax sanctions apply to all taxpayers regardless of their status.</td>
</tr>
<tr>
<td>X₁.4</td>
<td>Sanctions payment is made when the taxpayer pays the motor vehicle tax.</td>
</tr>
<tr>
<td>X₁.5</td>
<td>Sanctions payment corresponds to the type of violation.</td>
</tr>
<tr>
<td><strong>Modernization of the Tax System (X₂)</strong></td>
<td></td>
</tr>
<tr>
<td>X₂.1</td>
<td>Paying vehicle taxes is more effective using the Samsat drive-thru.</td>
</tr>
<tr>
<td>X₂.2</td>
<td>The procedure for paying vehicle taxes is easier using the Samsat drive-thru.</td>
</tr>
<tr>
<td>X₂.3</td>
<td>The e-Samsat program facilitates convenient payment of PKB from home.</td>
</tr>
<tr>
<td>X₂.4</td>
<td>The e-Samsat program serves as an option for me with limited time.</td>
</tr>
<tr>
<td>X₂.5</td>
<td>Paying vehicle taxes is more time efficient as I don’t need to visit the Samsat office.</td>
</tr>
<tr>
<td><strong>Knowledge of Taxation (X₃)</strong></td>
<td></td>
</tr>
<tr>
<td>X₃.1</td>
<td>I recognize the tax’s role in funding regional development.</td>
</tr>
<tr>
<td>X₃.2</td>
<td>I understand the procedures for paying taxes at the Samsat office.</td>
</tr>
<tr>
<td>X₃.3</td>
<td>I comprehend the procedures for tax payment through e-Samsat.</td>
</tr>
<tr>
<td>X₃.4</td>
<td>I am capable of settling taxes at the Samsat office.</td>
</tr>
<tr>
<td>X₃.5</td>
<td>I can pay taxes through ATMs, Internet Banking, etc.</td>
</tr>
<tr>
<td><strong>Tax Socialization (X₄)</strong></td>
<td></td>
</tr>
<tr>
<td>X₄.1</td>
<td>Samsat Bekasi Regency officials conduct tax education.</td>
</tr>
<tr>
<td>X₄.2</td>
<td>Samsat officials hold seminars on motor vehicle taxes.</td>
</tr>
<tr>
<td>X₄.3</td>
<td>I receive information on motor vehicle taxes through social media.</td>
</tr>
<tr>
<td>X₄.4</td>
<td>I receive information on motor vehicle taxes through billboards.</td>
</tr>
<tr>
<td>X₄.5</td>
<td>I receive information on motor vehicle taxes through the radio.</td>
</tr>
<tr>
<td><strong>Income Level (X₅)</strong></td>
<td></td>
</tr>
<tr>
<td>X₅.1</td>
<td>I dutifully pay taxes even with a low income.</td>
</tr>
<tr>
<td>X₅.2</td>
<td>The size of the tax is not a reason for me not to pay taxes.</td>
</tr>
<tr>
<td>X₅.3</td>
<td>I am able to pay the amount of tax imposed.</td>
</tr>
<tr>
<td>X₅.4</td>
<td>Tax rates are imposed according to the type of vehicle owned.</td>
</tr>
<tr>
<td>X₅.5</td>
<td>My income can meet basic needs and fulfill obligations.</td>
</tr>
<tr>
<td><strong>Taxpayer Awareness (Z)</strong></td>
<td></td>
</tr>
<tr>
<td>Z.1</td>
<td>Paying motor vehicle taxes is my contribution to regional development.</td>
</tr>
<tr>
<td>Z.2</td>
<td>I fulfill the applicable administrative requirements.</td>
</tr>
<tr>
<td>Z.3</td>
<td>I am conscious that motor vehicle taxes contribute to regional revenue.</td>
</tr>
<tr>
<td>Z.4</td>
<td>I consistently allocate funds for motor vehicle tax payments.</td>
</tr>
<tr>
<td>Z.5</td>
<td>I ensure timely payment of motor vehicle taxes.</td>
</tr>
</tbody>
</table>
5. Income levels have a positive and significant impact on taxpayer compliance, evident from a statistical test value of 2.761, surpassing 1.96, and a p-value of 0.006, less than 0.05. The positive original sample value supports this influence.

6. Taxpayer awareness significantly and positively influences taxpayer compliance, with a statistical test value of 3.170, exceeding 1.96, and a p-value of 0.002, less than 0.05. The positive original sample value strengthens this impact.

