

The Impact of Tax Awareness and Taxation Sanctions on the Motor Vehicles Tax Compliance (Case Study on SAMSAT Karawang Regency's, West Java)

Yanti
Mumun Maemunah
Rahadian Adha

Buana Perjuangan University of Karawang, West Java, Indonesia

Abstract. The aim of the current research is to inspect the impact of tax awareness notion and taxation sanctions on the Motor Vehicles of tax compliance. Taxpayers compliance is a core aspect taking into account the fact that Indonesian taxation system keeps to the self-evaluation system. According to it the process of taxing gives trust to the taxpayers, so they are able both to calculate the tax pay and report obligations themselves. The model of the present article is a predictive one. It is based on mixed method approaches application through observation and interview activities with key respondents within the niche for processing and presentation of motorized vehicle data. This is the main source of research objects that gives information directly on the implementation of services at SAMSAT Karawang Regency's. A sample or respondents are motor vehicles personal taxpayers. In general, there were sixty respondents involved into the research. The SPSS 23.00 program with the approaches of multiply regression model operated methods of data analysis. The results of the conducted survey deduced that tax awareness and taxation sanctions significantly influence the Motor Vehicles of Tax Compliance. The results of partial test demonstrated that tax awareness and taxation sanctions have a positive impact on the Motor Vehicles of Tax Compliance.

Key words: the tax compliance of Motor Vehicles, taxation sanctions, tax awareness.

Introduction

The terms of tax awareness and taxation sanctions belongs to more general concept of tax culture. The tax culture is usually understood as a part of the national culture of the state. It is associated with the activities of participants in tax legal relations and reflects the level of knowledge and compliance by citizens with legislation on taxes and fees, the accuracy of calculation, the completeness and timeliness of payment of taxes and fees, as well as awareness of their rights and obligations, which is formed from an understanding of the importance for the state (and specific region of the state if speak about the local budgets) and society of paying tax payments. It is common to associate directly the size of the shadow economy with the level of tax morality, which in turn depends on a number of factors, including features of the state political structure, level of socio-economic development of the country, moral and moral values of citizens and social norms of society in which they live, etc. The aim of modern governments is to force the development of taxation culture and tax morality in order to find optimal balance. Especially if speaking about Indonesian model of taxation that exists on self-evaluation basis.

There are two types of tax applied in the Unitary State of the Republic of Indonesia, namely: (1) Central Tax and (2) Regional Tax. Based on Clause 1 number 10 of the Constitution of the Republic of Indonesia Number 28 of 2009 concerning Regional Taxes and Regional Levies. Regional Tax Definition means the taxpayers contribution to regions owed by individuals or entities that are formed based on the law, with no direct

compensation. It is used for regional needs for the greatest prosperity of the people (Undang-Undang Republik Indonesia, 2009). Every motor vehicles are increasingly owned by every level of society, the increase in motor vehicles causes the number of motor vehicle taxpayers to increase each year (Riuh Hutomo, 2017: 1-33; Nurkhin et al., 2018: 240-255; Rizal, 2019: 76), this can be seen from the number of taxpayers registered at SAMSAT Karawang Regency's from 2013-2017 the number of taxpayers has always increased (Table 1, Fig. 1).

Table 1. Number of Motor Vehicle Taxpayers Years 2013-2017

Years	Type of Tax Vehicles		
	2-Wheeled	4-Wheeled	Total
2013	639,689	63,706	703,395
2014	677,362	74,901	752,263
2015	703,561	85,793	789,354
2016	729,760	96,685	826,445
2017	755,961	107,577	863,538

Source: (Badan Pendapatan Daerah Provinsi Jawa Barat, 2018)

