



**ORIGINAL ARTICLE**

## **Tax Revenues: Taxpayer Compliance as Intervening**

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### **ABSTRACT**

This study aims to analyze the effect of the number of tax audits and tax sanctions on income tax receipts through taxpayer compliance as an intervening variable at KPP Pratama Medan Timur. This study uses primary data by conducting direct research in the field as many as 44 respondents through a questionnaire with a Likert scale. The statistical method used with Path Analysis. By using the SPSS 26 program. The results of path analysis found that: the number of tax audits has an effect on tax revenues, but tax sanctions have no effect partially. the number of tax audits and tax sanctions have a significant effect on taxpayer compliance. However, partially, only tax audits have a positive and significant effect. tax audits, Tax sanctions and taxpayer compliance have a positive and significant effect on tax revenues at KPP Pratama Medan Timur, but partially only taxpayer compliance has a positive and significant effect. Taxpayer compliance is able to mediate the influence of tax audits on taxpayers. However, it cannot mediate/intervening tax sanctions against tax revenues at KPP Pratama Medan Timur.

**Keywords:** Number of Tax Audits, Tax Sanctions, Taxpayer Compliance, and Income Tax Receipts.

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**INTRODUCTION**

This law enforcement can be done by examining or investigating taxes and tax collection. Law enforcement in the field of taxation is an action taken by related parties to ensure that taxpayers and potential taxpayers comply with the provisions of the tax law such as submitting notification letters (SPT), bookkeeping and other relevant information and paying taxes on time. From the tax audit data at KPP Pratama Medan Timur Tax is one of the biggest sources of state revenue which is used for national development which aims to prosper the Indonesian people. Taxes are the largest fund used for the state budget for Indonesia. The amount of tax revenue cannot be separated from the number of registered taxpayers and paying their obligations. We can see that revenue in the last 5 years from 2016 to 2018 has increased for its tax revenue target, but for its realization from 2016 to 2017 it has decreased and from 2017 to 2018 it has increased. However, in 2016 the realization of tax revenue was very good and exceeded the target. And for 2019 to 2020 targets and realization have also decreased. In this case it is necessary to take action so that taxpayers fulfill their tax obligations. Growing awareness of taxation for some people is not easy. In fact, not a few people tend to escape or avoid the obligation to pay income tax. This is a big task for the government, namely to make people aware of their obligation to pay income tax. There are many things the government can do to make people tax literate. Through good and correct service and conducting socialization and character education about taxes, openness and implementation of law enforcement is the most important thing. above, it can be seen that there are still many individuals or even agencies who are in arrears in paying their taxes.

**Table 1**  
**Total Tax Revenue at KPP Pratama Medan Timur**

<b>Year</b>	<b>Target</b>	<b>Realization</b>
2016	1,305,273,822,000	1,663,091,909,930
2017	1,514,131,370,000	1,323,276,040,452
2018	1,614,158,552,000	1,421,026,523,451
2019	1,190,128,519,000	1,112,566,272,770
2020	1,082,222,000,000	943,908,451,758

The data above is tax revenue data at KPP Pratama Medan Timur, which the author uses as an illustration. The amount of tax revenue cannot be separated from the number of registered taxpayers and paying their obligations. We can see that revenue in the last 5 years from 2016 to 2018 has increased for its tax revenue target, but for its realization from 2016 to 2017 it has decreased and from 2017 to 2018 it has increased. However, in 2016 the realization of tax revenue was very good and exceeded the target. And for 2019 to 2020 targets and realization have also decreased. In this case it is necessary to take action so that taxpayers fulfill their tax obligations.

Wahyudi, (2017)"tax revenue according toThe backbone of the largest source of state finance for funding the state budget which is very dominant". According to (Rahayu, 2017), tax revenues are "taxes collected are grouped into central taxes, customs and excise, regional taxes, as well as regional levies and other non-tax revenues". Growing awareness of taxation for some people is not easy. In fact, not a few people tend to escape or avoid the obligation to pay income tax. This is a big task for the government, namely to make people aware of their obligation to pay income tax. There are many things the government can do to make people tax literate. Through good and correct service and conducting socialization and character

education about taxes, openness and implementation of law enforcement is the most important thing. This law enforcement can be done by examining or investigating taxes and tax collection. Law enforcement in the field of taxation is an action taken by related parties to ensure that taxpayers and potential taxpayers comply with the provisions of the tax law such as submitting notification letters (SPT), bookkeeping and other relevant information and paying taxes on time. With law enforcement being implemented, it can also impose sanctions on taxpayers for negligence in submitting tax returns (SPT). bookkeeping and other relevant information and pay taxes on time. With law enforcement being implemented, it can also impose sanctions on taxpayers for negligence in submitting tax returns (SPT). bookkeeping and other relevant information and pay taxes on time. With law enforcement being implemented, it can also impose sanctions on taxpayers for negligence in submitting tax returns (SPT).

