

THE EFFECT OF OWNERSHIP OF TAXPAYER IDENTIFICATION NUMBERS (NPWP), TAX AUDITS, AND TAX COLLECTION ON INDIVIDUAL TAXPAYER COMPLIANCE (CASE STUDY ON KPP PRATAMA INDRAMAYU)

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Abstract

Keywords: NPWP Ownership, Tax Audit, Mandatory Compliance Pajak, KPP Prathama Indramayu

This study aims to analyze the influence of Taxpayer Identification Number (NPWP) ownership, tax audit, and tax collection on the compliance of individual taxpayers at the Indramayu Pratama Tax Service Office (KPP). The method used involved a survey with 100 registered taxpayer respondents, using a questionnaire that included 47 questions related to three independent variables and one dependent variable. The results of the study show that partially, tax audit and tax collection have a significant influence on taxpayer compliance, with significance values of 0.000 and 0.016, respectively. On the other hand, NPWP ownership has no significant effect with a significance value of 0.515. The independent variable showed a significant influence on taxpayer compliance with a separation value of 68.507 and a significance of 0.000. The analysis of the determination coefficient showed that 68.2% of the variation in taxpayer compliance was explained by the three variables, while the rest was influenced by other factors outside the model.

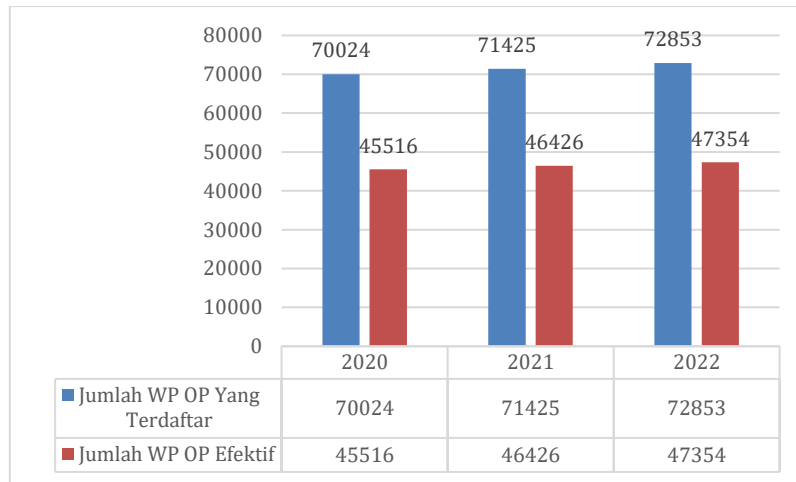
INTRODUCTION

According to Law Number 16 of 2009, taxes are mandatory contributions to the state that are owed by individuals or entities that are coercive based on the law, without receiving direct compensation and used to finance state needs for the greatest possible benefit for the prosperity of the people. (Mardiasmo, 2018). Although tax collection adheres to the self-assessment system, in the context of coaching, researching and supervising the implementation of taxpayers' tax obligations, the Directorate General of Taxes can still issue tax regulations.

Tax determination is a component of official assessment. A Tax Determination Letter is a legal product produced in connection with a tax audit that contains an explanation of the basics of tax correction as well as the amount of sanctions and taxes payable (Tehuayo, 2023).

Tax audits are carried out by examining evidence in the form of books, documents and records in an objective and professional manner based on audit standards from the Directorate General of

Taxes (DGT), to assess taxpayers compliance with tax obligations for other matters contained in the provisions of tax legislation. (Pardiat, 2008)

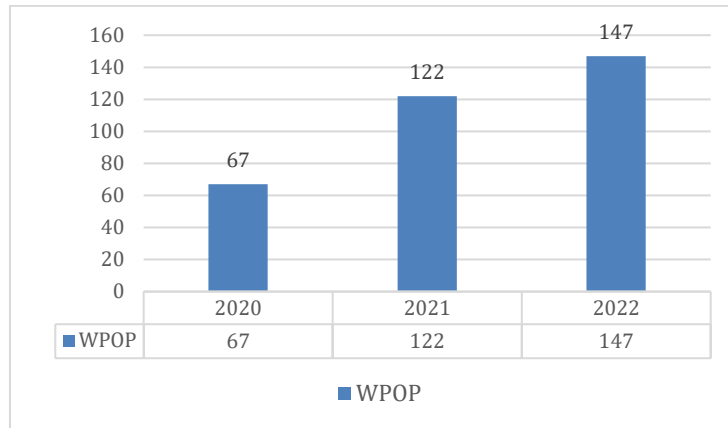


Source: Dat Quality Assurance Section of KPP Pratama Indramayu,2024

Figure 1.1 Number of Individual Taxpayers’ NPWP Ownership Pada KPP Prathama Indramayu