7. Tax penalties positively and significantly impact taxpayer awareness, demonstrated by a statistical test value of 2.534, surpassing 1.96, and a p-value of 0.011, less than 0.05. The positive original sample value reinforces this impact.

8. Modernizing the tax system positively and significantly impacts taxpayer awareness, with a statistical test value of 3.454, surpassing 1.96, and a p-value of 0.001, less than 0.05. The positive original sample value confirms this impact.

9. Knowledge about taxes positively and significantly influences taxpayer awareness, supported by a statistical test value of 2.689, surpassing 1.96, and a p-value of 0.007, less than 0.05. The positive original sample value strengthens this impact.

10. Tax socialization significantly and positively influences taxpayer awareness, evident from a statistical test value of 3.680, surpassing 1.96, and a p-value of 0.000, less than 0.05. The positive original sample value confirms this impact.

11. Income levels have a positive and significant impact on taxpayer awareness, with a statistical test value of 3.847, surpassing 1.96, and a p-value of 0.000, less than 0.05. The positive original sample value supports this influence.

12. Taxpayer awareness does not seem to mediate the influence of tax penalties on taxpayer compliance, as the statistical test value is 1.816, below 1.96, and the p-value is 0.069, exceeding 0.05.

13. Taxpayer awareness mediates the impact of the modernization of the tax system on taxpayer compliance, evidenced by a statistical test value of 2.162, surpassing 1.96, and a p-value of 0.031, less than 0.05. The positive original sample value supports this mediation.

### Table 3. Statistical test results

<table>
<thead>
<tr>
<th>Variable relationships</th>
<th>Original Sample</th>
<th>Sample Mean</th>
<th>Standard Deviation</th>
<th>T Statistics</th>
<th>P Values</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Direct Effect</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TSc → TpC</td>
<td>0.198</td>
<td>0.198</td>
<td>0.057</td>
<td>3.471</td>
<td>0.001</td>
</tr>
<tr>
<td>MTS → TpC</td>
<td>0.202</td>
<td>0.203</td>
<td>0.061</td>
<td>3.303</td>
<td>0.001</td>
</tr>
<tr>
<td>TKn → TpC</td>
<td>0.191</td>
<td>0.194</td>
<td>0.058</td>
<td>3.312</td>
<td>0.001</td>
</tr>
<tr>
<td>TSo → TpC</td>
<td>0.018</td>
<td>0.019</td>
<td>0.059</td>
<td>0.310</td>
<td>0.757</td>
</tr>
<tr>
<td>InL → TpC</td>
<td>0.174</td>
<td>0.172</td>
<td>0.063</td>
<td>2.761</td>
<td>0.006</td>
</tr>
<tr>
<td>TpA → TpC</td>
<td>0.190</td>
<td>0.188</td>
<td>0.060</td>
<td>3.170</td>
<td>0.002</td>
</tr>
<tr>
<td>TSc → TpA</td>
<td>0.152</td>
<td>0.152</td>
<td>0.060</td>
<td>2.534</td>
<td>0.011</td>
</tr>
<tr>
<td>MTS → TpA</td>
<td>0.212</td>
<td>0.209</td>
<td>0.061</td>
<td>3.454</td>
<td>0.001</td>
</tr>
<tr>
<td>TKn → TpA</td>
<td>0.162</td>
<td>0.164</td>
<td>0.060</td>
<td>2.689</td>
<td>0.007</td>
</tr>
<tr>
<td>TSo → TpA</td>
<td>0.222</td>
<td>0.223</td>
<td>0.060</td>
<td>3.680</td>
<td>0.000</td>
</tr>
<tr>
<td>InL → TpA</td>
<td>0.219</td>
<td>0.218</td>
<td>0.057</td>
<td>3.847</td>
<td>0.000</td>
</tr>
<tr>
<td><strong>Indirect Effect</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TSc → TpA → TpC</td>
<td>0.029</td>
<td>0.029</td>
<td>0.016</td>
<td>1.816</td>
<td>0.069</td>
</tr>
<tr>
<td>MTS → TpA → TpC</td>
<td>0.040</td>
<td>0.040</td>
<td>0.019</td>
<td>2.162</td>
<td>0.031</td>
</tr>
<tr>
<td>TKn → TpA → TpC</td>
<td>0.031</td>
<td>0.030</td>
<td>0.014</td>
<td>2.153</td>
<td>0.031</td>
</tr>
<tr>
<td>TSo → TpA → TpC</td>
<td>0.042</td>
<td>0.042</td>
<td>0.018</td>
<td>2.352</td>
<td>0.019</td>
</tr>
<tr>
<td>InL → TpA → TpC</td>
<td>0.042</td>
<td>0.040</td>
<td>0.016</td>
<td>2.582</td>
<td>0.010</td>
</tr>
</tbody>
</table>
14. Taxpayer awareness mediates the influence of tax knowledge on taxpayer compliance, supported by a statistical test value of 2.153, surpassing 1.96, and a p-value of 0.031, less than 0.05. The positive original sample value strengthens this mediation.