The definition of examination according to Article 1 paragraph (25) of Law no. 28 of 2007 concerning the third amendment to Law no. 6 of 1983 the provisions and procedures for Taxation are as follows: "Examination is a series of activities to collect and process data, information, and/or evidence that is carried out objectively and professionally based on an audit standard to test compliance with tax obligations and for other purposes in the framework of carry out the provisions of the tax law."

Examinations that aim to test compliance with the fulfillment of tax obligations of a taxpayer can be carried out in terms of: Notification letter showing tax overpayment, including those who have been given a preliminary refund of tax overage, the Annual Income Tax Return shows a loss, the notification letter is not submitted or delivered not at the specified time, tax Returns that meet the selection criteria determined by the Directorate General of Taxes, There are indications of tax obligations other than those mentioned in point "3" not being fulfilled.

While other purposes in the context of implementing the provisions of tax laws and regulations, which can be done in terms of: Granting a Taxpayer Identification Number (NPWP) by position, Deletion of Taxpayer Identification Number, Confirmation or revocation of the inauguration of the Taxable Entrepreneur, Taxpayers file objections, Collection of materials for the preparation of Net Income Calculation Norms, Matching data and or description tools, Determination of taxpayers located in remote areas, Determination of one or more places where Value Added Tax is payable, Implementation of the provisions of the tax laws and regulations for purposes other than the points above.

Tax compliance according to Sofa is cited in (Mulyanti & Sunarjo, 2019) can be defined as a situation in which a taxpayer fulfills all tax obligations and exercises his tax rights.

According to Nurmantu, there are two kinds of obedience (Rahman, 2009) that is : Formal compliance is a situation in which a taxpayer fulfills his tax obligations by focusing only on the name and form of the obligation, without regard to the nature of the obligation. For example submitting a SPT PPh before March 31 to the Tax Service Office (KPP), regardless of whether the contents of the PPh Notification Letter (SPT) are correct or not and the most important thing is that the SPT PPh has been submitted before March 31.

Material compliance is a situation in which a taxpayer, in addition to fulfilling obligations related to the name and form of taxation obligations, also mainly fulfills the nature of their tax obligations. Here the taxpayer concerned, in addition to paying attention to the

date of submission of the SPT PPh, also pays attention to the actual truth of the contents of the SPT PPh.

Tax sanctions are a guarantee that the provisions of tax laws and regulations will be complied with/obeyed/obeyed or in other words tax sanctions are a preventive tool so that taxpayers do not violate the provisions of tax laws and regulations (Lubis, 2006). According to (Official, 2009) Tax sanctions consist of 2 (two) types, namely administrative sanctions and criminal sanctions. The meaning of these sanctions is: Administrative sanctions in relation to tax assessment letters and tax collection letters. Administrative Sanctions are sanctions stipulated by law on taxpayers for non-fulfillment of obligations as stipulated in the tax law, namely in the form of: Fine (Article 7, Law No. 6 of 1983), Interest (Article 8, paragraph (2) and Article 13, paragraph (2) of Law No. 6 of 1983), Increase (Article 13, paragraph (1), (2), (3), and Article 15, paragraph (1), (2), Law No. 6 of 1983), Criminal sanctions, Criminal sanctions are sanctions stipulated by law on taxpayers for committing criminal acts, namely in the form of: Confinement (Articles 38, 39 and 41 of law No. 6 of 1983), Fines (Articles 38, 39 and 41 of Law No. 6 of 1983).

According to (January & Hanum, 2017) Tax revenue is income that the state derives from taxes paid by the people. Not only does it come to the brief definition above, that the funds received in the state treasury will be used for government spending for the greatest possible prosperity of the people, as the purpose of the state's goals agreed upon by the early founders of this country, namely the welfare of the people, creating prosperity based on social justice.

