

ENHANCING TAX COMPLIANCE: THE ROLE OF AWARENESS, REGULATION UNDERSTANDING, AND PERCEIVED SYSTEM EFFECTIVENESS AMONG SELF-EMPLOYED INDIVIDUALS

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ABSTRACT

Indonesia's national revenue is witnessing substantial annual growth, primarily driven by its diverse natural resources that bolster government income. Among these sources, the tax department is the foremost contributor to the state's revenue. Maintaining the nation's stability and progress requires consistent tax payments from all taxpayers to improve compliance levels. This study examines how taxpayer awareness, understanding of tax regulations, and perceptions of the tax system's effectiveness influence the willingness to pay taxes among individual taxpayers engaged in independent work registered at KPP Pratama Cikarang Selatan. Utilizing random sampling and determining the sample size through the Slovin formula, the study collects responses from 94 respondents within the population of independent workers registered at KPP Pratama Cikarang Selatan. A quantitative approach is employed, with primary data gathered through questionnaires and analyzed using multiple linear regression analysis. The results reveal that understanding tax regulations and perceptions of the tax system's effectiveness positively impact the willingness to pay taxes, while taxpayer awareness does not have a significant influence. Furthermore, collectively, taxpayer awareness, comprehension of tax regulations, and perceptions of the tax system's effectiveness significantly affect the willingness to pay taxes among individual taxpayers engaged in independent work registered at KPP Pratama Cikarang Selatan.

Keywords: Taxpayer Awareness, Understanding of Tax Regulations, Perception of the Effectiveness of the Taxation System, Willingness To Pay Tax.

ABSTRAK

Pendapatan nasional Indonesia mengalami pertumbuhan tahunan yang signifikan, terutama didorong oleh beragam sumber daya alam yang meningkatkan pendapatan pemerintah. Di antara sumber-sumber tersebut, departemen pajak merupakan kontributor utama bagi pendapatan negara. Memastikan stabilitas dan kemajuan negara memerlukan pembayaran pajak secara teratur dari semua wajib pajak untuk meningkatkan tingkat kepatuhan. Studi ini mengkaji bagaimana kesadaran wajib pajak, pemahaman terhadap peraturan pajak, dan persepsi tentang efektivitas sistem pajak mempengaruhi kemauan untuk membayar pajak di kalangan wajib pajak perorangan yang melakukan pekerjaan bebas dan terdaftar di KPP Pratama Cikarang Selatan. Menggunakan sampling acak dan menentukan ukuran sampel melalui rumus Slovin, studi ini mengumpulkan tanggapan dari 94 responden dalam populasi wajib pajak orang pribadi yang melakukan pekerjaan bebas yang terdaftar di KPP Pratama Cikarang Selatan. Pendekatan kuantitatif digunakan, dengan data primer dikumpulkan melalui kuesioner dan dianalisis menggunakan analisis regresi linier berganda. Hasil penelitian menunjukkan bahwa pemahaman terhadap peraturan pajak dan persepsi tentang efektivitas sistem pajak berdampak positif pada kemauan untuk membayar pajak, sementara kesadaran wajib pajak tidak memiliki pengaruh yang signifikan. Selain itu, secara kolektif, kesadaran wajib pajak, pemahaman terhadap peraturan pajak, dan persepsi tentang efektivitas sistem pajak secara signifikan mempengaruhi kemauan untuk membayar pajak di kalangan wajib pajak perorangan yang melakukan pekerjaan bebas dan terdaftar di KPP Pratama Cikarang Selatan.

Kata Kunci: Kesadaran Wajib Pajak, Pemahaman terhadap Peraturan Pajak, Persepsi tentang Efektivitas Sistem Perpajakan, Kemauan untuk Membayar Pajak.

INTRODUCTION

Taxation stands as a significant cornerstone of a nation's revenue stream, serving not only as a means of self-sufficiency in financing national development but also as a vital mechanism for governmental operations and infrastructure advancement. The government's tasks and developmental endeavors necessitate substantial funding, especially considering that the income generated from exports falls short in covering governmental expenses. In response, the government actively seeks funding sources, primarily relying on domestic resources, with taxation emerging as a prominent avenue. This underscores taxation's pivotal role in governmental financial management. The overarching goal of public contributions through taxes is to foster societal welfare by enhancing public services, thereby promoting equality and elevating the populace's standard of living, while also aiming to mitigate social disparities (Setyonugroho and Sardjono, 2013).

