

Original Article

Analysis of Factors Influencing Taxpayer Compliance in Paying Regional Taxes in Mataram City

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Abstract. This study aims to analyze the influence of the tax administration system, tax services, tax rates, tax audits, tax law enforcement, and tax knowledge on taxpayer compliance in paying local taxes in Mataram City. This study uses a quantitative approach with an associative research type. Data were collected through distributing questionnaires to 100 taxpayer respondents in Mataram City and analyzed using multiple linear regression with the help of SPSS software. The results of the study indicate that simultaneously, all independent variables have a significant effect on taxpayer compliance. Partially, the variables of tax services, tax rates, tax audits, and tax law enforcement have a significant influence, while the tax administration system and tax knowledge have no significant effect. Tax law enforcement is the most dominant factor in influencing taxpayer compliance. In connection with these findings, it is recommended that the Mataram City Government improve and strengthen aspects of tax law enforcement firmly and consistently. The application of administrative and criminal sanctions for violations of tax obligations must be carried out effectively to create a deterrent effect for non-compliant taxpayers.

Keywords: Regional Taxes, Tax Law Enforcement, Taxpayer Compliance.

1. Introduction

The Indonesian government obtains state revenue from various sectors, both internal and external. Internal revenue sources include taxes, oil and gas revenues, and non-tax revenues [1]. Meanwhile, external revenues are obtained through foreign loans. To reduce dependence on external sources, the government continues to optimize domestic revenues, particularly from the tax sector [2]. The legal basis for state revenue management is regulated in Law Number 17 of 2003 concerning State Finance, which states that state revenue consists of tax revenue, non-tax state revenue (PNBP), and grants. State revenue is determined by the Minister of Finance with the approval of the President and discussed with the House of Representatives (DPR). Taxes play a crucial role in supporting national economic growth, as they are the largest and most stable source of revenue from year to year and are the primary instrument for financing national development, particularly infrastructure development to improve public welfare [3]. Taxes are defined as mandatory contributions from the public to the state, levied by law and enforceable, without any direct compensation. Taxes are levied by the state based on legal norms to finance the provision of public goods and services aimed at achieving the common good [4].

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One type of tax that plays a crucial role is regional taxes, which are mandatory contributions paid by individuals or entities to the local government without direct compensation, collected based on statutory regulations. This revenue is used to finance the implementation of regional government and development [5]. Regional taxes include various types, such as hotel, restaurant, entertainment, advertising, street lighting, groundwater, swallow nest, parking, land and building tax, and land and building acquisition tax (BPHTB). To provide an overview of regional tax revenue performance, the following data shows the target and realization of regional tax revenue for Mataram City for 2019–2023:

Table 1. Target and Realization of Regional Tax Revenue of Mataram City 2019–2023

Year	Target	Realization	Achievement (%)
2019	Rp 156.21 Billion	Rp 160.51 Billion	102.75%
2020	Rp 164.12 Billion	Rp 117.92 Billion	71.85%
2021	Rp 139.50 Billion	Rp 142.53 Billion	102.17%
2022	Rp 148.00 Billion	Rp 174.24 Billion	117.73%
2023	Rp 160.80 Billion	Rp 186.73 Billion	116.13%

Source: Ministry of Finance, 2019–2023

The data in Table 1 shows that Mataram City's regional tax revenue has fluctuated over the past five years. Revenue exceeded targets in 2019 and 2021 through 2023, while revenue declined significantly in 2020 due to the impact of the COVID-19 pandemic, reaching only 71.85% of the target. However, revenue has rebounded significantly over the past three years, indicating a positive post-pandemic regional economic recovery. According to data from the Mataram City Regional Finance Agency (BKD), regional tax revenue declined sharply in 2020, primarily due to a decline in tourism activity, with hotel taxes dropping from IDR 26 billion to IDR 6.5 billion. In 2021, Regional Original Revenue (PAD) again reached its target, with most regional taxes exceeding it. In 2022, hotel tax revenue was recorded at only 88% of the target, due to low occupancy rates during the World Superbike (WSBK) international event. Meanwhile, in 2023, regional tax revenue increased to IDR 188.8 billion, or 105% of the IDR 177.8 billion target. The excess revenue was then allocated to infrastructure financing and improving public services [6].

