The influence of taxpayer attitudes and understanding of taxation on tax compliance mediated the adoption of an electronic tax system

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Article Info	ABSTRACT
Keywords: Tax payer Attitude, Understanding of Taxation, Tax Compliance, Adoption of Electronic Tax Systems	This contribution is given without any direct return to the donor and the tax funds are used to support community welfare as much as possible. The aim of this research is to determine the influence of taxpayer attitudes and understanding of taxation on tax compliance mediated by the implementation of the electronic tax system at KPP Pratama South Batam. The population in this study was 400,034 individual taxpayers registered at KPP Pratama South Batam in 2022 and samples were taken using the Slovin formula, so that a sample of 100 people was obtained. The type of research applied in this research is quantitative. The data source in this research is primary data obtained directly based on respondents' answers from questionnaires published to research subjects. The data analysis techniques used are instrument testing (validity test and reliability test), descriptive analysis, inferential statistical test (Partial Least Square), model measurement test (convergent validity, discriminant validity, composite reliability and Cronbach alpha), structural model test (R-Square (R2), Q2 Predictive Relevance, Goodness Of Fit (GoF) Index, and parametric statistical tests and hypothesis testing). Hypothesis test results (direct influence) taxpayer attitudes have a significant influence on the application of the electronic tax system, understanding of taxation has a significant influence on the application of the electronic tax system, taxpayer attitudes have a significant influence on the application of the electronic tax system, understanding of taxation has a significant influence on the application of the electronic tax system, attitude taxpayers have a significant influence on the application of the electronic tax system, understanding taxation has a significant influence on the application of the electronic tax system and the application of the electronic tax system has a significant influence on the application of the electronic tax system. significant to the existence of taxes. The results of hypothesis testing (indirect influence) of the application of the tax system can mediate taxpayer attitudes towards tax compliance and the significance is 0.003 and the application of the electronic tax system can mediate the understanding of taxation towards electronic tax compliance.
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INTRODUCTION

The source of state revenue comes from various sectors, including internal and external sectors. Among these internal revenue sources, taxes are one of the main components (Inriama &; Setyowati, 2020). Based on data from (nasional.kontan.co.id). Ministry of Finance Sri Mulyani, tax revenue from January to August 2022 is IDR 1,171.8 trillion, which is equivalent to 78.9% of the target set in the 2022 State Budget (APBN) Sri Mulyani is very happy with this result, that this tax revenue has exceeded tax revenue before the Covid-19 outbreak. From the beginning of 2019 to the middle of 2019, tax revenue amounted to Rp.802.5 trillion. Tax is the largest source of state revenue so it is certainly supported by compliance from all Indonesian people in fulfilling their tax obligations.

The form of contribution from the community in tax revenue is to calculate, pay and report income tax correctly and on time. Taxpayer Compliance at the South Batam Pratama Tax Service Office can be seen in Table 1, the high rate of submission of Annual Tax Returns to Individual Taxpayers so that this study is focused on Individual Taxpayers

Table 1. Taxpayer Compliance Data KPP Pratama Batam Selatan

	Year	Number of Registered WPs	Number of WP Report SPT	Compliance Rate
South	2019	308.712	47.851	15,50%
Batam	2020	341.939	52.743	15,42%
	2021	370.573	61.170	16,50%
	2022	400.034	66.251	16,56%

Based on the data above, it can be concluded that the level of compliance of individual taxpayers fluctuates in numbers that are not large. One of the steps taken by the government to increase the level of tax compliance is to implement an electronic tax system. In this study, the electronic tax system in question is E-Filing. E-Filing provides convenience for taxpayers in submitting tax returns so that it is expected to increase the level of taxpayer compliance. The following is the tax return reporting data at KPP Pratama Batam Selatan electronically or manually where there are significant differences reflected in the data

Table 2. Electronic and Manual SPT Reporting Data of KPP Pratama Batam Selatan

Tax Year	WP OP Report Electronic Tax Return	WP OP Report SPT Manual
2019	47.796	55
2020	52.689	54
2021	61.128	42
2022	66.242	9

The successful implementation of this system is supported by the attitude of taxpayers and the understanding of taxation owned by taxpayers. Taxpayers who are compliant in carrying out their tax obligations when fully understanding tax regulations.