In the realm of augmenting tax revenues, the Directorate General of Taxes has initiated measures such as tax intensification and expansion efforts, aimed at broadening the scope of taxable entities and assets, as well as identifying new taxpayers (AR Pelu, 2020). Conversely, the ever-evolving landscape of business necessitates government intervention in taxation, along with the requisite systems and regulations to support it. Despite establishing safety measures for taxpayers, notably the Taxpayer Identification Number, tailored to accommodate the burgeoning business milieu, many entrepreneurs or taxpayers still operate outside the realm of taxation. Indeed, there remains a substantial portion of potential taxpayers who have yet to be officially registered. Non-compliance with tax obligations is not limited to entrepreneurs; it is widely acknowledged that taxpayers often withhold or misrepresent information regarding their income and assets (Amran, 2018). This reluctance stems from the perception that taxes collected do not directly benefit taxpayers, as articulated by the taxation principle (Hardiningsih and Yulianawati, 2011).

As per Article 1 of Law No.28 of 2007, independent Work is defined as labor performed by individuals possessing specialized skills to earn income without being contractually employed. In line with this definition, individual taxpayers engaged in independent Work utilize their expertise to generate income independently, without being bound by an employment contract. Professions falling under independent Work, characterized by specialized skills, encompass occupations such as lawyers, accountants, architects, medical practitioners, consultants, notaries, educators, instructors, or other self-employed professionals conducting business under their names (Afifah and Kurnia, 2021).

According to the performance report released by the Directorate General of Taxes in 2021, there has been a notable rise in the percentage of tax payments over the past three years (2019-2021). This increase can be attributed to both the organic growth of taxpayers who willingly fulfill their obligations and the impact of the DGT's enhanced monitoring of taxpayers. Various initiatives have been implemented to bolster tax compliance, including the establishment of a task force dedicated to overseeing tax returns and encouraging taxpayers to fulfill their obligations. This task force utilizes existing data to scrutinize tax compliance and aims to boost tax revenues. Below is a comparison table illustrating the realization of taxpayer compliance over the three years (2019-2021):

Table 1. Comparative Analysis of Taxpayer Compliance Achievement

Description	Realization	Realization	Realization
	2019	2021	2022
Percentage of Taxpayer Compliance Rate	72,52%	77,63%	84,00%

(Source: Directorate General of Taxes, 2021)

The improvement in tax revenue realization is attributed to the enhanced efficiency of the tax office systems in Indonesia in catering to taxpayers. An upsurge in tax revenue ensues with a rise in the number of taxpayers. The commitment of taxpayers to meet their tax obligations plays a pivotal role in influencing tax revenue positively (Muslim and Wulandari, 2024)

The willingness of taxpayers to fulfil their tax obligations is crucial as it reflects their compliance with tax laws. This willingness represents the value an individual places on paying taxes, often involving sacrifices or exchanges to obtain goods or services. While many people nationwide begrudgingly fulfil their tax duties, only a few demonstrate a genuine willingness and a sense of responsibility toward financing the country's governance. Without this intrinsic willingness among taxpayers to voluntarily meet their tax obligations, efforts to maximize tax revenue cannot be fully realized. Various factors influence individuals' willingness to pay taxes, including their understanding of taxation, perceptions of tax penalties, community awareness about tax payment, views of tax officials, and perceptions of the ease of implementing the taxation system (Setyonugroho and Sardjono, 2013).

Enhancing taxpayer awareness is essential to bolster tax motivation. Taxpayer awareness is viewed as a moral stance that fosters national progress and adherence to state regulations, which are binding on taxpayers (Ernawati, 2018). Compliance with tax obligations indicates an individual's comprehension of tax laws and their role in the taxation process.