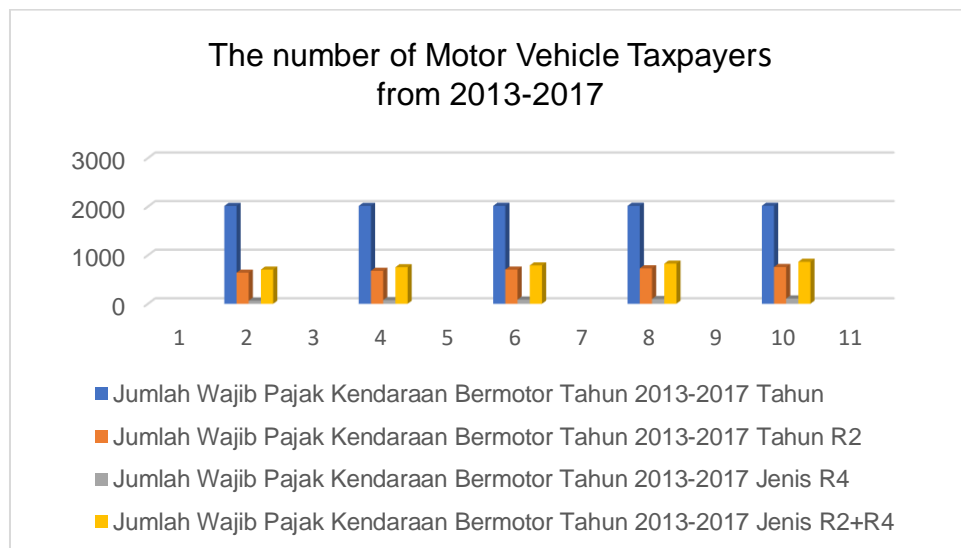


Fig. 1. The Number of Motor Vehicle Taxpayers from 2013-2017 (Source: Badan Pendapatan Daerah Propinsi Jawa Barat, 2018)

Based on Table 1 and Fig. 1 above, the increase of purchasing power of population for motor vehicles has a certainly positive impact on local governments. Due to the higher level of motorized vehicles ownership, it is expected that taxes payed for the local governments will also increase and have positive impact on flourishing of the region, especially in SAMSAT Karawang Regency's, West of Java.

A number of previous studies has carried out the investigation of the interrelations of tax awareness and taxation sanctions with Motor Vehicles Tax Compliance in order to inspect the taxation awareness and the tax sanctions. The Fiscus attitudes to WP-OP compliance in South Minahasa District showed that tax awareness and tax sanctions have a major impact on taxpayer compliance (Tiraada, 2013: 999-1008; Saragih and Aswar, 2019: 269-278). The inspection of motor vehicle taxpayers compliance in the paradigm of the policy of eliminating tax fines based-on Governor's Decree No.544/DISPENDA/2016 on the elimination of tax fines and transfer of motorized vehicle

names demonstrated that the factors of the elimination of tax fines and transfer of motorized vehicle names in the Regional Revenue Service of West Kalimantan Province deepen the moral obligations of taxpayers, and knowledge of tax factors (Riuh Hutomo, 2017: 1-33).

The influence of community consciousness, tax sanction and service quality toward tax mandatory compliance in paying motor vehicle taxes demonstrated that the understanding of taxpayer, tax awareness and tax sanctions have a significant effect. From another side the tax authorities' services do not have any significant impact on the individual taxpayer compliance in SAMSAT Batam City (Tene et al., 2017: 443-453; Wirawati and Putra, 2019: 216-227). The Fiscus servicing and tax sanctions on the obedience of personal taxes obligatory supported the position of the existence of taxation awareness and tax penalties positive impact on the individual taxpayer. At the same time, socialization of taxation and fiscal service does not apply to individual taxpayer compliance for KPP Pratama Bengkulu City (Siahaan and Halimatusyadiah, 2018: 1-13). Therefore, the background of this study aims to the effect of tax awareness and taxation sanctions on Motor Vehicles Tax Compliance (Case Study on SAMSAT Karawang Regency's, West Java.

Theoretical Framework and Research Models

Consciousness is an element in humans to understand reality and how they act or behave towards reality. The public must continue to be invited to know, acknowledge, and respect and obey the taxation in force to create awareness and concern about taxpayer compliance will increase if awareness of taxpayers increases (Angraini and Khairani, 2019: 45-52). Awareness of paying taxes must be considered as a condition where someone knows and understands the process of paying taxes. Consciousness is an element in humans to understand reality and how they act or behave towards reality (Putri and Saleh, 2018: 416-430).

