

ANALYSIS OF INFLUENCING FACTORS THE WILLINGNESS OF MICRO, SMALL AND MEDIUM ENTERPRISES PAY INCOME TAX IN MEDAN CITY

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Abstract: This study aims to determine the influence of awareness of paying taxes, knowledge of tax regulations and level of education on the willingness to pay taxes at KPP Pratama Medan Petisah. The type of research used in this study is associative research. The population in this study is all individual taxpayers registered with KPP Pratama Medan Petisah as of 2021 as many as 94232 business entities and a sample of 100 business entities. The sampling technique is carried out using purposive sampling techniques. The data analysis techniques used in this study are by using Data Quality Test, Classical Assumption Test, Multiple Liner Regression Analysis and Hypetesis Test (T-test) with SPSS 16 software tools. The results of this study show that awareness of paying taxes and knowledge of taxation have a positive and partial significant influence on the willingness to pay taxes. Medium for education level does not have the effect of dah is not significant on the cost of paying taxes. Together the awareness of paying taxes and knowledge of tax regulations show a significant influence against the will to pay taxes.

Keywords: Awarenes of Paying Taxes, Knowlege of Regulations Taxation, Level of Education, Wilingness to Pay Taxes

Introduction

Taxes are the largest state revenue, about 2/3 of the current state revenue comes from continuous tax revenue. Significant growth both nominally and annually as a percentage of all national income. Taxes are increasingly playing a role in increasing revenue, state financing for the implementation of development in the framework of state independence. Therefore, there is a need for community involvement in the form of awareness and concerns about pay taxes.

Improving the tax department as one of the country's tax positions also seems to take a lot of time and effort. Data from the Ministry of Finance and Governance state efforts taxation states that since in mid-2012, still there are 35 million people and 12.9 million businesses paying taxes.

According to the MSME Association in 2021, the cause of the lack of willingness to pay taxes is that there is a lack of understanding regarding the importance of taxes for general welfare, most of them consider that paying taxes to the government is a loss. In fact, there are many advantages if MSME actors pay taxes, including that it can facilitate business development and can increase business credibility.

(Sari, 2019) conducted a study on Factors Affecting the Willingness of Taxpayers to Pay Taxes at the Surakarta Primary Tax Service Office with the results showing that knowledge and understanding of tax regulations have a positive and significant effect on the ability to pay taxes.

That is, the high knowledge and understanding of taxpayers towards tax regulations. This is because taxpayers are quite good at understanding and knowing tax regulations.

(Zulia Hanum, 2009) conducted a study on Factors Affecting Small and Medium Business Owners in Reporting Tax Obligations in the Medan City Area with the results showing that the factors of taxpayer knowledge about taxes, taxpayers' understanding of tax regulations and the benefits felt by taxpayers from taxes affect the willingness to pay taxes.

This study also adds one variable, namely the level of education owned by the taxpayer. This educational level variable the researchers took based on research (Zulia Hanum, 2009) which said that many factors could influence taxpayers not to become good taxpayers, one of the influencing factors could come from academic factors, where taxpayers who have knowledge of taxes through higher education should have better awareness of tax obligations than taxpayers who have lower education. Based on the background of the problem above, the writer tries to do a research which the results of this research are written in a thesis entitled "FACTOR ANALYSIS OF FACTORS AFFECTING THE WILLING OF SMALL MEDIUM MICRO BUSINESSES TO PAY INCOME TAX IN MEDAN CITY".

Literature Review

Taxation

Taxes are by far the largest state revenue, around 2/3 of state revenues come from sustainable taxation. extraordinary growth. Nominally and annually as percentage of all national income. Taxes are increasingly playing a role in increasing revenues and financing the implementation of state development in the context of national independence. Therefore, public participation, awareness and concern for taxes is needed.

Income tax

The definition of income tax as regulated in Article 1 of the Income Tax Law is a tax imposed on income earned by the taxpayer in the tax year. Income itself is defined in Law no. 1. Decision Number 36 of 2008 concerning income tax explains that any additional economic capacity obtained or obtained by a taxpayer from within or outside the country can be used to consume or increase the wealth of the taxpayer concerned, by name or in the form of whatever.