Understanding tax regulations significantly impacts the willingness to pay taxes as individuals' knowledge of prevailing tax laws influences and motivates them to adhere to tax regulations. This understanding empowers taxpayers by clarifying their rights and obligations, thus facilitating compliance. Moreover, well-informed taxpayers can independently calculate their taxes, fostering greater tax compliance (Hartati and Kartika, 2019).

Another determinant of the willingness to pay taxes is the perception of the tax system's effectiveness. Perceiving the tax system as efficient involves organizing and interpreting organizational or individual activities to achieve objectives effectively, as measured by quality, quantity, and timeliness. Positive perceptions of tax system effectiveness are reinforced when tax authorities provide accessible facilities such as e-SPT and online NPWP registration, simplifying the tax payment process (Ernawati, 2018).

Research by Afritenti, Fitriyani and Susfayyati (2020) underscores the impact of taxpayer awareness on tax compliance, contrary to findings by (Kisniati, 2019), who suggests no significant effect of taxpayer awareness on tax compliance among independent workers. Additionally, Afritenti, Fitriyani and Susfayyati (2020) demonstrate that knowledge and comprehension of tax regulations influence tax

compliance among independent workers, unlike Ernawati's (2018) findings, which suggest otherwise.

Kisniati (2019) research suggests a positive correlation between the perception of tax system effectiveness and tax compliance, while Afridenti, Fitriyani and Susfayyeti (2020) findings indicate no such relationship among independent workers. Given these discrepancies, this study aims to investigate taxpayer awareness, understanding of tax regulations, and perceptions of tax system effectiveness on tax compliance among independent workers registered at KPP Pratama Cikarang Selatan. The study focuses on individual taxpayers engaged in independent work, considering their unique financial record-keeping practices and the challenges they face in fulfilling tax obligations.

Theory

The current study revolves around two core theories: the theory of reasoned action (TRA) and the theory of planned behavior. TRA elucidates an individual's decision to partake in a specific behavior by considering the expected outcomes resulting from that behavior. For instance, individuals may be inclined to pay taxes based on their anticipation of how the tax proceeds will be utilized or the penalties they might face for nonpayment. At its essence, TRA underscores the fundamental motivation driving an individual's actions, such as tax compliance in this context. According to TRA, an individual's intention to engage in a behavior significantly predicts whether they will perform it. This theory posits that stronger intentions lead to greater effort toward behavior enactment, thereby increasing the likelihood of compliance. Consequently, it is suggested that tax morale can positively impact tax compliance. Moreover, personality traits like conscientiousness, openness, and agreeableness are posited to influence tax compliance positively when tax revenues are perceived to be used judiciously, but negatively when they are not (Olajube et al., 2018)

The theory of planned behavior (TPB) is also considered pertinent to this investigation. It posits that human behavior is influenced by three types of considerations: "behavioral beliefs," "normative beliefs," and "control beliefs" (Ajzen, 1991). Within this framework, "behavioral beliefs" generate a positive or negative "attitude toward the behavior"; "normative beliefs" contribute to the "subjective norm"; and "control beliefs" give rise to "perceived behavioral control." When combined, these elements – "attitude toward the behavior," "subjective norm," and "perceived behavioral control" – result in the formation of a "behavioral intention" (Ajzen, 2002).

Notably, "perceived behavioral control" is assumed to directly influence actual behavior and also indirectly influence it through behavioral intention (Noar and Zimmerman, 2005). The personality of a potential taxpayer will probably influence the direction of these three beliefs. Generally, the more favorable the attitude toward behavior and subjective norm, and the greater the perceived behavioral control, the stronger the individual's intention to engage in the behavior in question. Tax morale, in this context, is expected to positively correlate with behavioral control for tax compliance. According to the theory, attitude toward behavior, subjective norms, and perceived behavioral control collectively shape an individual's behavioral intentions and subsequent behaviors.