15. Taxpayer awareness mediates the influence of tax socialization on taxpayer compliance, as indicated by a statistical test value of 2.352, surpassing 1.96, and a p-value of 0.019, less than 0.05. The positive original sample value supports this mediation.

16. Taxpayer awareness mediates the influence of income level on taxpayer compliance, substantiated by a statistical test value of 2.582, surpassing 1.96, and a p-value of 0.010, less than 0.05. The positive original sample value confirms this mediation.

Based on the outcomes of the R-Square examination, it can be deduced that the Adjusted $R^2$ measure for the taxpayer compliance factor stands at 0.859 or 85.90%, and the Adjusted $R^2$ measure for the taxpayer awareness factor is 0.849 or 84.90%. Hence, it can be inferred that the R-Square test findings indicate a favorable model fit, as they surpass the threshold of 0.67 (Table 4).

Upon performing the Q-Square computation using the formula $1 - [(1 - R_1^2) \times (1 - R_2^2)]$, the result yields 0.979 or 97.9%. This implies that 97.9% of taxpayer compliance can be elucidated by factors such as tax penalties, tax system modernization, tax knowledge, tax socialization, and income level, while the remaining 2.1% is attributed to other unexamined elements (Table 5).

Lastly, examining the F-Square test results reveals that taxpayer awareness, system modernization, and tax penalties are classified as high, indicating F-Square values exceeding 0.35. Tax knowledge and income level, concerning taxpayer compliance, fall within the moderate range, featuring F-Square values between 0.15 and 0.35. Conversely, tax socialization exerts an insignificant impact on taxpayer compliance, with an F-Square value below 0.02.

5. Discussion

Based on the outcomes of the initial hypothesis $H_1$ testing, it is evident that tax penalties exert a positive and significant influence on taxpayer compliance, aligning with prior studies [11]. This discovery indicates that heightened government-imposed tax penalties result in increased compliance among motor vehicle taxpayers in Bekasi Regency. The prospect of facing substantial penalties motivates taxpayers to adhere to tax obligations, preventing elevated payments. Furthermore, high tax penal-

### Table 4. R-Square model test results

<table>
<thead>
<tr>
<th>Dependent Variables</th>
<th>R Square</th>
<th>R Square Adjusted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Taxpayer Compliance (TpC)</td>
<td>0.861</td>
<td>0.859</td>
</tr>
<tr>
<td>Taxpayer Awareness (TpA)</td>
<td>0.852</td>
<td>0.849</td>
</tr>
</tbody>
</table>

### Table 5. F-Square model test results

<table>
<thead>
<tr>
<th>Variables</th>
<th>TpC</th>
<th>TpA</th>
<th>MTS</th>
<th>TKn</th>
<th>TSc</th>
<th>TSo</th>
<th>InL</th>
</tr>
</thead>
<tbody>
<tr>
<td>TpC</td>
<td>0.386</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TpA</td>
<td>0.376</td>
<td>0.400</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MTS</td>
<td>0.334</td>
<td>0.227</td>
<td></td>
<td>Tkn</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TKn</td>
<td>0.374</td>
<td>0.210</td>
<td></td>
<td>TSc</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TSc</td>
<td>0.000</td>
<td>0.458</td>
<td></td>
<td>TSo</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TSo</td>
<td>0.296</td>
<td>0.458</td>
<td></td>
<td>InL</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
ties act as a deterrent against repeated violations. Additionally, responses from the questionnaire suggest that universally applied tax penalties, irrespective of an individual’s social status, lead to prompt tax obligation fulfillment, thereby enhancing overall taxpayer compliance.