Based on figure 1.1 above, it can be seen that the ownership of NPWP in KPP Pratama Indramayu, the number of Registered Individual Taxpayers (WP OP) has shown stable growth in the last three years. In 2020, the number of registered OP taxpayers was recorded at 70,024 people, increasing to 71,425 people In 2021, it increased by 1,401 people or 2% from the previous year. This number will then increase again in 2022 to 72,853 people, an increase of 1,428 people or 2% from last year 2021. At the same time, a similar increase also occurred in the number of effective OP taxpayers, ie, those who actively fulfill their obligations. In 2020, the number of effective OP WPs is 45 people. 516 people. This figure increased to 46,426 people in 2021, an increase of 910 people or 2% compared to 2020. In 2022, the number of taxpayers.

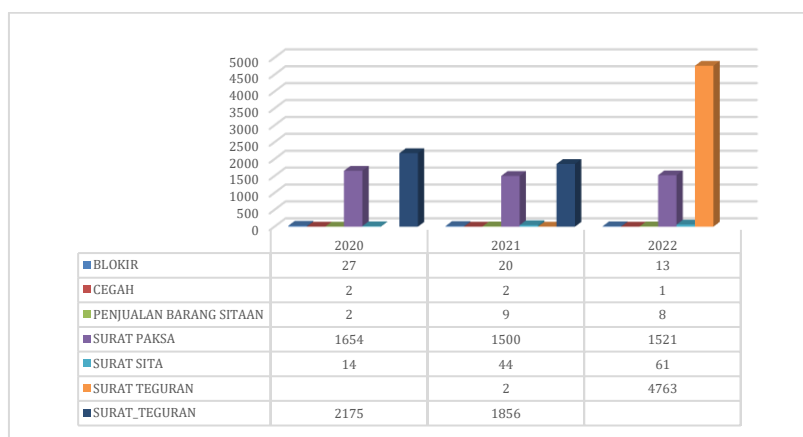
Effective OP will increase again to 47,354 people or an increase of 928 people or 2% compared to 2021. It indicates an increase in public participation in the tax system. which can be attributed to the government's efforts to increase tax awareness. According to previous research, an increase in OP taxpayer registrations is often associated with tax education campaigns as well as incentives for compliance. According to Waluyo (2020), public awareness of NPWP helps increase tax compliance so that it has a positive impact on state tax revenue. This book provides an important reference for the business world and academies to understand the dynamics of taxation in Indonesia and the prevailing policy changes (Arifin, 2020).



Source : Data Quality Assurance Section of KPP Pratama Indramayu, 2024

Figure 1.2 Number of Individual Taxpayer Audits Pada KPP Prathama Indramayu

The information provided in figure 1.2 above shows that the number of tax audits for Individual Taxpayers (WP OP) at the Indramayu Pratama Tax Service Office shows a significant increase during the 2020-2022 period. In 2020, the number of inspections carried out was recorded as many as 67 inspections. This number increased significantly to 122 inspections in 2021, an increase of 55 inspections (82%) from the previous year. This growth continued in 2022, where the number of controls increased to 147 inspections, which means an increase of 25 inspections (20%) compared to 2021. In total, in the last three years, 336 tax audits have been carried out on OP taxpayers at the Indramayu Pratama Tax Service Office

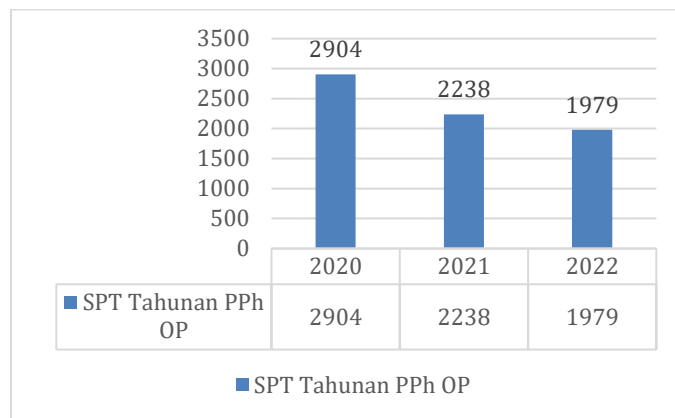


Source: Data Quality Assurance Section of KPP Pratama Indramayu, 2024

Figure 1.3 Amount of Tax Collection at KPP Pratama Indramayu

Based on figure 1.3 above, the data presented shows the number During the 2020-2022 period, various tax collection actions were carried out to increase taxpayer compliance. The blockade was