The Effect of Taxpayer Awareness on Willingness To Pay Tax

Taxpayer awareness can be understood as a manifestation of ethical conduct aimed at contributing to state development and adhering to state regulations regarding taxation. This awareness is cultivated through both formal and informal education on

taxation, leading individuals to fulfill their tax obligations willingly (Ernawati, 2018). Studies by Afridenti, Fitriyani and Susfayyati, (2020) demonstrate a positive correlation between taxpayer awareness and willingness to pay taxes among self-employed individuals at KPP Pratama Sukoharjo and KPP Pratama Jambi, respectively. Therefore, it can be inferred that:

H1: There exists a positive and significant relationship between taxpayer awareness and willingness to pay taxes.

The Effect of Understanding Tax Regulations on Willingness to Pay Tax

Comprehending tax regulations involves grasping the general provisions and procedural aspects of taxation, encompassing procedures for submitting annual tax returns (SPT), payment procedures, designated payment locations, tax penalties, tax payment deadlines, and deadlines for reporting annual tax returns (Resmi, 2019).

Research conducted by Kumala and Ayu, (2021) elucidates that understanding tax regulations positively and significantly influences the willingness to pay taxes among individual taxpayers engaged in independent work at KPP Bekasi Utara and KPP Bekasi Selatan

A profound understanding of tax regulations significantly shapes the willingness to fulfill tax obligations. The depth of knowledge regarding tax regulations motivates and facilitates taxpayer compliance with tax laws. This understanding empowers taxpayers to comprehend their rights and responsibilities, making tax compliance more manageable. With the ability to calculate their taxes independently, taxpayers are more inclined to adhere to tax regulations due to their informed understanding (Huda, Muheramtohad and Ningsih, 2020). Consequently, when taxpayers possess a thorough understanding of tax regulations, their willingness to comply with tax obligations increases. Hence, the hypothesis can be formulated as follows:

H2: Comprehension of tax regulations exerts a positive and significant influence on the willingness to pay taxes.

The Effect of Perceptions of the Effectiveness of the Taxation System on Willingness To Pay Tax

An optimistic view of the efficiency of the taxation system is achieved when tax authorities offer diverse conveniences, such as e-SPT and online NPWP registration, to streamline the tax payment process for taxpayers (Ernawati, 2018). Rinaldi and Devi (2021) the study illustrates that a favorable perception of the taxation system's effectiveness significantly encourages self-employed individuals at KPP in Lampung to fulfill their tax obligations. Similarly, Kisniati, (2019) research highlights a positive correlation between a positive perception of the tax system's efficiency and tax compliance among self-employed individuals at KPP Pratama East Denpasar. The ease experienced by taxpayers in fulfilling their tax responsibilities through various available facilities, coupled with the support of an efficient taxation system including e-SPT, e-filing, e-NPWP, e-banking, and drop boxes, fosters a positive perception of the taxation system's effectiveness, consequently bolstering willingness to pay taxes. Thus, the following hypothesis is proposed:

H3: There exists a relationship between the perception of the taxation system's effectiveness and willingness to pay taxes.

The Effect of Taxpayer Awareness, Understanding of Tax Regulations, and Perceptions of the Effectiveness of the Tax System on Willingness To Pay Tax

The anticipation is that taxpayer awareness, coupled with a grasp of tax regulations, will foster a greater inclination to fulfill tax obligations, as individuals equipped with knowledge of applicable tax laws understand their rights and duties, thus facilitating compliance (Hartati and Kartika, 2019). This understanding empowers taxpayers to accurately calculate their taxes and exhibit higher levels of tax compliance due to their informed stance.

Likewise, an optimistic outlook regarding the efficiency of the taxation system is contingent upon tax authorities offering a spectrum of amenities, such as e-SPT and online NPWP registration, to streamline the tax payment process (Ernawati, 2018). It can be inferred that taxpayer awareness, comprehension of tax regulations, and perceptions of taxation system efficiency collectively play a role in enhancing willingness to fulfill tax obligations. Consequently, the following hypothesis can be posited:

H4: Taxpayer awareness, Understanding of Tax Regulations, and perceptions of taxation system efficiency have a significant impact on willingness to pay taxes.