## **METHOD**

The type of research used in this research is Quantitative research. According to (Sugiyono, 2017) "causal research is a causal relationship. So, there are variables here, namely the independent variable (influence) and the dependent variable (influenced)." Therefore using causation in this study the authors aim to find whether or not there is an effect of the number of tax audits and tax sanctions on income tax receipts through taxpayer compliance as an intervening variable. using path analysis is a development technique of multiple linear regression. The population in this study were 44 respondents as corporate taxpayers in the working area of KPP Pratama Medan Timur. Therefore, using causation in this study, the authors aim to find whether or not there is an effect of the number of tax audits and tax sanctions on income tax receipts through taxpayer compliance as an intervening variable.

## **RESULTS AND DISCUSSION**

The results of the regression calculation show a positive regression coefficient value of the tax audit variable with tax revenue. The t test shows that the t count value is greater than the t table value ( $3.185 > 2.011$ ) and the significance value is higher smaller than the significant value of 5% ( $0.003 < 0.05$ ). This shows that the tax audit partially has an influence on tax revenues. Based on the processing results of the statistical t test, the Tax Audit variable has a positive and significant coefficient value. . This shows that the increasing variable will increase income tax revenue at the Pratama East Medan Tax Service Office (KPP). This is the same as the results of Indira et al's research (2017).

Tax Sanctions have no significant effect even though they have a positive value. This makes it possible that the imposition of sanctions imposed on taxpayers by KPP Pratama

Medan Timur has not been on target, so that even though tax sanctions are imposed it often does not really affect the taxpayer's way of paying taxes. Gennesa Dandy Dharmawan (2014) which states that tax audits have a positive and significant correlation value.

which states that tax audits have a positive and significant correlation value. Tax sanctions have a significant value above 0.05 on taxpayer compliance. Tax Audit has a positive and significant coefficient value, which means that tax audit has a good influence on Taxpayer Compliance at KPP Medan Timur. This is in line with research conducted by Gennesa Dandy Dharmawan (2014).

Tax sanctions have a significant value above 0.05 on taxpayer compliance, which means that tax sanctions do not have a significant effect on taxpayer compliance. . This is in line with research conducted by Giani Ruli Andriani (2019) which found that the results of research on tax sanctions on taxpayer compliance were not significant. The tax sanctions given do not provide a deterrent effect on taxpayers. It is possible that at the East Medan Tax Service Office, the sanctions given do not make taxpayers obedient to pay taxes.

The effect of taxpayer compliance on tax revenues obtained a significant value of 0.000, which means that taxpayer compliance has a significant effect on tax revenues. This is supported by research conducted by Eumphrasia Susy Suhendra (2010) that taxpayer compliance has a significant effect on tax revenue. This is supported by research conducted by Eumphrasia Susy Suhendra (2010) that taxpayer compliance has a significant effect on tax revenue. Good taxpayer compliance will increase existing tax revenues at the East Medan Pratama Tax Service Office.

The SPSS output results show an unstandardized socialization beta value in equation (1) of 0.615 and a significant value at  $0.000 < \alpha$  (5%) which means Tax Audit has an effect on Taxpayer Compliance. Unstandardized beta coefficient value of 0.615 is the path value (path p2). In the regression equation (2) the unstandardized beta value for Tax Audit is 0.059 but not significant (0.637). and taxpayer compliance 0.508. The value of 0.059 is the value of the path p1 path and the value of unstandardized beta compliance WP 0.508 is the value of the path p3 path. It can be concluded that the Z coefficient of Taxpayer Compliance mediates the effect of the Tax Audit variable on Tax Receipts of KPP Pratama Medan Timur. This research is supported by research from Neng Siti et al (2018) that Tax Audit has a significant effect of 9.6% on the effectiveness of tax revenue through taxpayer compliance.

Because the value of t count = 0.2058 is smaller than t table with a significance level of 0.05, which is equal to 2.02108, it can be concluded that the Z coefficient of Taxpayer Compliance cannot mediate the effect of the Tax Sanctions variable on Tax Revenue of KPP Pratama Medan Timur.

## **CONCLUSION**

Directly the audit affects tax receipts at the East Medan Primary Tax Service Office (KPP). However, tax sanctions do not significantly affect tax revenue. Tax Audit has a positive and significant direct effect on Taxpayer Compliance. However, tax sanctions do not have a positive and significant effect on taxpayer compliance. Directly Taxpayer Compliance has a positive and significant effect on Tax Revenue at KPP Medan Timur. Taxpayer

compliance is able to mediate the influence of the Tax Audit on Taxpayers. However, it cannot mediate/intervene Tax Sanctions against Tax Revenue at KPP Medan Timur.

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