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1. The attitude of taxpayers is one of the factors affecting taxpayer compliance. An attitude is a positive or negative feeling that drives a person's behavior. A rational attitude affects tax compliance.
2. Understanding taxation is an insight possessed by taxpayers which includes knowledge related to tax regulations and general knowledge about taxation.

Based on the background that has been described, the formulation of the problem in this study is:

1) how does the taxpayer's attitude affect tax compliance in KPP Pratama Batam Selatan?
2) how does the understanding of taxation affect tax compliance in KPP Pratama Batam Selatan?
3) how does the attitude of taxpayers affect the adoption of the electronic tax system in KPP Pratama Batam Selatan?
4) how does the adoption of the electronic tax system affect the adoption of the electronic tax system in KPP Pratama Batam Selatan?
5) how does the adoption of the electronic tax system affect tax compliance in KPP Pratama Batam Selatan?
6) how does the adoption of the electronic tax system mediate the influence of taxpayer attitudes towards tax compliance in KPP Pratama Batam Selatan?
7) how does the adoption of the electronic tax system mediate the influence of tax understanding on tax compliance in KPP Pratama Batam Selatan?

Literature Review

Taxpayer Compliance

Compliance refers to the act of complying and complying with predetermined guidelines or regulations. Taxpayer compliance, as applied to the tax context, refers to the tendency of individuals to exercise their tax rights and fulfill their tax obligations in accordance with applicable law (Nasution &; Ferrian, 2019: 207). Taxpayer compliance can be identified from (Zahrani &; Mildawati, 2019):

1. Compliance in terms of self-registration.
2. It has no record of penalties related to violations of tax law in cases with decisions that have been final within the last five years.
3. Taxpayers fill out the Tax Return (SPT) form accurately, thoroughly, and explicitly.
4. Taxpayers carry out tax reporting in accordance with the established deadlines.

Taxpayer Attitude

Attitude is a person's view or action towards an object or event that occurs whether it is beneficial or harmful. In the context of taxpayers, taxpayers' attitudes reflect judgments or views, both positive and negative, towards objects, individuals, or events related to tax obligations (Yanti, 2021). The attitude of taxpayers, according to the view, refers to subjective assessments made by taxpayers, both positive and negative, on all aspects related to tax obligations and tax law as a whole (Suardana &; Maradona, 2021).

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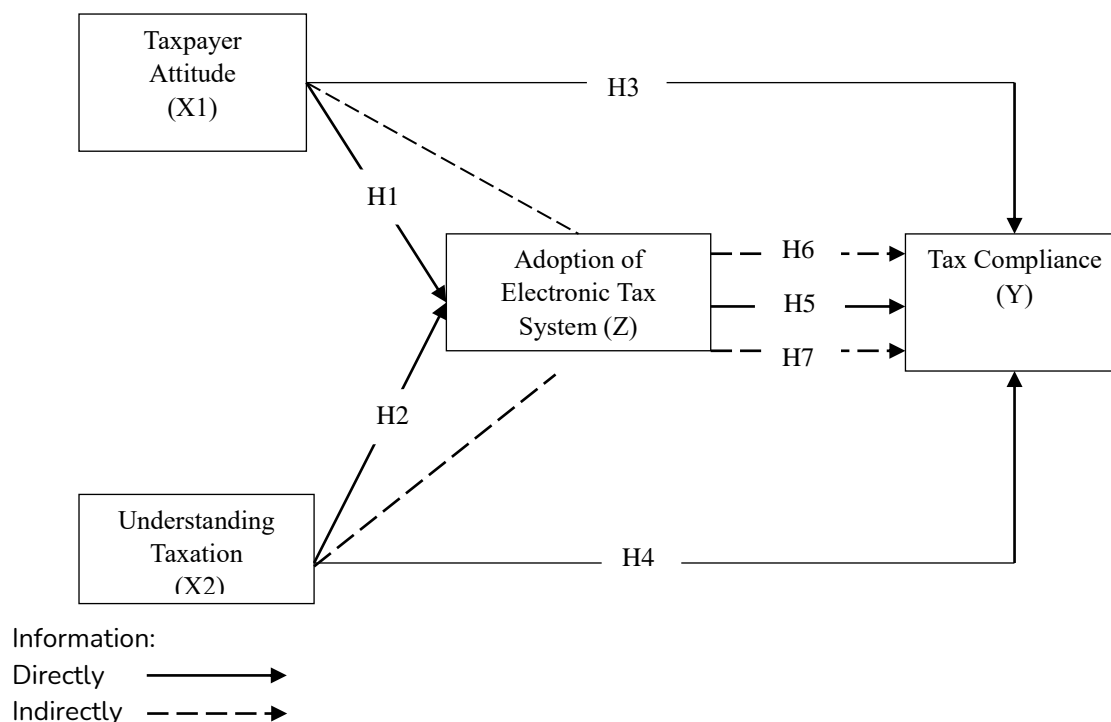**1484** | P a g e