RESEARCH METHODS

The approach used in this research is quantitative research. Namely, research methods that emphasize the phenomena that are objective and are used to examine populations or certain samples (Sugiyono, 2010). This research was conducted at the KPP Pratama Cikarang Selatan. To get the information needed in this study, the authors used the Questionnaire technique, which is a technique of collecting data through a list of questions in writing to respondents to obtain accurate and valid data. The population in this study was the taxpayers There are a total of 1,210 self-employed taxpayers registered at the Tax Office (KPP Pratama Cikarang Selatan). The sample in this study was determined based on the Slovin approach to obtain the number of samples as formulated based on the Slovin approach as follows:

$$n = \frac{1.210}{1 + 1.210(0,1)^2}$$
$$n = \frac{1.210}{13,1}$$
$$n = 92,37$$

Using the Slovin formula, the researcher determined that the minimum required sample size for the study was 92.37 respondents. To ensure smoother data processing and improved test outcomes, the researcher adjusted the sample size to 94 respondents. To enhance representativeness, the researcher selected a sample of 94 individual taxpayers engaged in independent work registered at KPP Pratama Cikarang Selatan. The mathematical equation of multiple linear regression, if applied in the study is as follows:

$$Y = a + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + e$$

Description:

Y = Willingness to pay tax

a = Constant

$\beta_1\beta_2\beta_3$ = Regression coefficient

X1 = Taxpayer awareness

X2 = Understanding of tax regulations

X3 = Perception of the effectiveness of the tax system

e = Error

RESULTS AND DISCUSSION

RESULTS

The distribution of respondents' occupations is as follows: 3 individuals work as photographers, accounting for 3% of the total; 3 respondents are penblons, also constituting 3% of the total; 9 respondents are online drivers, representing 10%; 10 respondents are teachers, making up 11% of the total; 3 respondents are involved in mechanical engineering services, comprising 3%; 4 respondents are engaged in computer engineering services, representing 4%; 2 respondents work as moderators, accounting for 2%; 1 respondent works as a photo model, contributing 1%; 1 respondent is a consultant, also making up 1%; 1 respondent serves as a mannequin, constituting 1%; 1 respondent works as an author, representing 1%; 1 respondent is a singer, also making up 1%; and there are 55 respondents with other professions, which accounts for 59% of the total. Therefore, the most common occupation among respondents is teaching, with a total of 10 individuals, representing 11%. (see table 2).

Table 2. Type of Occupation of Respondents

Description	Total	Percentage
Photographer	3	3%
Printer	3	3%
Online driver	9	10%
Teacher	10	11%
Mechanical Engineering Services	3	3%
Computer Engineering Services	4	4%
Moderator	2	2%
Photo Model	1	1%
Consultant	1	1%
Mannequins	1	1%
Author	1	1%
Singer	1	1%
Other	55	59%
Total	94	100%

(Source: Primary data processed, 2022)

Table 3 illustrates that all research variables possess Cronbach's Alpha values surpassing the standard threshold of 0.60, indicating the relative nature of the questionnaire items utilized in this study. The reliability testing outcomes for all question items yielded Cronbach's Alpha values exceeding 0.6, affirming that every item in the research questionnaire meets the reliability criteria, thus establishing the questionnaire as a dependable research instrument. Moreover, all variables exhibit a correlation coefficient (r) greater than the critical value (r table) of 0.2028, confirming the validity of the questionnaire items utilized in this study.

Table 3. Reliability Test Results

Variable	Cronbach Alpha value	Cronbach Alpha standards
Taxpayer Awareness	0.711	0.60
Understanding of Tax Regulations	0.756	
Perception of the Effectiveness of the Tax System	0.719	
Willingness to Pay Tax	0.745	

(Source: Primary data processed, 2022)

Table 4. Analysis of Multiple Linear Regression

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig
	B	Std Error	Beta		
1 (Constanta)	10,027	2,599		3,858	,000
X1	,125	,086	,138	1,443	,158
X2	,155	,077	,208	2,002	,048
X3	,311	,103	,315	3,018	,003
R = 0.511	F Count = 10.626				
R ² = 0.262	Sig = 0.000				

