The Effect of The Modernization of The Tax Administration System and Tax Understanding Level On The Individual Taxpayer Compliance at The South Lampung Dispenda Office

Dessy Andamisari [a1], Heru Sudinta [b2], Wuwuh Andayani [c3], Santi Dwi Agustin [d4]

[1234] Institut Ilmu Sosial dan Manajemen STIAMI, Jakarta, 10530, Indonesia
[1] dessyandamisari@gmail.com [2] heru@stiami.ac.id [3] wuwuh@stiami.ac.id [4] santi@stiami.ac.id
*Corresponding author's

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ABSTRACT

This study was aimed to determine the effect of the Tax Administration System and Tax Understanding Level on Individual Taxpayer Compliance at the South Lampung Dispenda Office. This research was quantitative research with a sample of 100 respondents. The data collection was by distributing questionnaires having been tested for their validity and reliability, while the data analysis was carried out using analysis of determination. The results of the study indicated that there was a simultaneous and significant effect between the Tax Administration System and Tax Understanding on the Compliance of Individual Taxpayers. This can be seen based on the F test and the value of Sig. The obtained value was 0.00 where < from 0.00 and the calculated f value was 48,876 > 3.09. This means that the independent variables, namely the Tax Administration System (X1) and Tax Understanding (X2), had a simultaneous effect on the dependent variable, namely Tax Compliance (Y). In the results of the t-test, it is known that the Tax Administration System (X1) variable had a Sig value of 0.000 <0.05 and a t-count of 0.8005> from a t-table of 1.988, then the data was declared influential. This means that the Tax Administration System variable (X2) affected the Tax Compliance variable. In the Tax Understanding variable (X2), the Sig value was 0.000 <0.05 and t count was 30.248 > t table 1.988, then the data could also be said influential. In conclusion, the Tax Understanding variable affected the Tax Compliance variable.
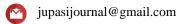
1. INTRODUCTION

Along with economic developments followed by policies in the tax sector. Therefore, taxes are a phenomenon that is always growing in society. Taxes are contributions to the state (which can be imposed) owed by those who are obliged to pay them according to regulations, without getting performance back, which can be appointed and whose purpose is to finance general expenditures related to the state's duty to organize the government (Mardiasmo, 2016: 3).

Tax can be defined as one of the efforts used by the government to bring into reality the independence of a nation or state in financing development that is useful for the common interest. As a developing country, Indonesia has various kinds of potential to become a more developed country. Then, the source of Indonesia's state revenue is divided into two, namely domestic revenue and foreign revenue. Here, taxes are one of the sources of state revenue. However, the achievements planned by the government have not yet achieved the maximum results.

Over time, the Directorate General of Taxes (DGT) felt the need to develop and accomplish the organizational structure, establishment of offices, and the implementation of modern systems. Further modernization is marked by several new things in tax services, for example in the form of online payment, e-SPT, *e-filing, e-registration*, and the DGT information system. In addition, DGT also conducts socialization of tax care, data bank development, *Single Identification Number,* and other steps that are continuously developed and perfected (Gunadi, 2015).

There are several objectives of implementing the modernization of the tax administration system (Sarunan, 2015). First, it aims to optimize revenue based on the *database*, minimize *tax groups*, and fiscal stimulus. Second, this is to increase taxpayer awareness and compliance. Third, the goal is for administrative efficiency, namely the implementation of a reliable administrative system and the use of information technology. Last, it forms a good image and trust from the community to achieve a society that has professional human resources, a conducive organizational culture, and the implementation of *good governance*. DGT has also modernized the administrative system to support transparency and openness programs to anticipate the occurrence of collusion, corruption, and nepotism; including abuse of power and authority to provide good service to the community that has been based on functions.

This modernization is expected to be in line with the increased level of compliance. This can be identified and identified by looking at taxpayer compliance in registering, reporting, and depositing taxes, and compliance in calculating and paying tax arrears. This is because there are still many taxpayers who do not report the amount of tax given by the government, and tend to reduce the cost of the tax that is set. In addition, there are still many problems that arise in almost all aspects. Collecting taxes is not an easy task, apart from the active participation of tax officials, public awareness is also required to pay taxes. In general, people (taxpayers) tend to avoid paying taxes. This tendency occurs because the level of public awareness is still low and the public's lack of knowledge and understanding of tax regulations.

Therefore, this study was required to know: (1) to analyze the effect of the modernization of the tax administration system on individual taxpayer compliance at the Local Income Agency (Dispenda) of South Lampung, and (2) to analyze the effect of the level of understanding of taxation on individual taxpayer compliance in South Lampung Dispenda.