Understanding Taxation

Understanding taxation is a process by which a person has adequate knowledge both general knowledge and special knowledge about all aspects of taxation that apply to everyone. One example of this understanding is the ability to submit tax returns and make tax payments according to the correct procedures and locations, sanctions that may be applied, and time limits governing tax return reporting, as disclosed by (Official, 2016:22). Understanding taxation is an element of tax information that equips taxpayers with sufficient knowledge to take appropriate actions, make accurate decisions, and plan appropriate strategies in carrying out their rights and obligations in the tax context, in accordance with the study (Cahyani and Noviari, 2019:7).

Adoption of Electronic Tax System

The adoption of the Electronic Tax System is the process of replacing an old system with a new system, in this case manual tax return reporting is replaced by electronic reporting. To increase the adoption of the electronic tax system, an effective strategy involves increasing taxpayers' understanding and technological competence through broader socialization efforts related to the electronic tax system (Ramdhani et al., 2022). Electronic taxation systems offer various advantages compared to manual systems, this includes an easier administrative process because it uses a computer system that allows transactions to be carried out at a flexible time and place (Ramdhani et al., 2022). In addition, the electronic taxation system allows fast access via the internet, saving time and reducing paper consumption (NANDIKA, 2022). The electronic tax system used in this study is E-Filing.

Frame of Mind

Information:
Directly ⟶
Indirectly ⤍

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METHODS

The population in this study is 401,043 Individual Taxpayers registered at KPP Pratama Batam Selatan in 2022. The sample used in this study was 100 respondents. The data collection technique used is sourced from data collection through questionnaires that are distributed directly through google forms. To Individual Taxpayers registered with KPP Pratama Batam Selatan in 2022. Sample selection in this study using the method Simple random sampling. The data analysis method used in this study is using a structural equation model (structural Equation Modelling) based on the variant, namely Partial Least Square (PLS). As an analytical tool to conduct testing on this research using the help of the SmartPLS 4.0 program