Based on Table 4, the regression equation can be seen as follows:

$$Y = 10.027 + 0.125 X1 + 0.155 X2 + 0.311 X3$$

A constant term, denoted as $b_0 = 10.027$, indicates that if there are no changes in the variables Taxpayer Awareness (X1), Understanding of Tax Regulations (X2), and Perception of the effectiveness of the tax system (X3), the willingness to pay taxes remains at 10.027. The regression coefficient for the Taxpayer Awareness variable (X1) is 0.125, signifying that an increase in Taxpayer Awareness regarding taxation correlates with an enhanced willingness to pay taxes, assuming variables X2 and X3 remain constant. Similarly, the regression coefficient for the Understanding of Tax Regulations variable (X2) is 0.155, suggesting that improved Tax Regulations lead to a higher willingness to pay taxes, holding variables X1 and X3 constant. Additionally, the regression coefficient for the Perception of the effectiveness of the tax system variable (X3) is 0.311, indicating that an increase in Perception of the effectiveness of the tax system corresponds to an increased willingness to pay taxes, assuming variables X1 and X2 remain unchanged. The correlation coefficient (R) magnitude is 0.511, indicating a strong relationship between the independent variables X1, X2, and X3, and the dependent variable (Y), namely the willingness to pay taxes. This implies that the independent variables collectively have an 51.1% effect on the dependent variable.

The F Test (Simultaneous Test) aims to determine how the independent variables –comprising Taxpayer Awareness, Understanding of Tax Regulations, and Perception of the effectiveness of the tax system –collectively influence the willingness to pay taxes at the KPP Pratama Cikarang Selatan. In the regression table, the obtained F-count is 10.626, exceeding the F-table value of 2.71, with a significance level of 0.000. Given that the probability is 0.000, significantly smaller than 0.05, it can be inferred that the regression model utilized effectively enhances the willingness to pay taxes, or conversely, that the variables Taxpayer Awareness, Understanding of Tax Regulations, and Perception of the effectiveness of the tax system collectively impact the willingness to pay taxes at KPP Pratama Cikarang Selatan.

T-test (Partial Test), to determine the effect partially from each of the independent variables Taxpayer Awareness, Understanding of Tax Regulations, and Perception of the effectiveness of the tax system, to the willingness to pay taxes at the KPP Pratama Cikarang Selatan, the following will be explained as follows:

According to the t-test results above, it can be concluded that the taxpayer awareness variable has a t value of 1.443 with a t table value of 1.98667. So the t count is smaller than the t table ($1.443 < 1.98667$) and the significant value is $0.158 > 0.05$. So it can be concluded that H_0 is accepted and H_1 is rejected, which means that taxpayer

awareness does not affect willingness to pay tax. Thus it can be concluded that the first hypothesis is rejected.

The variable understanding of tax regulations has a t value of 2.002 with a t table value of 1.98667. So the t count is greater than the t table ($2.002 > 1.98667$) and has a significant value of $0.048 < 0.05$. So it can be concluded that H_0 is rejected and H_2 is accepted, which means that understanding tax regulations affects the willingness to pay tax. Thus it can be concluded that the second hypothesis is accepted.

The variable Perception of the effectiveness of the tax system has a t value of 3.018 with a t table value of 1.98667. So the t count is greater than the t table ($3.018 > 1.98667$) and has a significant value of $0.003 < 0.05$. So it can be concluded that H_0 is rejected and H_3 is accepted, which means that the perception of the effectiveness of the tax system affects the willingness to pay tax. Thus it can be concluded that the third hypothesis is accepted.

DISCUSSION

The Effect of Taxpayer Awareness on Willingness To Pay Tax

Taxpayer awareness exhibits no significant influence on the willingness to pay taxes among self-employed individuals. This lack of effect can be attributed to various factors, including inadequate dissemination of tax payment information by the government and the economic challenges faced by taxpayers. The findings of this study underscore the importance of enhancing service quality at KPP Pratama Cikarang Selatan to foster voluntary tax compliance. This entails streamlining procedures, implementing effective compliance monitoring, and utilizing social media platforms for disseminating up-to-date tax-related information. These study outcomes align with previous research conducted by Nur (Kisniati, 2019), which similarly concluded that taxpayer awareness does not impact the willingness to pay taxes among self-employed individuals.