In conclusion, elevated government-imposed tax penalties discourage taxpayers from violating tax regulations, ultimately contributing to increased compliance among motor vehicle taxpayers.

Moving on to the results of the second hypothesis $H_2$ testing, they also reveal that the modernization of the tax system positively and significantly impacts taxpayer compliance, in line with earlier research by Mudjiyanti et al. [10] and Patriandari et al. [12]. This suggests that higher levels of tax system modernization correspond to increased compliance among taxpayers.

The objective of modernizing the tax system is to ease taxpayers in fulfilling their tax obligations, making compliance more accessible. Responses from the questionnaire indicate that government commitment to providing convenience, such as drive-thru services, contributes to timely tax payments.

The implementation of tax system modernization through the West Java Samsat Mobile (Sambara) application, enabling taxpayers to pay motor vehicle taxes from home through internet banking or ATMs, further aids the government in achieving accountable and transparent governance (Karunia et al. [35]), while facilitating taxpayers in meeting their tax obligations [36].

As for the results of the third hypothesis $H_3$ testing, they also demonstrate that tax knowledge positively and significantly impacts taxpayer compliance, aligning with earlier research [13; 22]. This implies that taxpayers with a good understanding of the fundamentals and functions of taxation are more likely to comply with their tax obligations.

According to [22], taxpayer compliance occurs when taxpayers possess good knowledge of general regulations, tax functions, and applicable tax systems. Following attribution theory, tax knowledge is an internal factor influencing an individual’s behavior.

Therefore, taxpayers with good tax knowledge are more likely to promptly fulfill their tax obligations. Furthermore, responses from the questionnaire suggest that taxpayers with knowledge of tax payment procedures at the Samsat office find it easier to fulfill their tax obligations, leading to timely payments.

Regarding the results of the fourth hypothesis $H_4$ testing, it is established that tax socialization does not influence taxpayer compliance. This finding aligns with prior research by Jayusman et al. [37], which suggests that government socialization activities do not impact the compliance of motor vehicle taxpayers.

The research findings indicate that varying levels of tax socialization will not affect the compliance of motor vehicle taxpayers in Bekasi Regency. This is further supported by the questionnaire distribution results, where counseling efforts by Samsat officers in Bekasi Regency are perceived as low.

Therefore, tax socialization becomes less effective and lacks influence on the compliance of motor vehicle taxpayers in Bekasi Regency, even though taxpayers have correctly completed tax administrative requirements. To provide information, understanding, and guidance to taxpayers regarding tax regulations and functions, the role of the government and all responsible units is crucial.

Based on the findings from the fifth hypothesis $H_5$ testing, it is established that income levels exert a positive and significant impact on taxpayer compliance. This result aligns with prior research [10], indicating that individuals’ income, derived from their employment, influences their ability to fulfill tax obligations.

This observation is also relevant to attribution theory, where income levels are considered an internal factor, attributing an individual’s behavior to their internal characteristics. Thus, the fulfillment of tax obligations is intertwined with individuals’ spending capacity; higher income corresponds to increased taxpayer compliance, and vice versa. Respondent
responses from the questionnaire support this, revealing that taxpayers with higher income levels contribute to compliance with timely tax payments.

Moving on to the outcomes of the sixth hypothesis $H_6$ testing, it is determined that taxpayers have a positive and significant effect on taxpayer compliance. This aligns with earlier research [8; 38], indicating that heightened taxpayer awareness correlates with increased compliance.

According to Kuilim et al. [1], taxpayer awareness is characterized by knowing, complying with, and fulfilling tax obligations in accordance with laws and regulations, driven by a desire and determination to meet these obligations. This aligns with attribution theory, categorizing it as an internal factor, where individuals act based on their internal motivations.

This finding is supported by respondent answers from the questionnaire, demonstrating that taxpayers are aware that paying taxes is their contribution to regional development, motivating them to make timely payments of motor vehicle taxes.

Regarding the seventh hypothesis $H_7$ testing, it is established that tax penalties have a positive and significant effect on taxpayer awareness. This aligns with the research by Idrus et al. [33] that suggests taxpayer awareness is shaped as government sanctions for violations increase. The findings indicate that higher government-imposed sanctions lead taxpayers to realize the significant consequences of violating tax regulations and the impact on the taxes they pay, acting as a deterrent.

Respondent answers from the questionnaire support this, with the majority stating that uniformly applying tax penalties without considering an individual’s social status creates awareness among taxpayers, motivating them to contribute to regional development by paying taxes.