RESULTS AND DISCUSSION

Evaluation of the Measurement Model (Outer Model)
Convergent Validity

Convergent validity testing using outer loading or loading factor values. If the outer loading value of an indicator is greater than 0.7, it is widely accepted as an indicator of high convergent validity.
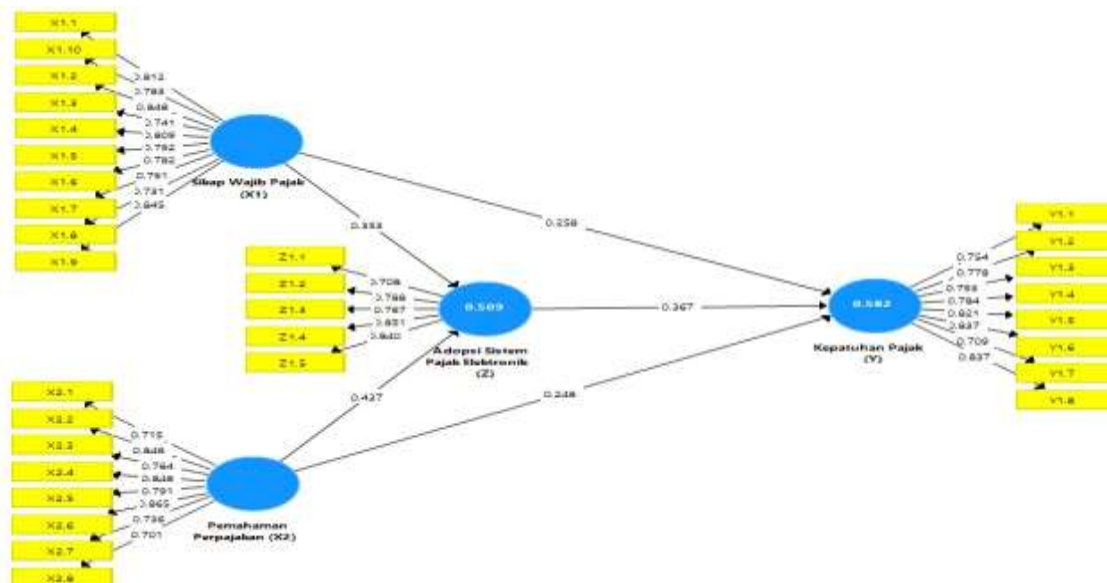

Figure 1 Path Diagram

Discriminant Validity

The results in Table 3 show that the AVE value is greater than 0.50, so all variables used in the study are declared Valid

Table 3. Average Variant Extracted (AVE)

Variable	Average Variance Extracted (AVE)	Information
Taxpayer Attitude (X_1)	0.631	Valid
Tax Understanding (X_2)	0.617	Valid
Tax Compliance (Y)	0.624	Valid
Adoption of Electronic Tax System (Z)	0.628	Valid

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Reliability Test

The results in table 4 show that each variable produces a value greater than 0.70 so that all variables used in the study are declared Reliable

Table 4 Composite Reliability

Variable	Composite Reliability	Requirement	Information
Taxpayer Attitude (X_1)	0.945	0,70	Reliable
Tax Understanding (X_2)	0.928	0,70	Reliable
Tax Compliance (Y)	0.930	0,70	Reliable
Adoption of Electronic Tax System (Z)	0.894	0,70	Reliable

Structural Model Evaluation (Inner Model)

In Table 5, it can be seen that the R square value of the Electronic Tax System Adoption Variable (Z) is 0.509 The acquisition of this value explains that the percentage of the magnitude of Taxpayer Attitude (X_1) and Understanding of Taxation (X_2) in influencing or explaining the variable of Electronic Tax System Adoption (Z) is 50.9%. The R-Square result of the Tax Compliance variable (Y) is 0.582. This figure indicates that 58.2% variation in Tax Compliance (Y) can be explained by Taxpayer Attitude (X_1), Understanding of Taxation (X_2), and Adoption of Electronic Tax System (Z).

Table 5 R Square

	R Square	R Square Adjusted
Adoption of Electronic Tax System (Z)	0,509	0,499
Tax Compliance (Y)	0,582	0,569

Hypothesis Testing

The results of the data analysis conducted here can be used to draw conclusions about the research hypothesis. The significance level used is 0.05. If the P Value is less than 0.05, then the null hypothesis is accepted. The results of hypothesis testing in this study are presented in table 6 as follows

Direct Hypothesis

Table 6 Hypothesis Test Results (Direct Influence)