carried out 60 times, but the number dropped from 27 times in 2020 to 13 times in 2022. Prevention has been carried out 5 times in the last three years as a restriction measure. Sales of confiscated goods amounted to 19 pieces, peaking in 2021. Mandatory letters are the main way, used 4 times. 675 times in three years. The number of warning letters has grown significantly in 2022, reaching 4,763 letters (an increase of 156% compared to 2020). The fluctuation in the method and number of collection actions at KPP Pratama Indramayu illustrates efforts to adapt to the conditions of taxpayers and government policies. stated that the effectiveness of collection depends on the flexibility of the method used in accordance with the characteristics of the taxpayer (Putra, 2020).



Source: Data Quality Assurance Section of KPP Pratama Indramayu, 2023

Figure 1.3 The amount of compliance of individual taxpayers on KPP Prathama Indramayu

Figure 1.4 shows that the Annual Return of Personal Income Tax (SPT) at KPP Pratama Indramayu shows a significant downward trend in the last three years, although the number of registered taxpayers continues to increase. In 2020, there were 2,904 tax return reports, which was the highest number for the last three years, the number dropped to 2,238 in 2021 which recorded a decrease of 23% compared to 2020. This decrease indicates a decrease in the level of taxpayer compliance in reporting their taxes even though the number of registered taxpayers has increased. And it returned to 1,979 in 2022, which represents a decrease of 12% compared to 2021.

Compliance levels that are not proportional to the growth in the number of registered WPOPs indicate obstacles such as a lack of understanding of taxpayers about the importance of tax compliance or negative perceptions of taxes. This data confirms research that shows that an increase in taxpayer registration is not always followed by appropriate compliance (Julianto, 2017).

LITERATURE REVIEW

Ownership of Taxpayer Identificaion Number (NPWP)

According to the Taxpayer Identification Number (NPWP) is a unique number given to taxpayers to facilitate the tax process and tax supervision. NPWP is used as a taxpayer's identity in the Indonesian tax system. According to the Taxpayer Identification Number is a 0 number given to the Taxpayer as a means of tax administration that functions as the official identity of the Taxpayer in the Indonesian tax system (Mardiasmo, 2018; Tirani, 2020).

Tax Audit

According to the Directorate General of Taxes (DGT), it is authorized to conduct audits to test compliance with the fulfillment of taxpayers' tax obligations and for other purposes in order to implement the provisions of tax legislation. (Rahayu, 2020)

Tax Collection

According to (Rassubala, 2022), it is a series of actions for tax bearers to pay off tax debts and tax collection costs by reprimanding or warning, carrying out confiscations, carrying out hostages, and selling goods that have been confiscated.

RESEARCH METHODS

Type of Research. Research is primary data. Primary data is a data source that comes from data sources that are collected specifically and related to the problem being researched.

The sample techniques used are simple random sampling. According to the sample, the sampling technique is a sampling technique that will be used in a research. The number of samples was 99.63 respondents but rounded up to 100 respondents. Therefore, this research was carried out by distributing 100 questionnaires which will be distributed directly to individual taxpayers in Indramayu City (Suiyono, 2020).

RESULTS AND DISCUSSION

Normality Test

**Tabel 4.1 Kolmogrov Smirnov Normality Test
One-Sample Kolmogrov-Smirnov Test**

Unstandardized Residual		
N		100
Normal Parameters ^{a,b}	Mean	.0000000
	Std.Deviation	316.700.826
Most Extreme Differences	Absolute	.046
	Positive	.046
	Negative	-.044
Test Statistic		.046
Asymp.Sig. (2-tailed)		.200 ^{c,d}

Source : SPSS Output Results

Based on table 4.17, it shows that the significance value of Kolmogrov Smirnov is 0.200. Since the significance value produced by Kolmogrov Smirnov is more than 10% (the real level of significance of the study) which is $0.200 > 0.1$, it can be concluded that H_0 is accepted, in other words the regression model is feasible to use because it meets the assumption of normality.