The Effect of Understanding Tax Regulations on Willingness To Pay Tax

Understanding of tax regulations has a significant effect on the willingness to pay tax on individual taxpayers who do independent work. The more the level of understanding of tax regulations, the higher the level of willingness to pay tax.

Understanding tax regulations greatly affects the willingness to pay taxes because the level of knowledge possessed of existing tax regulations will influence and encourage taxpayers to become compliant with tax regulations. This is because they understand their rights and obligations and make it easier. Because they can calculate the taxes they pay themselves and are more compliant with taxes because of their knowledge (Hartati and Kartika, 2019). This is in line with the results of research conducted by (Kisniati, 2019), (Afritenti, Fitriyani and Susfayyeti, 2020), stating that knowledge and understanding of tax regulations affect the willingness to pay taxes on individual taxpayers who do independent work.

The Effect of Perceptions of the Effectiveness of the Taxation System on the Willingness To Pay Tax

The perception of the effectiveness of the tax system has a significant effect on the willingness to pay tax on individual taxpayers who do independent work. The higher the level of perception of the effectiveness of the tax system, the higher the level of willingness to pay tax. Awareness of the effectiveness of the tax system or recognition can be described as a process of organizing, interpreting the organization or individual so that it becomes a meaningful and integrated activity within the individual. On the

other hand, effectiveness means a measurement that shows how well the objectives (quality, quantity, time) have been achieved. A good perception of the effectiveness of the taxation system will be realized if the tax authorities provide various kinds of facilities to make it easier for taxpayers to pay taxes using existing systems such as e-SPT and online NPWP making (Ernawati, 2018). The results of this study are supported by research conducted by (Kisniati, 2019) which states that the perception of the effectiveness of the taxation system has a positive effect on the willingness to pay taxes.

The Effect of Taxpayer Awareness, the Effect of Taxpayer Awareness, Perceptions of the Effectiveness of the Taxation System on Willingness To pay Tax.

Taxpayer awareness, understanding of tax regulations, perceptions of the effectiveness of the tax system together have a significant effect on the willingness to pay tax on individual taxpayers who do independent work. The higher the level of taxpayer awareness, understanding of tax regulations, and perception of the effectiveness of the taxation system, the higher the level of willingness to pay tax. The results of this study are in line with research conducted by (Kumala and Ayu, 2021), which state that the variables of taxpayer awareness, understanding of tax regulations, and perceptions of the effectiveness of the tax system together have a significant effect on the willingness to pay tax on individual taxpayers who do independent work.

CONCLUSION

Partially, taxpayer awareness exhibits negligible impact on the willingness of self-employed individuals to pay taxes. This can be attributed to the limited awareness among this demographic, stemming from factors such as insufficient government outreach on tax payment procedures, particularly in communities with limited technological literacy. Moreover, economic hardships, particularly among self-employed individuals, contribute to neglecting tax obligations. Similarly, partial understanding of tax regulations influences the willingness to pay taxes among self-employed individuals. A deeper comprehension of tax laws correlates positively with a greater willingness to fulfill tax obligations, as it empowers individuals to grasp their rights and duties, thereby facilitating tax compliance.

Likewise, partial perceptions of the effectiveness of the tax system affect the willingness to pay taxes among self-employed individuals. Improved perceptions of tax system efficiency are associated with increased willingness to pay taxes, reflecting the positive impact of streamlined tax payment processes facilitated by authorities. The testing of the fourth hypothesis reveals that collectively, taxpayer awareness, understanding of tax regulations, and perceptions of tax system effectiveness significantly influence the willingness to pay taxes among self-employed individuals. This is attributed to various factors, including the improving condition of tax administration systems, efficient taxpayer services, regular tax audits, and strengthened law enforcement efforts, alongside increased accessibility to tax knowledge through counseling initiatives. Consequently, higher levels of taxpayer awareness, understanding of tax regulations, and perceptions of tax system effectiveness correspond to greater willingness to pay taxes.

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