Hypothesis	Influence	T Statistics	P Values
H1	Taxpayer Attitude (X_1) -> Adoption of Electronic Tax System (Z)	4,193	0,000
H2	Understanding Taxation (X_2) -> Adoption of Electronic Tax System (Z)	5,307	0,000
H3	Taxpayer Attitude (X_1) -> Tax Compliance (Y)	4,321	0,000
H4	Understanding Taxation (X_2) -> Tax Compliance (Y)	4,367	0,000
H5	Adoption of Electronic Tax System (Z) -> Tax Compliance (Y)	3,717	0,000

Taxpayer Attitude (X1) has a positive and significant effect on the Adoption of Electronic Tax System (Z) with a Statistical T value of 4,193. Understanding Taxation (X2)

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has a positive and significant effect on the Adoption of the Electronic Tax System (Z) with a Statistical T value of 5,307. Taxpayer Attitude (X1) has a positive and significant effect on Tax Compliance (Y) with a Statistical T value of 4,321. Understanding Taxation (X2) has a positive and significant effect on Tax Compliance (Y) with a Statistical T value of 4,367. The adoption of the Electronic Tax System (Z) has a positive and significant effect on Tax Compliance (Y) with a Statistical T value of 3,717

Indirect Hypothesis

Table 7 Hypothesis Test Results (Indirect Influences)

Hypothesis	Influence	T Statistics	P Values
H6	Taxpayer Attitude (X1) -> Electronic Tax System Adoption (Z) -> Tax Compliance (Y)	3,012	0,003
H7	Understanding Taxation (X_2) -> Adoption of Electronic Tax System (Z) -> Tax Compliance (Y)	2,745	0,006

Taxpayer Attitude (X1) has a positive and significant effect on Tax Compliance (Y) mediated by the adoption of an electronic tax system (Z) with a Statistical T value of 3,012. Understanding Taxation has a positive and significant effect on Tax Compliance (Y) mediated by the Adoption of Electronic Tax System (Z) with a Statistical T value of 2,745

Discussion

The Influence of Taxpayer Attitudes on the Adoption of the Electronic Tax System

Taxpayer Attitude (X1) has a positive and significant effect on the Adoption of Electronic Tax System (Z). From the results of data processing, it can be concluded that the influence of Taxpayer Attitudes towards the Adoption of the Electronic Tax System occurs significantly. This is because taxpayers feel that websites and applications for tax return reporting are guaranteed security and control, easy operation if studied diligently, save time and costs so as to encourage taxpayers to have a positive attitude towards it which results in the adoption of the system running well.

This statement is supported by research results (Ramdhani et al., 2022) and (Mustikarini, 2023) Attitudes have an impact on the adoption of electronic tax systems.

The Effect of Understanding Taxation on the Adoption of Electronic Tax System

Understanding Taxation (X2) has a positive and significant effect on the Adoption of the Electronic Tax System (Z). The results of the data analysis show that the influence of understanding taxation on the adoption of the electronic tax system is significant. This is due to the positive understanding and adequate knowledge of Taxpayers about the benefits of e-filing applications, which allow for quick and flexible tax return reporting without the need to queue because it is done online. Thus, it provides a positive outlook on the adoption of an electronic tax system as a result of the government's efforts in tax extension that convey its benefits and advantages.

The above statement is supported by the results of research (Ramdhani et al., 2022) saying that a better understanding of taxation can increase the adoption of an electronic tax system.

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The Effect of Taxpayer Attitude on Tax Compliance

Taxpayer Attitude (X1) has a positive and significant effect on Tax Compliance (Y). The Effect of Taxpayer Attitude towards Tax Compliance, according to the results of data processing, shows strong significance. This is due to the positive attitude and confidence of taxpayers that the tax funds they pay and report will be used by the state to improve people's welfare, such as providing subsidies to build and renovate infrastructure, providing social assistance for underprivileged people and to finance state debt so that it will have an impact on taxpayer compliance.

Findings from research conducted by Ramdhani et al. (2022) and Heriyah (2020) support that taxpayers' attitudes affect their tax compliance rate.