2. METHOD

Data collection technique

This research was conducted by examining directly the target object. The data used in this study, seen from the source of the data is divided into two, namely:

1. **Primary data**

   According to Sugiyono (2014: 137), primary data is a data source that directly provides data for data collection. In this study, the results were obtained by conducting observations, questionnaires that were filled out directly by the respondents, and using research instruments.

2. **Secondary Data**

   According to Setyo Tri Wahyudi (2017: 11), secondary data is data that has been processed and published by certain agencies, for example, the data that has been published by the Central Statistics Agency, Bank Indonesia, and other institutions. To obtain the data needed in this study, the data collection technique used was a questionnaire (questionnaire). Questionnaires are an efficient data collection technique when the researcher knows with certainty the variables to be measured and knows what to expect from the respondents.

Data analysis technique

Based on statistical calculations to answer existing problems. This quantitative analysis is also a hypothesis testing for the modernization of the tax administration system on taxpayer compliance.

a. **Test InstrumentResearch**

   This instrument test aims to determine the data obtained by the researcher is valid and reliable. According to Joha Arifin (2017: 14), the measurement scale in research is to classify the variables to be measured so that there are no errors in determining data analysis and further research steps. This study uses an interval scale. The interval scale is a scale that shows the distance between one data and another and has the same weight, which also does not have an absolute zero value.

b. **Data Quality Test**

An instrument can be said to be good if it meets criteria such as validity and reliability, for that, an instrument must be tested for these two.

3. RESULTS AND DISCUSSION

A. Results

Characteristics of Respondents

The respondents in this study were taxpayers who were registered at the South Lampung Dispenda. In this study, the number of samples was 100 people. These 100 respondents would be researched. The characteristics of South Lampung Dispenda Taxpayers in this study were based on Gender, Age, and Last Education.

Data processing

Validity test

In this study, the validity test was carried out using the SPSS (Statistical Products and Service Solution) application. Where it is known that the *r table* by using the formula df = n – 2 that is = 100 – 2 = 98, so the *r table* of the validity test is 0.1966. The questionnaire can be said to be valid if the questionnaire has an *r count* greater than the *r table*. For the complete results of the validity test, it can be seen in the following table:

Table 1. Results of Validity Test of Tax Administration System (X1)

Variable	Indicator	Pearson Correlation	Mark	Critical Description
Tax Administration System	X.1.1	0.869	0.1966	Valid
	X.1.2	0.729	0.1966	Valid
	X.1.3	0.252	0.1966	Valid
	X.1.4	0.639	0.1966	Valid
	X.1.5	0.869	0.1966	Valid

Table 2. Results of Validity Test of Taxpayer Understanding (X2)

Variable	Indicator	Pearson Correlation	Mark	Critical Description
Tax Administration System	X.2.1	0.805	0.1966	Valid
	X.2.2	0.800	0.1966	Valid
	X.2.3	0.708	0.1966	Valid
	X.2.4	0.776	0.1966	Valid
	X.2.5	0.523	0.1966	Valid

Table 3. Results of Validity Test of Taxpayer Compliance (Y)

Variable	Indicator	Pearson Correlation	Mark	Critical Description
Tax Administration System	Y1	0.530	0.1966	Valid
	Y2	0.680	0.1966	Valid
	Y3	0.530	0.1966	Valid
	Y4	0.578	0.1966	Valid
	Y5	0.530	0.1966	Valid
	Y6	1.00		

Reliability Test

The reliability test is used to test the consistency of the measuring instrument, whether the results remain consistent or not if repeated measurements are made. Questionnaire instruments that are not reliable are inconsistent for measurement, so the measurement results cannot be trusted. The reliability test that is widely used in research is using the *Cronbach Alpha method*.

The decision-making method for reliability testing usually uses a limit of 0.6. According to Sekaran, reliability less than 0.6 is not good, while 0.7 is acceptable, and above 0.8 is good (Sekaran, 2000).

1) Tax Administration System

Table 4. Reliability Statistics on Tax Administration System Variables

Reliability Statistics	
Cronbach's Alpha	N of Items
.730	5

Sumber : Data Olahan SPSS Versi 25

The level of reliability on the Tax Administration System variable (X1) was on an interval scale with a correlation level between 0.06 - 0.799 with a value of 0.730 and it could be said that the level of reliability is strong or high.

2) Tax Understanding

Table 5. Reliability Statistics Data on Tax Understanding Variables

Reliability Statistics	
Cronbach's Alpha	N of Items
.754	5

Sumber : Data Olahan SPSS Versi 25

The level of reliability on the Tax Understanding variable (X2) was on an interval scale with a correlation level between 0.06 - 0.799 with a value of 0.754 and it could be said that the level of reliability is strong or high.