However, the success of regional tax revenue is also significantly influenced by the level of taxpayer compliance. Taxpayer compliance reflects the extent to which individuals or business entities fulfill their tax obligations in accordance with applicable laws. Non-compliance with tax obligations can trigger tax avoidance and evasion practices, and directly impact regional revenue [7]. Tax compliance is influenced by various factors, including the tax administration system, quality of service to taxpayers, tax rates, tax audits, law enforcement, and taxpayers' level of tax knowledge [8]. The novelty of this study lies in the expansion of the variables used. Previous studies generally used only three variables: tax audits, tax penalties, and taxpayer services. In this study, six variables were used: the tax administration system, taxpayer services, tax rates, tax audits, tax law enforcement, and tax knowledge. Furthermore, this study analyzes the relationships between variables not only partially but also simultaneously.

This research also addresses research gaps or inconsistencies in the results of previous studies. For example, research by Saptono et al. [9] showed that tax understanding, sanctions, and tax audits significantly influence taxpayer compliance, while service quality and tax rates have no effect. Conversely, a study by Mazzolini et al. [10] showed that tax audits have no significant effect, but sanctions and tax services do influence compliance levels. Based on this background, the aim of this study is to analyze partially and simultaneously the influence of the tax administration system, services to

taxpayers, tax rates, tax audits, law enforcement, and tax knowledge on taxpayer compliance in paying regional taxes in Mataram City.

2. Method

This study uses a quantitative approach with an associative approach, which aims to determine the relationship between two or more variables based on empirical data in the form of numbers [11]. The study was conducted in Mataram City, which consists of six sub-districts: Ampenan, Sekarbela, Mataram, Selaparang, Cakranegara, and Sandubaya. Mataram City was chosen because it is a center of economic activity and has a high number of taxpayers, making it potential in supporting the optimization of Regional Original Income (PAD). The research period lasted from the planning stage to the completion of data collection and analysis. The population in this study was all local taxpayers in Mataram City, totaling 101,738 people (BKD Mataram City, 2024). Sampling was conducted using the Slovin formula with a 10% margin of error, resulting in a sample size of 100 respondents. The sampling technique used was random sampling, as the population was considered homogeneous. The sample distribution was proportional based on the number of taxpayers in each sub-district [12].

Data were obtained through three collection techniques, namely observation, interviews, and documentation, with the main instrument being a questionnaire. The questionnaire was structured in the form of closed statements using a 5-point Likert scale, ranging from 1 (strongly disagree) to 5 (strongly agree). Primary data were obtained directly from respondents, while secondary data came from official government documents and statistical publications such as from BPS. The variables in this study consist of one dependent variable, namely taxpayer compliance (Y), and six independent variables, namely the condition of the tax administration system (X1), services to taxpayers (X2), tax rates (X3), tax audits (X4), tax law enforcement (X5), and tax knowledge (X6). The operational definition of each variable is based on indicators adapted from the literature and previous research, which are described in the questionnaire [13].

Data analysis was performed using multiple linear regression analysis with the help of SPSS software. Before conducting the regression, a validity test was first performed using Pearson correlation and a reliability test using Cronbach's Alpha. The instrument is declared valid if the calculated $r > r$ table, and reliable if the Alpha value > 0.6 . The regression model was also tested with classical assumptions, including the normality test (using Kolmogorov-Smirnov), multicollinearity test (using VIF and tolerance values), and heteroscedasticity test. The multiple linear regression model was used to analyze the effect of each independent variable on the dependent variable. Hypothesis testing was carried out using the t test (to determine the partial effect) and the F test (to determine the simultaneous effect). Meanwhile, the coefficient of determination (R^2) was used to measure the contribution of the independent variables in explaining the dependent variable.

3. Results and Discussion

3.1 Overview of Respondents Based on Research Results

Based on the results of research that has been carried out through the distribution of questionnaires, namely taxpayers, a general description of respondents can be obtained which is classified according to gender, age, education level, occupation, and sub-district of origin, as can be seen in Table 2.