The Effect of Understanding Taxation on Tax Compliance

Understanding Taxation (X2) has a positive and significant effect on Tax Compliance (Y). The impact of understanding taxation on the level of tax compliance, according to the results of data analysis, proved significant. This is due to the understanding that taxpayers have of tax aspects, such as knowledge of applicable tax law regulations and tax rates, due dates and the understanding that after paying taxes taxpayers need to file their tax returns so that the taxes paid can be recorded into the state treasury used by the state to finance all state needs. Thus encouraging taxpayers to have a positive tax understanding of this which results in increased taxpayer compliance.

Findings from research conducted by Zahrani & Mildawati (2019) support that an understanding of taxes has an impact on tax compliance of taxpayers.

Effect of Electronic Tax System Adoption on Tax Compliance

The adoption of the Electronic Tax System (Z) has a positive and significant effect on Tax Compliance (Y). The impact of the adoption of an electronic tax system on tax compliance, according to the results of data analysis, proved significant. This is related to the successful receipt and reporting of tax returns, which is determined by the effectiveness of the course of adoption of the electronic tax system. This causes taxpayers to use the electronic tax system more often than the manual system. As a result, tax compliance will increase

The above statement is supported by the results of research (R. Fitria &; Muiz, 2021) and (Ramdhani et al., 2022) the adoption of an electronic tax system affects the level of tax compliance of taxpayers.

The Role of Electronic Tax System Adoption in Mediating Wajb Tax's Attitude towards Tax Compliance

The adoption of the Electronic Tax System (Z) mediates the variable relationship of Taxpayer Attitude (X1) towards Tax Compliance (Y). The adoption of an electronic tax system has a role as a mediator between taxpayer attitudes and tax compliance, as demonstrated through the results of significant and influential data analysis. This is because taxpayers feel that the web and applications for tax return reporting are safe and controlled, the process is fast and easy operation if taxpayers have good knowledge of it which results in the adoption of the system can run well. So that the positive attitude of taxpayers in adopting an electronic tax system will increase the compliance of taxpayers.

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The above statement is supported by the results of research (Ramdhani et al., 2022) and (Karwur et al., 2020) stating that the adoption of an electronic tax system strengthens the influence of taxpayer attitudes to improve tax compliance.

The Role of Electronic Tax System Adoption in Mediating Tax Understanding of Tax Compliance

The adoption of the Electronic Tax System (Z) mediates the relationship of the Tax Understanding variable (X2) to Tax Compliance (Y). The role of the adoption of an electronic tax system can mediate the understanding of taxation on tax compliance which based on the results of data processing is influential and significant because taxpayers have a good understanding and have broad insight that the web and applications made by the government together with the directorate general of taxes are intended to facilitate tax return reporting because it can save time, Cost and energy from taxpayers, easy operation due to guidance in using the application so that good and adequate tax understanding in adopting an electronic tax system will increase compliance from taxpayers.

The above statement is supported by the results of research (Ramdhani et al., 2022) stating that the adoption of an electronic tax system strengthens the influence of taxpayer understanding of taxation to improve tax compliance.

CONCLUSION

Based on the results of research that has been conducted on Taxpayer Attitudes and Understanding of Taxation Towards Tax Compliance Mediated by the Adoption of Electronic Tax Systems at KPP Pratama Batam Selatan, the conclusions that can be drawn are as follows: The attitude of taxpayers has a direct and significant effect on the adoption of the Electronic Tax System. Understanding Taxation has a direct and significant effect on the Adoption of Electronic Tax System. Taxpayer Attitude has a direct and significant effect on Tax Compliance. Understanding Taxation has a direct and significant effect on Tax Compliance. The adoption of the Electronic Tax System has a direct and significant effect on Tax Compliance. The adoption of an Electronic Tax System can mediate between Taxpayer Attitude and Tax Compliance. The adoption of an Electronic Tax System can mediate between Understanding Taxation and Tax Compliance.

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