This underscores the deterrent effect of severe sanctions, preventing taxpayers from engaging in tax violations, and emphasizes that violating tax regulations leads to larger tax payments, highlighting the positive impact of tax penalties on taxpayer awareness.

Based on the findings of the eighth hypothesis $H_8$ testing, it is determined that the modernization of the tax system has a positive and significant effect on taxpayer awareness. This result aligns with previous research by Turambi et al. [11], suggesting that an easier system for taxpayers to fulfill their tax obligations increases their awareness of tax responsibilities. The findings also indicate that modernizing the tax system facilitates taxpayers, leading to heightened awareness of taxation and increased compliance with tax obligations.

This aligns with the theory proposed by Mudjiyanti et al. [10], stating that modernizing the system through the use of the latest technology enhances transparency and accountability in the tax system. The impact of modernization results in taxpayers being aware of their tax obligations, contributing to increased compliance. Respondent answers from the questionnaire support this, evaluating that the use of drive-thru Samsat facilities facilitates taxpayers in meeting their tax obligations and contributes to self-awareness for participating in regional development.

Based on the outcomes of the ninth hypothesis $H_9$ testing, it is evident that tax knowledge plays a positive and significant role in shaping taxpayer awareness. This result is consistent with previous research by Ratnawati et al. [14], emphasizing that individuals with a deep understanding of tax matters consciously fulfill their tax obligations. The findings suggest that increased knowledge of tax payment procedures correlates with heightened awareness.

This is corroborated by responses from the questionnaire, where taxpayers well-versed in the tax procedures at the Samsat office exhibit an increased awareness of tax payment. Thus, individuals equipped with a comprehensive understanding of the simplicity and significance of taxation, along with knowledge of all facets of tax-related matters, consciously acknowledge the importance of meeting tax obligations as their contribution to national, regional development, and the economy.
Moving on to the tenth hypothesis $H10$ testing, it is established that tax socialization exerts a positive and significant influence on taxpayer awareness. This finding aligns with prior research [16; 22], indicating that increased use of information media for socialization in public spaces enhances taxpayer awareness.

Tax socialization involves disseminating information about tax regulations, enabling the general public to comprehend the actions required for fulfilling tax obligations [4]. When taxpayers have a clear understanding of tax regulations, confusion is minimized in meeting tax obligations, leading to voluntary compliance. Government-led socialization enhances taxpayers' insight, making them aware of the importance of fulfilling tax obligations.

This is further supported by respondent answers from the questionnaire, where the majority asserts that providing information in public spaces using the latest information technology will elevate taxpayer awareness, contributing to regional development.

Regarding the eleventh hypothesis $H11$ testing, it is evident that income levels have a positive and significant impact on taxpayer awareness. The findings suggest that higher income received by taxpayers enhances their welfare, fostering awareness and the ability to pay taxes. With this income, taxpayers can allocate resources to meet their economic needs or engage in other activities, fostering awareness of fulfilling tax obligations. This finding is reinforced by respondent answers from the questionnaire, where taxpayers with high income and the capacity to pay taxes are conscious of paying taxes to contribute to regional development.

Based on the twelfth hypothesis $H12$ testing, it is determined that taxpayer awareness does not mediate the influence of tax penalties on taxpayer compliance. This aligns with previous research [14]. It indicates that sanctions and awareness alone are insufficient to boost taxpayer compliance, as taxpayer awareness cannot mediate sanctions on taxpayer compliance. Sanctions, imposed externally by the government as punishment for taxpayer violations, and taxpayer awareness, representing an individual’s willingness to fulfill tax obligations voluntarily, are distinct factors.

In reality, taxpayers often have interests beyond fulfilling tax obligations, complying only to meet administrative requirements outside the tax context. This finding is supported by respondent answers from the questionnaire, leading to the conclusion that there is no relationship between the three variables. Low compliance with administrative requirements by taxpayers and high sanctions imposed by the government do not impact taxpayer compliance in meeting tax administrative requirements.

Regarding the thirteenth hypothesis $H13$ testing, it is evident that taxpayer awareness mediates the influence of the modernization of the tax system on taxpayer compliance. This aligns with previous research by Turambi et al. [11]. It implies that an easier system for taxpayers to fulfill their tax obligations through modernization, coupled with high awareness among taxpayers, results in high taxpayer compliance.