Table 2.
Overview of
Respondent
Characteristics

Category	Description	Total	Percentage
Gender	Male	55	55%
	Female	45	45%
	Total	100	100%
Age	Under 20 Years	4	4%
	20–30 Years	55	55%
	31–40 Years	25	25%
	41–50 Years	11	11%
	Over 50 Years	5	5%
	Total	100	100%
Education	Elementary School	15	15%
	Junior High School	20	20%
	High School/Vocational School	52	52%
	Diploma	8	8%
	Bachelor degree	5	5%
	Masters (S2)	0	0%
	Total	100	100%
Jobs	civil servant	5	5%
	Private employees	5	5%
	State-Owned Enterprise	3	3%
	Employees		
	Self-employed	53	53%
	Other	34	34%
	Total	100	100%

Based on the respondent characteristics data in Table 2, the majority of respondents in this study were male, amounting to 55% of the total 100 respondents, while females were 45%. In terms of age, the 20–30 age group dominated with a percentage of 55%, followed by the 31–40 age group at 25%. Respondents aged 41–50 and above 50 years old accounted for 11% and 5%, respectively, while those under 20 years old were only 4%. In terms of education level, the majority of respondents had secondary education with a high school/vocational school background of 52%, followed by junior high school at 20% and elementary school at 15%. Meanwhile, Diploma and Bachelor (S1) graduates accounted for 8% and 5%, respectively, and there were no respondents with a Masters (S2) education.

In terms of type of employment, the majority of respondents were self-employed at 53%, followed by other occupational groups at 34%. Respondents working as civil servants and private sector employees each accounted for 5%, while state-owned enterprise employees comprised 3%. This data indicates that respondents in this study were predominantly of productive age, with secondary education, and self-employed, reflecting active community involvement in economic activities and tax obligations in Mataram City.

3.2 Descriptive Analysis Results

Descriptive analysis is a research method that aims to describe or depict the characteristics of the data or sample being studied.

Table 3.
Descriptive
Analysis

Items	N	Minimum	Maximum	Mean	Std. Deviation
total_X1	100	10	24	17.12	3.616
total_X2	100	10	20	15.32	2.136
total_X3	100	8	20	13.70	2.776
total_X4	100	6	20	16.36	2.052
total_X5	100	12	25	19.85	2.451

Items	N	Minimum	Maximum	Mean	Std. Deviation
total_X6	100	10	25	18.82	3.198
total_Y	100	10	20	15.77	2.178
Valid N (listwise)	100				

Based on the results of descriptive analysis of 100 respondents, the average value (mean) and standard deviation of each variable were obtained, which describe the respondents' perceptions of the aspects studied. Variable X1 (Tax Administration System) has an average value of 17.12 with a standard deviation of 3.616, which indicates that the tax administration system is considered quite good by the respondents. Variable X2 (Taxpayer Services) obtained an average of 15.32 with a standard deviation of 2.136, indicating that the services provided to taxpayers are perceived as good and quite consistent. Meanwhile, variable X3 (Tax Rates) has an average value of 13.70, which is the lowest value among all independent variables, so it can be concluded that respondents' perceptions of tax rates are still relatively less positive [14].

Variable X4 (Tax Audit) showed an average of 16.36 with a standard deviation of 2.052, indicating that the implementation of tax audits was considered good and the assessment was relatively uniform among respondents. Meanwhile, variable X5 (Tax Law Enforcement) obtained the highest average value of 19.85 with a standard deviation of 2.451, which indicates that respondents have a very positive perception of the implementation of tax law enforcement which is considered to have run well. Furthermore, variable X6 (Tax Knowledge) recorded an average of 18.82 with the highest standard deviation of 3.198. Although the average is high, the magnitude of the standard deviation indicates a significant variation in knowledge among respondents. For the dependent variable Y (Taxpayer Compliance), the average value was obtained at 15.77 with a standard deviation of 2.178, which indicates that the level of taxpayer compliance is in the good category and tends to be stable among respondents. Overall, these results reflect that most of the aspects studied received positive assessments, although there is still room for improvement, especially in terms of perceptions of tax rates [15].

3.3 Data Quality Test Results

The results of the validity and reliability tests are shown in Table 4.