Multiple Linear Regression Analysis

Regression analysis is used to determine the magnitude of the influence of NPWP Ownership, Tax Audit, and Tax Collection on Taxpayer Compliance. The following is presented a regression equation model using multiple linear regression analysis as follows:

Table 4.2 Multiple Linear Regression Analysis Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients Beta	F	Mr.
		B	Std. Error			
1	(Constant)	6.698	2.961		2.262	.026
	NPWP Ownership	.065	.100	.070	.653	.515
	Tax Audit	.560	.100	.591	5.602	.000
	Tax Collection	.189	.078	.220	2.443	.016

a. Dependent Variable: WP Compliance

Source: Data Processed

The linear regression equation model formed based on the results of the study:

$$Y = 6.698 + 0.065 X_1 + 0.560 X_2 + 0.189 X_3$$

From the regression model, it can be explained:

- a. If a constant of 6.698, it means that if the variables of NPWP ownership, tax audit. and tax collection are considered cash, then the individual taxpayer's compliance variable will be valued at 6.698.
- b. If the value of the regression coefficient of the npwp ownership variable is 0.065, it means that if the variable of npwp ownership increases by a unit, while the other independent variables, namely the tax audit and tax collection variables, are considered constant (value 0), then the dependent variable, namely taxpayer compliance, will increase by 0.065.
- c. The regression coefficient value of the tax audit variable shows a value of 0.560, meaning that if the tax audit variable increases by a unit, while the other independent variable, namely the tax ownership and collection variable, is considered constant (value 0), then the dependent variable, namely taxpayer compliance, will increase by 0.560.
- d. The regression coefficient value of the tax collection variable shows a value of 0.189, meaning that if the tax collection variable increases by a unit, while the other independent variables, namely the ownership variable and tax audit, are considered constant (value 0), then the dependent variable, namely taxpayer compliance, will increase by 0.189.

Hypothesis Testing Test t (partial)

This test basically aims to show the influence of independent variables individually against dependent variables. Based on the results of the hypothesis testing, the following results were obtained as follows:

Table 4.3 Hypothesis Testing t Coefficientsa

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	Tax Collection	.189	.078	.220	2.443	.016

b. Dependent Variable: WP Compliance

Source: SPSS Output Result

Based on table 4.20, the partial test results are as follows:

- 1. Based on the t-test on the regression model, the significance value of the NPWP ownership variable was obtained as $0.001 < 0.1$ (the real level of research significance). In addition, it can also be seen from the results of the comparison between the tcount and the ttable which shows a tcount value of 0.653, while the ttable is 2.056. From the results, it can be seen that $t_{count} < t_{table}$, which is $0.653 < 2.056$, then it can be concluded that H_0 is rejected,

meaning that partially ownership of the npwp does not have a significant effect on taxpayer compliance because the tcount is smaller than the ttable.

2. Based on the t-test on the regression model, the significance value of the tax audit variable was obtained as $0.001 < 0.1$ (the real level of significance of the study). In addition, it can also be seen from the results of the comparison between the tcount and the ttable which shows a tcount value of 5.602, while the ttable is 2,056. From the results, it can be seen that testlines the $<$ of the ttable which is $5,602 > 2,056$, then it can be concluded that H2 is accepted, meaning that partially the tax audit has a significant effect on taxpayer compliance.
3. Based on the t-test on the regression model, the significance value of the tax collection variable was obtained at $0.001-0.1$ (the real level of research significance). In addition, it can also be seen from the results of the comparison between the tcount and the ttable which shows a tcount value of 2.443, while the ttable is 2.056. From the results, it can be seen that talnitates the ttable $<$ which is $2.443 > 2,056$, then it can be concluded that H3 is accepted, meaning that partially tax collection has a significant effect on taxpayer compliance.

CONCLUSIONS AND SUGGESTIONS

CONCLUSION

Based on the results of research that has been conducted regarding the influence of ownership of Taxpayer Identification Number (NPWP), tax audit, tax collection on individual taxpayers' compliance with KPP Pratama Indramayu, it can be concluded that:

1. The results of the analysis show that the ownership of the NPWP has no influence on the compliance of individual taxpayers at the Indramayu Pratama KPP. This indicates that this administrative factor alone is not enough to encourage compliance, and more attention needs to be paid to socialization and understanding of the benefits of NPWP for taxpayers.
2. Tax audits affect taxpayer compliance. Audits conducted by tax authorities can increase taxpayers' awareness to better fulfill their tax obligations,
3. Tax collection affects taxpayer compliance. Efficient and timely collection has a positive impact on taxpayer behavior in paying taxes, which supports increased compliance.

SUGGESTION

Based on the conclusion above, the researcher provides some suggestions as follows:

For KPP Pratama Indramayu

- a. KPP Pratama Indramayu is advised to expand socialization programs related to NPWP through digital media (social media, webinars) and organize seminars or direct training

in the community including MSMEs and rural communities aiming to reach groups that are not exposed to much information.

- b. KPP Pratama Indramayu must follow a humane approach in tax collection and provide opportunities for taxpayers to communicate and discuss their tax obligations before deciding on a tax collection method.

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