Tax sanctions occur because there are violations of tax legislation, so that if a violation occurs the taxpayer is punished with an indication of taxation policies and tax laws (Tene et al., 2017: 443-453). Sanctions are needed so that regulations or laws are not violated. Tax sanctions are guarantees that the provisions of tax legislation will be complied with or obeyed. The application of administrative sanctions is generally imposed because taxpayers violate administrative matters as measured in tax laws (Ilyas and Burton, 2013: 65).

Taxpayer compliance is the tax obligations fulfillment carried out by taxpayers in the parading of contributing to the development of the State, which is expected to be fulfilled on voluntary basis. Compliance of taxpayers is a core aspect taking into account that the taxation system in Indonesia adheres to the Self-Evaluation basis. According to this notion, the system gives trust to taxpayers to calculate pay and report obligations themselves (Siahaan and Halimatusyadiah, 2018: 1-13).

The Big Indonesian Dictionary explains the term of obedience as a verb means to obey the teachings and rules. Compliance is the motivation of an individual, group, or organization to act according to the established rules. In tax, the applicable rule is the Taxation Law. Tax compliance is a person's compliance, in this case, a taxpayer, to tax regulations or laws (Tiraada, 2013: 999-1008).

Taxpayers will obey in carrying out their tax obligations if the rates are correlated with local regulation norms and taxpayers have an awareness of paying taxes. Besides, there are also strict sanctions. Sanctions must be given to taxpayers who omit or

postpone violations of motor vehicle tax paying. The research model is formulated as follows (Fig. 2).

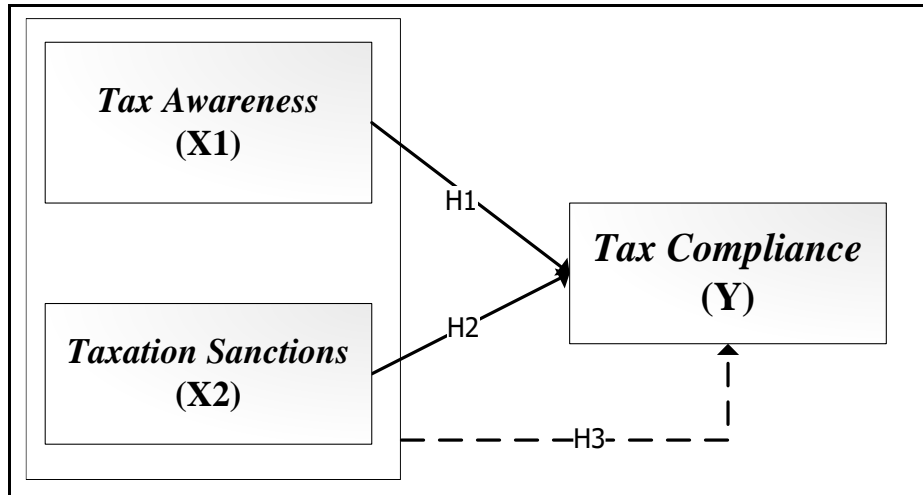


Fig. 2. Research Model

To answer the research question, this study uses a model regressions:

Studies the impact of tax compliance of Motor Vehicles consists of tax awareness, and taxation sanctions (through H1, H2, and H3).

Material and Methods

This study of research is predictive research, objective to predicting certain phenomena based on general relationships that have been previously thought then to test hypotheses generally explains the characteristics of certain relationships or differences between groups or the independence of two or more factors in a situation (Ali and Limakrisna, 2013: 33,72). This study uses a mixed method approaches designed to be able testing on Motor Vehicles Tax Compliance to predict tax awareness and taxation sanctions factors through observation and interview activities with key informants in the section for Processing and Presentation of Motorized Vehicle Data which is the main source of research objects, then observes directly the implementation of services at SAMSAT Karawang Regency's. The population in this study also involves the respondents who motor vehicles personal taxpayers at the SAMSAT Karawang Regency located in the West Java area. In this study, the sampling technique was taken using an incidental sampling method, which is sixty respondents. The analytical method used is the multiple regression analysis. The data analysis technique is operated through the SPSS 23.00 program. The regression model formulated into the following equation:

$$Y = \alpha + \beta_1.X1 + \beta_2.X2 + e$$

A trial run in this study was carried out hypothesis testing through the simultaneous test (F-test), and partial test of the regression coefficient's (t-test).