3) Taxpayer Compliance (Y)

Table 6. Reliability Statistics Data on Taxpayer Compliance Variables

Reliability Statistics	
Cronbach's Alpha	N of Items
.907	6

Sumber : Data Olahan SPSS Versi 25

The level of reliability on the Taxpayer Compliance variable (X2) was on an interval scale with a correlation level between 0.80 - 1.00 with a value of 0.907 and it could be said that the level of reliability is perfect.

Multiple Linear Regression Equation

The hypothesis test in this study was by using Multiple Linear Regression which was tested empirically to find a functional relationship between two or more independent variables with the dependent variable or to predict two or more independent variables on the dependent variable.

Table 7 . Variable Coefficient Statistical Data

Coefficients[a]								
		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
Model		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	3,699	0,848		4,363	0,000		
	Sistem Administrasi Pajak	,335	.042	.672	.8,005	0,000	0,716	1,396
	Pengetahuan Perpajakan	1,428	0,047	1,090	30,248	0,000	0,716	1,396
a. Dependent Variable: Kepatuhan Pajak								

Sumber : Data Olahan SPSS Versi 25

From the table above, the results of the Multiple Linear Analysis Test could be written in the form of the regression equation as follows:

$$Y = 3.699 + 0.335\ X\ 1 + (0.415)\ X\ 2.$$

The results of the multiple linear analysis test could be used as a reference for testing the t-test and f-test.

From the above equation, it can be described as follows:

b0   3.699: meaning that if the independent variable consisting of the Tax Administration System and Tax Knowledge was 0, then the Taxpayer Compliance was 3.699. In other words, the Tax Administration System and Tax Knowledge had no relationship to Taxpayer Compliance.

b1   0, 3 35: meaning that every increase or decrease in the Tax Administration System variable by 1, then Taxpayer Compliance would increase or decrease by 0.3 35 assuming other variables are constant.

b2   1, 428: meaning every increase or decrease in Tax Knowledge by 1, then Taxpayer Compliance would increase or decrease by 0.220 assuming other variables are constant.

R^2 Determination Test

The results of this determination test were conducted to determine how much influence the independent variable had on the dependent variable. The value used in the coefficient of determination is to use the value of R Square. The R Square value used is taken from the Summary table. The following are the results of the R2 Determination Correlation Coefficient Test using SPSS version 25:

Table 8. Results Of The Determination Test Of Administration System (X1) On Tax Compliance (Y)

HASIL UJI DETERMINASI SISTEM ADMINISTRASI PAJAK (X1) TERHADAP KEPATUHAN PAJAK (Y)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
			Model Summaryb		
1	.795a	.632	.628	3,320	1,787

a. Predictors: (Constant), Sistem Administrasi Pajak
b. Dependent Variable: Kepatuhan Pajak

Sumber : Data Olahan SPSS Versi 25

Based on the table above, it can be seen that the R Square value was 0.632. So, the contribution of the influence of the Independent variable (Administration System) on the Dependent variable (Tax Compliance) in this study was 63.2%, while the rest was influenced by other factors which were not examined in this study.

Table 9. Results Of The Determination Test Of Tax Understanding (X2) On Tax Compliance (Y)

HASIL UJI DETERMINASI PEMAHAMAN PERPAJAKAN (X2) TERHADAP KEPATUHAN PAJAK (Y)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
			Model Summaryb		
1	.910a	0,827	0,826	1,422	1,334

a. Predictors: (Constant), Pengetahuan Perpajakan
b. Dependent Variable: Kepatuhan Pajak

Sumber : Data Olahan SPSS Versi 25

Based on the table above, it can be seen that the R Square value was 0.827. Thus, the contribution of the influence of the Independent Variable (Understanding of Taxation) on the Dependent   variable

(Tax Compliance) in this study was 82.7%, while the rest was influenced by other factors which were not examined in this study.

Table 10.

Results Of The Determination Test Of Tax Administration System And
Tax Understanding (X2) On Tax Compliance (Y)

KEPATUHAN PAJAK (Y)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.954[a]	0,910	0,908	1,033	1,485

a. Predictors: (Constant), Sistem Administrasi Pajak, Pengetahuan
b. Dependent Variable: KepatuhanPajak

Sumber : Data Olahan SPSS Versi 25

Based on the table above, it can be seen that the R Square value was 0.910. Therefore, the contribution of the influence of the Independent Variables of the Tax Administration System and Tax Understanding simultaneously affects the Dependent variable (Tax Compliance) in this study was 91.0%, while the rest was influenced by other factors which were not examined in this study.