Taxpayer Obligations

In accordance with Article 2 paragraph 1 of Law Number 28 of 2007 states that "Every Taxpayer who has fulfill the subjective and objective requirements in accordance with the provisions of the tax laws and regulations, they must register themselves at the office of the Directorate General of Taxes whose work area includes the residence or domicile of the taxpayer and a Taxpayer Identification Number is given to him".

Micro, Small and Medium Enterprises (MSMEs)

In accordance with Law Number 28 of 2008 concerning Micro, Small and Medium Enterprises (MSMEs):

- a) Micro Enterprises are productive businesses owned by individuals and/or individual business entities that meet the Business criteria Micro as regulated in this Law.
- b) Small Business is a productive economic business that stands alone, which is carried out by individuals or business entities that are not subsidiaries or not branches of companies that are owned, controlled, or become part either directly or indirectly of Medium Enterprises or Large Businesses that meet Small Business criteria as referred to in this Law.
- c) Medium Enterprises are productive economic businesses that stand alone, which are carried out by individuals or business entities that are not subsidiaries or branches of companies that are owned, controlled, or become a part either directly or indirectly with

Small Businesses or Large Businesses with total assets, net income or annual sales proceeds as regulated in this Law.

Willingness to Pay Tax

Willingness is an impulse from within a person, based on consideration of thoughts and feelings that lead to an activity to achieve certain goals. Willingness to pay taxes can be interpreted as a value that is willing to be contributed by someone (which is determined by regulations) used to finance the general expenditure of the state by not receiving direct lead (contra-achievement) services. According to (Rahayu, 2017) "paying taxes is an unusual activity apart from the behavior of the taxpayer. Emotional factors will always accompany the fulfillment of tax obligations. The problem is rooted in the condition that paying taxes is a sacrifice made by citizens by surrendering part of their wealth to the state voluntarily. The factors that influence the willingness to pay taxes, the willingness of taxpayers to pay taxes, are as follows:

1. Awareness of paying taxes

According to (Rahayu, 2017) "taxpayer awareness is a condition where taxpayers understand and understand the meaning, function and purpose of paying taxes to the state. With high taxpayer awareness, it will have an impact towards improved tax compliance."

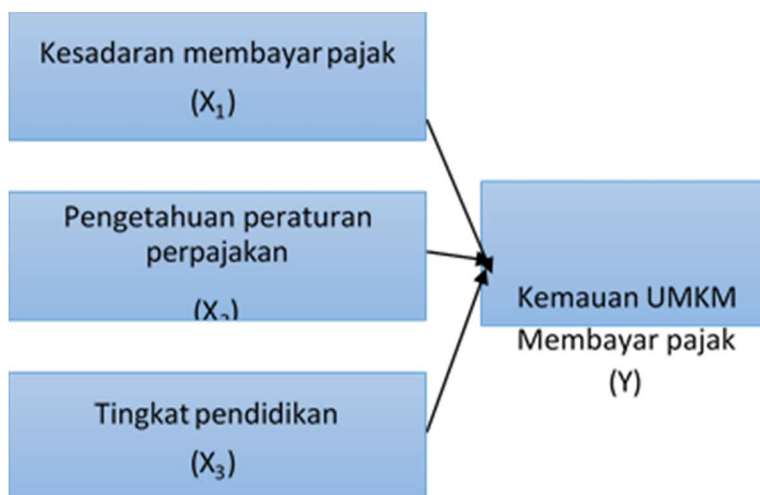
2. Understanding of Tax Regulations According to (Shafira Sri Ningsih &

Saragih, 2020) "taxpayers' understanding of tax regulations is the taxpayer's way of knowing and understanding tax regulations. Required Taxpayers will tend to be disobedient when understanding tax regulations. "

3. Education Level

There are many factors that affect taxpayers not getting tax refunds. One of the factors that influence these factors can come from academic factors or education level. During the education stage, everyone experiences a teaching and learning process. Taxpayers who have higher education tax knowledge must be tax aware (willingness to pay taxes) better than taxpayers with low education.