Results

The results of this study were conducted by collecting data through observation and interview activities, which were then compared or strengthened with theories obtained from the results of literature studies.

The Partial Test of the Regression Coefficient's (t-test)
T-Test results are presented in Table 2.

Table 2. T-Test Results

Variables	The Regression Coefficient's Score	T-Test Score	Significant Probability Score	Conclusions
Constant	12,190			
Tax Awareness	0,116	0,721	0,000	Positive significant
Taxation Sanctions	0,475	4,574	0,000	Positive significant

Source: Output form SPSS 23.00 (2018)

Based on the resulting SPSS 23.00 Output (Table 2), the following regression equation can be made:

$$Y = 12,190 + 0,116.X1 + 0,475.X2 + e$$

The Simultaneous Test (F-test)

F-Test Results are presented in Table 3.

Table 3. F-Test Results (ANOVA)

Model Summary	Score
F-statistics	17,795
Significant Probability	0,000

Source: Output form SPSS 23.00 (2018)

Based on Table 3 above, shows the F-statistics score of 17,795 is greater (>) than F-table (df1; df2; 0,05 probability = 4,012973 score) so H0 is rejected (p < 0,05). This means that the variables of Tax Awareness and Taxation Sanctions have significant influence on the Motor Vehicles of Tax Compliance in SAMSAT Karawang Regency's, West Java.

Discussions

The first hypothesis testing results. Analyzing the results obtained after the first stage of the research allows to conclude that the tax awareness has a positive significant influence on the motor vehicles tax compliance. This is supported by a regression coefficient of 0,116 with a probability of 0,000. The result means that each increase of one level of the tax awareness of tax compliance of motor vehicles will increase the tax awareness amounted 11,6 percent or significant. The results of this stage support the overall research, which states that tax awareness has positive significantly influence toward the tax compliance (Tiraada, 2013: 999-1008; Tene et al., 2017: 443-453; Sukriah, Akram, and Inapty, 2009). The higher the level of taxpayer awareness, the higher the level of taxpayer compliance (Asrinanda, 2018: 539-550; Dzalika, 2018: 44-49; Hasan et al., 2017: 75-90). Taxpayers who have the awareness to pay motor vehicle tax will pay taxes on time. Because taxpayers are aware of paying taxes is a form of community service to the state and is a participation in supporting regional development (Susanto,

2018). Awareness of taxpayers includes awareness of tax rights and obligations to meet the obligation to pay taxes, public confidence in paying taxes for state financing, self-impulse to pay taxes voluntarily. If taxpayers have carried out their tax obligations sincerely and are aware of the importance of taxes for the growth and development of their regions, there will be no non-compliance in paying taxes (Wardani and Rumiyaun, 2017: 15-24).

The second hypothesis testing results allows to make a conclusion that the taxation sanctions has a positive significant impact on the motor vehicles tax compliance. The thesis is supported by a regression coefficient of 0,475 with a probability of 0,000, and means that each increase of one level of the taxation sanctions of tax compliance of motor vehicles will cause increase of the tax awareness amounted 47,5 percent or very significant. The results of the current stage support the overall research which states that taxation sanctions has positive significantly influence toward the tax compliance (Tiraada, 2013: 999-1008; Tene et al., 2017: 443-453; Rihut Hutomo, 2017: 1-33; Siahaan and Halimatusyadiah, 2018: 1-13). Tax penalties are factors that make taxpayers obedient in paying motor vehicle tax. Tax penalties will be given to taxpayers who commit violations or delays in paying taxes. Sanctions are needed to create discipline in paying taxes. The imposition of sanctions must be carried out strictly to all taxpayers who violate them. Taxpayers who violate or delay in paying taxes will be subject to administrative sanctions in the form of interest of 2% (two percent) each month from the Vehicles Tax owed for a maximum period of fifteen months. Taxation sanctions aim to prevent and educate taxpayers from violating tax norms. However, the sanctions provided are very light making many taxpayers do not comply with paying motor vehicle tax. Taxpayers who are obedient to paying taxes will surely see how much sanctions will be received if they are late or do not pay taxes. Conversely, taxpayers who do not comply and see the small sanctions obtained will make taxpayers do not comply in paying motor vehicle tax (Online Pajak, 2019).