Table 4.
Validity Test
Results

Variables	Item	Sig	R_{count}	R_{table}	Cronbach's Alpha	Description
X1	X.1.1	0.000	0.668	0.316	0.870	Valid and Reliable
	X.1.2	0.000	0.857	0.316		Valid and Reliable
	X.1.3	0.000	0.835	0.316		Valid and Reliable
	X.1.4	0.000	0.892	0.316		Valid and Reliable
	X.1.5	0.000	0.870	0.316		Valid and Reliable
X2	X.2.1	0.000	0.863	0.316	0.841	Valid and Reliable
	X.2.2	0.000	0.869	0.316		Valid and Reliable
	X.2.3	0.000	0.872	0.316		Valid and Reliable
	X.2.4	0.000	0.765	0.316		Valid and Reliable
	X.2.5	0.000	0.471	0.316		Valid and Reliable
X3	X.3.1	0.009	0.725	0.316	0.750	Valid and Reliable
	X.3.2	0.000	0.470	0.316		Valid and Reliable
	X.3.3	0.009	0.667	0.316		Valid and Reliable
	X.3.4	0.000	0.891	0.316		Valid and Reliable
	X.3.5	0.000	0.780	0.316		Valid and Reliable
X4	X4.1	0.000	0.843	0.316	0.872	Valid and Reliable
	X4.2	0.000	0.870	0.316		Valid and Reliable
	X4.3	0.000	0.892	0.316		Valid and Reliable
	X4.4	0.000	0.803	0.316		Valid and Reliable
X5	X5.1	0.000	0.686	0.316	0.818	Valid and Reliable

Variables	Item	Sig	R_{count}	R_{table}	Cronbach's Alpha	Description
X6	X5.2	0.000	0.871	0.316	0.744	Valid and Reliable
	X5.3	0.000	0.732	0.316		Valid and Reliable
	X5.4	0.000	0.867	0.316		Valid and Reliable
	X5.5	0.000	0.734	0.316		Valid and Reliable
	X6.1	0.000	0.689	0.316		Valid and Reliable
	X6.2	0.000	0.816	0.316	0.775	Valid and Reliable
	X6.3	0.000	0.741	0.316		Valid and Reliable
	X6.4	0.000	0.621	0.316		Valid and Reliable
	X6.5	0.000	0.708	0.316		Valid and Reliable
Y	Y.1.1	0.000	0.871	0.316	0.775	Valid and Reliable
	Y.1.2	0.000	0.814	0.316		Valid and Reliable
	Y.1.3	0.000	0.854	0.316		Valid and Reliable
	Y.1.4	0.001	0.570	0.316		Valid and Reliable

Based on the results of the validity and reliability tests of the research instruments as shown in Table 4, all items in each independent and dependent variable showed a significance value (Sig) of less than 0.05 and a correlation value (r-count) greater than r-table (0.316). This indicates that each question item in the questionnaire is valid in measuring the intended construct. In addition, the Cronbach's Alpha value for each variable is above 0.7, indicating that the instrument is reliable and has a good level of internal consistency. Thus, all instruments used in this study can be concluded to have met the requirements of validity and reliability, making them suitable for further analysis in measuring the influence of variables on taxpayer compliance in Mataram City.

3.4 Classical Assumption Test Results

The results of the classical assumption test are shown in Table 5.

Table 5. Results of the Classical Assumption Test

Model	Collinearity Statistics		Sig. (Gletsjer)	Asymp. Sig. (2-tailed) (K-S)
	Tolerance	VIF		
(Constant)	NA	NA	0.003	NA
total_X1	0.910	1.099	0.454	0.2
total_X2	0.248	4.037	0.002	
total_X3	0.780	1.281	0.941	
total_X4	0.660	1.514	0.009	
total_X5	0.192	5.207	0.006	
total_X6	0.867	1.153	0.894	

Based on Table 5, the results of the Kolmogorov Smirnov normality test show that variables X1, X2, X3, X4, X5, X6, and Y have a significance value of 0.2, which means the significance value is greater than 0.05, thus it can be said that the research data is normally distributed. Based on the table above "Coefficients" the tolerance value for variable X1 is 0.910, for variable X2 it is 0.248, for variable X3 it is 0.780, variable X4 is 0.660, variable X5 is 0.192 and variable X6 is 0.867, which means the tolerance value for each variable is greater than 0.10. Furthermore, the VIF value for variable X1 is 1.099, for variable X2 it is 4.037, variable X3 is 1.281, variable X4 is 1.514, variable X5 is 5.207 and variable X6 is 1.153, meaning that the VIF value for each variable is above 10.00. Thus, it can be concluded that there is no relationship or correlation between the dependent variable and the independent variable, or it can also be said that there is no multicollinearity in the regression model [16].

Based on the heteroscedasticity test results table, the significance value for variable X1 is 0.454, for variable X2 it is 0.002, variable X3 is 0.941, variable X4 is 0.009, variable X5 is 0.006, and variable X6 is 0.894. There are three variables with a significant value

smaller than 0.05 so it can be concluded that there are symptoms of heteroscedasticity in the regression model. Then another alternative is with the pattern on the scatterplot whose results are shown in Figure 1.