The modernization of the tax system is expected to enhance taxpayer compliance, supported by the internal factor of taxpayer awareness. This research demonstrates that taxpayer awareness can mediate the impact of modernization on taxpayer compliance, as evidenced by respondent answers from the questionnaire. The ease of fulfilling tax obligations through the drive-thru Samsat system, along with taxpayer awareness that tax payment is a contribution to regional development, leads taxpayers to pay their taxes on time.

Based on the fourteenth hypothesis $H14$ testing, it is established that taxpayer awareness mediates the influence of tax knowledge on taxpayer compliance. This aligns with previous research [39]. The research indicates that taxpayers with good tax knowledge and high awareness contribute to increased taxpayer compliance. This occurs when taxpayers possess knowledge of the basics of taxation, functions of taxation, and tax penalties,
leading to an awareness of complying with tax obligations. Additionally, based on respondent answers from the questionnaire, the majority also express that understanding tax procedures and awareness of tax payment will lead taxpayers to pay their taxes on time and contribute to development.

Based on the outcomes of the fifteenth hypothesis $H_{15}$ testing, it is established that taxpayer awareness serves as a mediating factor in the impact of tax socialization on taxpayer compliance. This discovery aligns with earlier research [22; 44]. The findings indicate that elevated government-led socialization, coupled with heightened awareness, leads to increased taxpayer compliance.

This underscores that government efforts to impart understanding of taxation to taxpayers are not fully effective without the individuals’ intrinsic awareness to voluntarily fulfill tax obligations. This is substantiated by tax socialization endeavors, which manifest as government activities providing information and assistance to taxpayers regarding applicable tax rules. Taxpayers become cognizant of their rights and obligations, fostering an inherent awareness of fulfilling tax obligations.

Additionally, conclusions drawn from respondent answers in the questionnaire suggest that government socialization efforts through billboards in public areas, combined with taxpayer awareness of paying taxes to contribute to regional development, will impact timely tax payments.

In relation to the sixteenth hypothesis $H_{16}$ testing, it is evident that taxpayer awareness plays a mediating role in the influence of income level on taxpayer compliance. This finding is in line with prior research [21]. The findings suggest that higher levels of taxpayer awareness and income lead to increased taxpayer compliance. Income level itself is a pivotal factor for taxpayers because they utilize the money earned through work or services to meet their tax obligations.

However, regardless of the amount of taxpayer income, compliance cannot be achieved without an awareness of the significance of fulfilling tax obligations. This is corroborated by respondent answers from the questionnaire, where taxpayers, equipped with the ability to pay their taxes and coupled with awareness that paying taxes is a part of regional development, fulfill their tax obligations on time.

6. Conclusion

Based on the outcomes of the conducted research and subsequent data analysis, it is evident that tax penalties, system modernization, tax knowledge, income level, and taxpayer awareness play crucial roles in enhancing taxpayer compliance. However, tax socialization does not demonstrate a significant impact on taxpayer compliance. These factors collectively underscore the importance of targeted interventions in tax policy and administration.

In practical terms, the study proposes several recommendations for relevant authorities:

1. Provide detailed and comprehensive information to taxpayers regarding the requirements for fulfilling their tax obligations.
2. Maintain high levels of tax penalties imposed by the government for tax violations to deter potential violators and prevent future non-compliance.
3. Enhance the e-Samsat system for fully online operation to increase taxpayer engagement with the system.
4. Conduct socialization efforts to inform taxpayers about available payment methods, maximizing the utilization of existing facilities.
5. Intensify socialization efforts to educate taxpayers about tax regulations, fostering increased compliance.
6. Adjust tax rates based on taxpayers’ abilities, ensuring that the tax burden is manageable for all taxpayers.
7. Conduct socialization campaigns encouraging taxpayers to pay their taxes on time to avoid late payment penalties.

The theoretical significance of this research lies in its contribution to the understanding of factors influencing taxpayer compliance, providing a foundation for future studies in the realm of tax admi-
nistration. On a practical level, the recommendations offer actionable insights for policymakers and tax authorities, guiding the development of effective strategies to enhance compliance.

However, it is crucial to acknowledge certain limitations. The research scope is specific to motor vehicle taxes in Indonesia, and the findings may not be universally applicable. Additionally, external factors influencing taxpayer behavior, which were not extensively explored, may contribute to variations in compliance levels. These limitations emphasize the need for caution when generalizing the results beyond the study’s context.

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