The third hypothesis testing results give possibility to make a conclusion that the tax awareness and taxation sanctions have a positive significant influence on the tax compliance of motor vehicles simultaneously. This is indicated by f-test results of 17,795 score with a probability of 0,000, which contemporaneously states the existence of a mutual influence between the variable of tax awareness and taxation sanctions toward the tax compliance on motor vehicles in SAMSAT Karawang Regency's, West Java.

Conclusion

By the obtained results of the conducted research, it may be concluded the next thesis: it is proven that the tax awareness, taxation sanctions, tax awareness and taxation sanctions contemporaneously have a positive significant impact on the motor vehicles tax compliance within SAMSAT Karawang Regency's, West Java. The analysis of the results of the study allows us to conclude also that the tax culture within SAMSAT Karawang Regency's, West Java has optimal potential of development and plays an important role in the harmonious development of the local society and the whole state, as well as in minimizing the negative manifestations and scale of the shadow economy.

References

Ali, H., Limakrisna, N. (2013). Metodologi Penelitian (Petunjuk Praktis untuk Pemecahan Masalah Bisnis, Penyusunan Skripsi, Tesis, dan Disertasi) (1 ed.). Yogyakarta: Deepublish.

Angraini, D., Khairani, S. (2019). The Effect of Tax Awareness and Tax Sanctions on Compliance to Pay Motor Vehicles Tax (Case Study on WP-OP in the City of Palembang). Palembang: MDP Business School.

Asrinanda, Y.D. (2018). The Effect of Tax Knowledge, Self Assessment System, and Tax Awareness on Taxpayer Compliance. *International Journal of Academic Research in Business and Social Sciences*, 8(10), 539-550. <http://dx.doi.org/10.6007/IJARBS/v8-i10/4762>

Badan Pendapatan Daerah Provinsi Jawa Barat. (2018). Pajak Kendaraan Bermotor. Karawang: E-Samsat Jawa Barat.

Diamastuti, E., Hardanti, K. (2019). The Investigation of Taxpayer Compliance in Tax Amnesty. *AKRUAL: Jurnal Akuntansi*, 10, 85. <http://dx.doi.org/10.26740/jaj.v10n2.p85-104>

Dzalika, A. (2018). The Influence of Tax Knowledge and Perception of Tax Sanction towards Individual Taxpayers Compliance in Bekasi. Bachelor Degree in Economics Major in Accounting Manuscript. Available at: <http://repository.president.ac.id/xmlui/bitstream/handle/123456789/131/008201400030.pdf?sequence=1&isAllowed=y>

Hasan, A., Gusnardi, G., Muda, I. (2017). Analysis of Taxpayers and Understanding Awareness Increase in Compliance with Taxpayers Individual Taxpayers. *International Journal of Economic Research*, 14(12), 75-90. Available at: https://www.researchgate.net/publication/320335466_Analysis_of_Taxpayers_and_Understanding_Awareness_Increase_in_Compliance_with_Taxpayers_Individual_Taxpayers

Ilyas, W.B., Burton, R. (2013). *Hukum Pajak*. Jakarta: Salemba Empat.

Nurkhin, A., Novanty, I., Muhsin, M., Sumiadji, S. (2018). The Influence of Tax Understanding, Tax Awareness and Tax Amnesty toward Taxpayer Compliance. *Jurnal Keuangan Dan Perbankan*, 22(2), 240-255. <https://doi.org/10.26905/jkdp.v22i2.1678>

Online Pajak. (2019, June 27). Mengenal Sanksi Pajak di Indonesia. Retrieved September 28, 2019, from Online Pajak @PT Achilles Advanced Systems. Available at: <https://www.online-pajak.com/seputar-pajakpay/sanksi-tidak-melakukan-pembayaran-pajak>

Putri, N.R., Saleh, M. (2018). The Influence of Taxation Awareness, Fiscus Services, Taxations Sanctions, Taxations Socialization of Aceh Taxation Compliance (Empirical Study of Personal Tax-Payer Registered in Aceh Pratama Tax-Offices Years of 2012-2015). *Jurnal Ilmiah Mahasiswa Ekonomi Akuntansi (JIMEKA)*, 3 (3), 416-430.