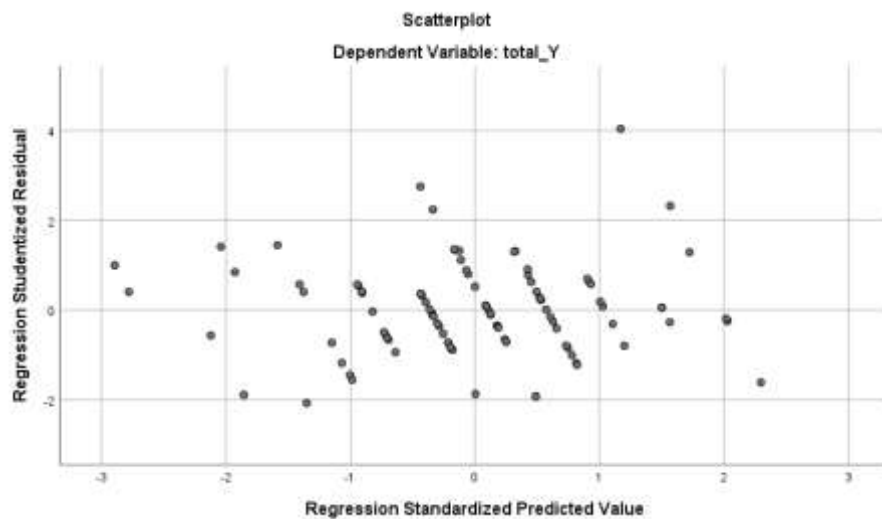


Figure 2.
Scatter Plots
Heteroscedasti
city Test

Based on Figure 2, it can be seen that the data points are spread above and below or around the number 0, the points do not gather only above or below, the distribution of data points does not form a wavy pattern that widens then narrows and widens again, and the distribution of data points is not patterned so it can be concluded that there is no similarity of variance or there are no symptoms of heteroscedasticity in the regression model.

3.5 Results of Multiple Linear Regression Analysis and Hypothesis Testing

The regression results are shown in Table 6.

Table 6.
Multiple Linear
Regression
Analysis

Variables	Unstandard. Coeff. B	Std. Error	Standard. Coeff. Beta	t-Table	Sig.	F-Table	Sig.
(Constant)	0.713	0.540		1.318	0.191		
total_X1	0.003	0.013	0.005	0.215	0.830		
total_X2	0.196	0.042	0.192	4.704	0.000		
total_X3	0.040	0.018	0.051	2.205	0.030		
total_X4	0.228	0.027	0.215	8.578	0.000	387.874	0.000 ^b
total_X5	0.793	0.041	0.892	19.231	0.000		
total_X6	-0.029	0.015	-0.043	-1.953	0.054		

Table 6 shows the results of processing the multiple linear regression model data in the form of:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_6 X_6 + e \quad (1)$$

$$Y = 0.713 + 0.003 X_1 + 0.196 X_2 + 0.040 X_3 + 0.228 X_4 + 0.793 X_5 + -0.029 X_6 + e$$

Based on the results of multiple linear regression analysis, a constant value of 0.713 was obtained, indicating that if all independent variables are zero, then taxpayer compliance is estimated at 0.713. Partially, the condition variable of the tax administration system (X1) has a coefficient of 0.003 with a significance value of 0.830 ($p > 0.05$), so it does not have a significant effect on taxpayer compliance. This indicates that the digital tax system has not been fully utilized by taxpayers. The service variable for taxpayers (X2) has a significant effect with a coefficient of 0.196 and a significance of 0.000 ($p < 0.05$), which confirms that good service quality encourages compliance. The tax rate variable (X3) also has a significant effect (coefficient 0.040; sig. 0.030), indicating

that reasonable rates encourage taxpayers to comply. Tax audit (X4) has a significant effect (coefficient 0.228; sig. 0.000), indicating that supervision encourages taxpayers to report their taxes correctly. Similarly, tax law enforcement (X5) shows the strongest significant effect (coefficient 0.793; sig. 0.000), indicating that the deterrent effect of legal sanctions is effective in increasing compliance. Conversely, tax knowledge (X6) does not have a significant effect on compliance (coefficient -0.029; sig. 0.054), indicating that understanding alone without motivation or legal pressure is not enough to increase taxpayer compliance.