Hypothesis Based on F test

The F test is used to determine the effect of the independent variables simultaneously on the dependent variable. With the provision criteria, if the value of Sig < 0.05 and the value of t count was greater than F table 3.09 (the distribution results which were determined), then the independent variables can be said to have a simultaneous effect on the independent variables.

Table 11.

Results Of The Simultaneous Test (F Test)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1043,457	2	521,728	48, 876	.000[b]
	Residual	103,543	97	1,067		
	Total	1147,000	99			

a. Dependent Variable: KepatuhanPajak
b. Predictors: (Constant), Pengetahuan Perpajakan, SistemAdministrasi Pajak

Sumber : Data Olahan SPSS Versi 25

In the table above, it can be seen that the Sig value obtained was 0.00 where < from 0.00 and the calculated f value was known to be 48.876 > 3.09. This means that the independent variables, namely the Tax Administration System (X1) and Tax Understanding (X2) had a simultaneous effect on the dependent variable, namely Tax Compliance (Y).

Hypothesis Based on T-Test

The t-test was used to determine the partial effect of the independent variables, namely the Tax Administration System and Tax Understanding on Individual Taxpayer Compliance. It was by comparing the value of Sig or t count with t table.
To find out the value of t table, it used the following formula:

t table
$= (a/ 2 : n - k - 1)$
$= (0.05/2 : 100 - 2 - 1) = 0.025,$
$= 1.988$

The SPSS test results were as follows:

Table 12.

Results Of The Partial Test (T-Test)

		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
Model		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	3,699	0,848		4,363	0,000		
	Sistem Administrasi	,335	.042	.672	.8,005	0,000	0,716	1,396
	Pengetahuan Perpajakan	1,428	0,047	1,090	30,248	0,000	0,716	1,396
a. Dependent Variable: Kepatuhan Pajak								

Sumber : Data Olahan SPSS Versi 25

Based on the table above, the results of the partial test (t-test) known that the Tax Administration System variable (X1) had a Sig value of 0.000 <0.05 and the t count was 0.8005 > from the t table 1.988, the data was declared influential. This means that the Tax Administration System variable (X2) affected the Tax Compliance variable.

In the Tax Understanding variable (X2), the Sig value was 0.000 <0.05 and the t count was 30.248 > t table 1.988, so the data could also be said to be influential. This means that the Tax Understanding variable affected the Tax Compliance variable.

B. Discussion

This study was aimed to analyze the effect between the variables of the Tax Administration System and Tax Understanding on Individual Taxpayer Compliance at the South Lampung Dispenda. In this study, the researcher determined the research indicators and tested them using validity and reliability tests to find out that all indicators could be tested. Meanwhile, to determine the magnitude of the effect between variables, the researcher used a determination test with the results of the study were as follows:

1. The magnitude of the effect of the modernization of the tax administration system on the compliance of individual taxpayers at the South Lampung Dispenda. From the results of the determination test, it is known that the Modernization of the Taxation System affected the Compliance of Individual Taxpayers in the Dispenda of South Lampung. This effect was known to be 63.2%.
2. The magnitude of the effect of the level of understanding of taxation on individual taxpayer compliance at the Dispenda South Lampung. From the results of the determination test, it is known that the level of understanding of taxation affected individual taxpayer compliance with the Dispenda of South Lampung. This effect was known to be 82.7%.
3. The magnitude of the effect of the modernization of the administrative system and the level of understanding of taxation simultaneously on the compliance of individual taxpayers at the Dispenda of South Lampung. From the results of the determination test, it is known that the Modernization of the Taxation System and the Level of Tax Understanding simultaneously or together affected the Compliance of Individual Taxpayers at the Dispenda of South Lampung. This effect was known to be 91.0%.

4. CONCLUSION

Conclusion

Based on the analysis of research results and discussion using the results of the determination test, it could be concluded that:

1. The Modernization of the Tax Administration System had an effect on the Compliance of Individual Taxpayers at the Dispenda of South Lampung. This relationship had an effect of 63.2%.
2. The Understanding of Taxation affects the Compliance of Individual Taxpayers at the Dispenda of South Lampung. This relationship had an effect of 82.7%.
3. The Modernization of the Tax Administration System and the Understanding of Taxes together or simultaneously affected the Compliance of Individual Taxpayers at the Dispenda of South Lampung. This relationship had an effect of 91.0%.

Suggestion

1. The Dispenda of South Lampung should provide counseling to South Lampung Taxpayers to increase their understanding of taxation.

2. In addition, motivating taxpayers should also be a routine agenda to be implemented, to increase taxpayer compliance in increasing their tax obligations.

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