Riuh Hutomo, A.O. (2017). Analysis of Compliance of Motor Vehicle Taxpayers in Relation to the Policy of Eliminating Tax Fines Based on Governor's Decree No.544 / DISPENDA / 2016 Concerning the Elimination of Tax Fines and Transfer of Motorized Vehicle Names. *Jurnal Nestor Magister Hukum*, 1 (1), 1-33. Available at: <http://jurnal.untan.ac.id/index.php/nestor/article/view/22559/17916>

Rizal, A.S. (2019). Pengaruh Pengetahuan Wajib Pajak, Kesadaran Wajib Pajak, Sanksi Pajak Kendaraan Bermotor Dan Sistem Samsat Drive Thru Terhadap Kepatuhan Wajib Pajak Kendaraan Bermotor. *Jurnal Ilmiah Akuntansi Universitas Pamulang*, 7(1), 76. <https://doi.org/10.32493/jiaup.v7i1.2508>

Saragih, T.R., Aswar, K. (2019). The Influencing Factors of Taxpayer Compliance: Risk Preferences as A Moderating Variable, *International Journal of Academic Research in Accounting, Finance and Management Sciences*, 9(4), 269-278. <http://dx.doi.org/10.6007/IJARAFMS/v9-i4/6845>

Siahaan, S., Halimatusyadiah. (2018). The Influences of Tax Awareness, Tax Socialization, Fiscus Servicing and Tax Sanctions on Obedience of Personal Taxes Obligatory. *Accounting of Journal*, 8 (1), 1-13. <https://doi.org/10.33369/j.akuntansi.8.1.1-14>

Susanto, H. (2018). Membangun Kesadaran Dan Kepedulian Sukarela Wajib Pajak. Retrieved September 25, 2018, from Kementerian Keuangan, DJP: Available at: <https://www.pajak.go.id/id/artikel/membangun-kesadaran-dan-kepedulian-sukarela-wajib-pajak>

Tene, J.H., Sondakh, J.J., Warongan, J.D. (2017). The Influence of Community Consciousness, Tax Sanction and Service Quality Toward Tax Mandatory Compliance in Paying Motor Vehicle Taxes in SAMSAT Batam City. *Jurnal Riset Ekonomi, Manajemen, Bisnis dan Akutansi (EMBA)*, 5 (2), 443-453. <https://doi.org/10.35794/emba.v5i2.15702>

Tiraada, T.A. (2013). Taxation Awareness, Tax Sanctions, Fiscus Attitudes to WP-OP Compliance in South Minahasa District. *Jurnal Riset Ekonomi, Manajemen, Bisnis dan Akutansi (EMBA)*, 1 (3), 999-1008. <https://doi.org/10.35794/emba.v1i3.2305>

Undang-Undang Republik Indonesia. (2009). Undang-Undang Nomor 28 Tahun 2009 Tentang Pajak Daerah dan Retribusi Daerah. Kementerian Hukum dan HAM Republik Indonesia. Jakarta: Badan Pengawas Keuangan dan Pembangunan (BPKP).

Wardani, D.K., Rumiyatun. (2017). The Influence of Tax Mandatory Knowledge, Tax Awareness Motor Vehicle Taxation, and Drive Thru Sample System on Compliance of Motor Vehicles Taxation Objectives (Case Study of WPPKB Four-Wheeled at Samsat Drive Thru Bantul). *E-Journal of Accounting*, 5 (1), 15-24. <https://doi.org/10.24964/ja.v5i1.253>

Wirawati Ni Gusti Putu, Putra Inyoman Wijana Asmara (2019). Analysis of Factors that Influence the Compliance of Tax and Restaurant Taxes in Tabanan Regency of Bali, Indonesia. *Russian Journal of Agricultural and Socio-Economic Sciences*, 86 (2), 216-227. <https://doi.org/10.18551/rjoas.2019-02.25>