Based on the table above, the calculated F value is 387.874, when compared to the calculated F and F table ($387.874 > 2.307$) and the significance value is 0.000, which is a significant value below 0.05 ($p < 0.05$). This means that there is a simultaneous or concurrent influence between variables X1, X2, X3, X4, X5, X6 on Y. So it can be concluded that the seventh hypothesis (H7) proposed is accepted. Based on the table above, the influence value $R = 0.981$ and the determinant coefficient value $R^2 = 0.962$, which means that variables X1, X2, X3, X4, X5, X6 have an influence of 96.2% on Y. The remaining 3.8% is influenced by other factors not studied.

3.6 Discussion

Based on the results of multiple linear regression analysis, it was found that the regression model built was able to explain the variation in taxpayer compliance (Y) very strongly with a coefficient of determination (R^2) of 0.962. This shows that 96.2% of the variability in taxpayer compliance can be explained by six independent variables, namely the tax administration system (X1), services to taxpayers (X2), tax rates (X3), tax audits (X4), tax law enforcement (X5), and tax knowledge (X6), while the remaining 3.8% is explained by other variables outside the model. The calculated F value of 387.874 with a significance of 0.000 ($p < 0.05$) indicates that simultaneously all independent variables have a significant effect on taxpayer compliance, so that the seventh hypothesis (H7) can be accepted.

Partially, variable X1 (tax administration system) did not have a significant effect on taxpayer compliance ($p = 0.830$), indicating that although tax digitalization has been implemented (such as e-SPT, e-Billing, and e-Filing), its utilization is still low among taxpayers. This finding is in line with research by Darmayasa and Hardika [17] which also found that the tax administration system did not have a significant effect on taxpayer compliance, especially individual taxpayers. Conversely, variable X2 (taxpayer service) showed a significant effect ($p = 0.000$), supporting the results of research by Khaltar [18] which stated that the quality of tax authorities' services plays an important role in increasing taxpayer compliance.

Furthermore, variable X3 (tax rate) also had a significant effect ($p = 0.030$), indicating that perceptions of fair and non-burdensome rates encouraged compliance. These results support research by Khan and Tjaraka [19] which found that tax rates influenced MSME taxpayer compliance. Tax audits (X4) also had a significant effect ($p = 0.000$), confirming Jaya's (2023) finding that supervisory measures such as audits were able to suppress violations and increase compliance. Variable X5 (tax law enforcement) was the most dominant factor (coefficient 0.793; $p = 0.000$), reinforcing research by Gorecki and Letki [20] which stated that the deterrent effect through legal sanctions had a significant influence on taxpayer compliance levels.

However, tax knowledge (X6) did not have a significant effect ($p = 0.054$), indicating that even if taxpayers understand their tax obligations, without internal motivation or external pressure, this is not sufficient to encourage compliance. This finding aligns with Trifan et al. [21] research, which found that tax knowledge does not significantly influence

individual taxpayer compliance, especially when it is not supported by awareness and moral commitment

4. Conclusion

Based on the results of the research that has been conducted, it can be concluded that simultaneously all independent variables, namely the tax administration system (X1), services to taxpayers (X2), tax rates (X3), tax audits (X4), tax law enforcement (X5), and tax knowledge (X6), have a significant effect on taxpayer compliance (Y) in Mataram City. However, partially only variables X1 (tax administration system) and X6 (tax knowledge) do not have a significant effect on taxpayer compliance. Meanwhile, variables X2 (taxpayer services), X3 (tax rates), X4 (tax audits), and X5 (tax law enforcement) are proven to have a significant influence individually on taxpayer compliance. Of all the variables studied, tax law enforcement (X5) is the variable that most dominantly influences the level of taxpayer compliance.

In light of these findings, it is recommended that the Mataram City Government improve and strengthen tax law enforcement in a firm and consistent manner. Administrative and criminal sanctions for tax violations must be effectively implemented to create a deterrent effect for non-compliant taxpayers. Furthermore, future researchers are advised to expand the scope of their research by adding other variables that could potentially influence taxpayer compliance, such as perceptions of tax fairness, taxpayers' economic conditions, and their level of moral awareness, in order to provide a more comprehensive understanding of the factors that drive tax compliance.

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6. Declaration

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