Hypothetical Model



Hypothesis

Based on the existing conceptual framework then the hypothesis in this study are:

1. H 1: There is an influence of awareness of paying taxes on the willingness of SMEs to pay taxes.
2. H2: There is an influence of knowledge about tax regulations on the willingness of SMEs to pay taxes.
3. H3: There is an effect of the level of education of taxpayers on the willingness of SMEs to pay taxes.

Method

Research Approaches and Techniques

1. Research Approach

The approach used in this study is an associative approach, namely research to determine the effect or relationship between the independent variable and the dependent variable.

2. Data Analysis Techniques

In this research, the research method used is associative research method. The associative approach is a method that intends to explain the casual relationship and influence between variables through hypothesis testing.

Place and Time of Research

The research place is a location or area where the research will be carried out. The research conducted by the author is at KPP Pratama Medan Petisah. Kpp Prata Medan Petisah is on Jalan Dormitory No. 7A, Sei Sikambing C II Kec. Medan Helvetia, Medan City, North Sumatra 20123 The time used in this study was 7 months from February to September 2022.

Population and Sample

In this study, the population is all individual taxpayers and MSME entities at KPP Pratama Medan Petisah in Medan Sunggal District. In this study, the population is individual taxpayers (OP) who are registered at KPP Pratama Medan Petisah in 2021. In this study, researchers took a sample of MSME taxpayers at KPP Pratama Medan Petisah.

Data Analysis Techniques

The analytical technique used in this research is quantitative data analysis techniques. Quantitative data analysis technique is a process of data analysis that deals with numbers, statistics and calculations.

Result and Discussion

Coefficients^a

Model	Unstandardied Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	3.684	1.837		2.006	.048
Kesadaran Membayar Pajak (X1)	.231	.092	.307	2.509	.014
Pengetahuan Peraaturan Perpajakan	.331	.1394	.343	2.475	.015
Tingkat Pendidikan	.401	.387	.096	1.03	.302

a. Dependent Variable:

Kemauan Membayar Pajak (Y)

Analysis of the results of this study is as follows:

1. The influence of awareness pays tax on the will of SMEs

To pay taxes The results of the hypothesis show that awareness of paying taxes affect the will pay taxes. When level awareness is higher the higher the level of will pay taxpayers for pay taxes. This matter shows that the attitude is mandatory tax will be aware of awareness paying taxes the better, which means that the more aware and understand how society who has an obligation to paying taxes is useful in development of the country in particular development of the wider community.

2. The effect of knowledge about tax regulations against

SMEs willingness to pay tax The results of the hypothesis show that knowledge understanding influential tax regulations on willingness to pay taxes. If the level of knowledge high tax regulations then the higher the will pay taxes. This matter shows that the more you understand taxpayer to knowledge tax regulations, the more understand the taxpayer about sanctions that will be received if violate or neglect their tax obligations. Every taxpayers who understand tax regulations very well, then they will do Existing tax rules are appropriate with those listed in existing regulations.

3. Effect of compulsory education level tax on the will of SMEs to pay taxes

The results of the hypothesis show that the level of education is not affect the will pay taxes. This matter shows that the higher taxpayer education, then no affect willingness to pay tax. Because, whether it's a taxpayer last educated Their elementary, middle, high school, D3, and S1 reluctant to access information regarding the taxation provided by that government who was there online or offline.

Conclusion

After analyzing the data and get research results described in the discussion about the influence of consciousness, knowledge of tax regulations and education level of willingness to pay taxes, then you can concluded as follows:

1. Awareness of paying taxes have a positive influence and partially significant to willingness to pay taxes on SMEs at KPP Pratama Medan Petisah.
2. Knowledge of tax regulations positive and significant effect partially against the will pay MSME tax at KPP Petisah Medan Primary.
3. Education level is not affect the will pay MSME tax at KPP Petisah Medan Primary.

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