SIMPOSIUM ILMIAH AKUNTANSI 6

THE EFFECT OF UNDERSTANDING TAX REGULATIONS, TAXPAYER AWARENESS, TAX RATES, AND TAX SANCTIONS ON THE COMPLIANCE OF TAXPAYERS DOING BUSINESS WITH THE E-COMMERCE SYSTEM

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ABSTRACT

The rapid growth of e-commerce in Indonesia has presented significant opportunities for digital economic development but also poses challenges in tax compliance and regulation. This study aims to analyze the influence of tax regulation understanding, taxpayer awareness, tax rates, and tax sanctions on the tax compliance of e-commerce businesses in West Java in 2024. Using a quantitative approach, data were collected through a questionnaire distributed online to e-commerce business actors meeting specific criteria, with a total sample size determined using Cochran's formula. Structural Equation Modeling (SEM) with Partial Least Square (PLS) was employed to test the hypotheses.

The results indicate that understanding tax regulations, tax rates, and tax sanctions have significant positive effects on taxpayer compliance. However, taxpayer awareness does not significantly affect compliance. These findings underscore the importance of strengthening tax education, implementing fair tax rates, and enforcing effective sanctions to improve compliance in the e-commerce sector. The study provides valuable insights for policymakers to develop more effective tax regulations tailored to the rapidly evolving digital economy in Indonesia.

INTRODUCTION

The use of the internet in Indonesia has rapidly expanded, not only for accessing information and communication but also to support various economic activities, including e-commerce transactions. This phenomenon has transformed how Indonesians conduct transactions, shifting from traditional face-to-face interactions to more practical electronic networks. E-commerce offers extraordinary convenience for society, enabling easier transactions and creating opportunities for businesses to expand their market reach effectively (Badan Pusat Statistik, 2021) This transformation has also significantly influenced lifestyle changes, as online shopping becomes increasingly prevalent.

Indonesia is recorded as the country with the highest e-commerce adoption rate globally, with 88.1% of internet users utilizing e-commerce services. This figure surpasses countries like the United Kingdom (86.9%), the Philippines (86.2%), and Thailand (85%)(Lidwina, 2021). This achievement reflects the immense market potential for businesses in Indonesia and serves as a key driver of the country's digital economic growth. The gross merchandise value (GMV) of Indonesia's e-commerce sector reached USD 53.8 billion in 2023, equivalent to IDR 876.2 trillion. Major platforms like Shopee, Tokopedia, and Bukalapak dominate the market, with respective shares of 40%, 30%, and 11% (Meilina, 2024).

Based on the report Central Statistics Agency (2023), the number of e-commerce business actors in 2022 reached 2.995.986, with 76,38% located on Java Island. West Java Province recorded the highest number of business actors, accounting for 21,45% or 642,672 businesses, followed by East Java and Central Java. Based on this data, the study focuses on West Java Province to expand the scope of analysis.

Projections from Google Indonesia (2024) show that Indonesia's digital economy will continue to grow, with GMV expected to reach USD 90 billion in 2024. E-commerce remains the dominant sector, growing at an annual rate of 11%, projected to achieve a GMV of USD 65 billion. This growth underscores the enormous potential of the e-commerce sector as a key driver of Indonesia's economy in the digital era. However, despite this growth, significant challenges remain in terms of tax compliance and monitoring, which have become a primary concern for the government.

Unlike conventional trade, e-commerce transactions have unique characteristics that make tax administration more complex. This complexity arises from factors such as the large number of business actors, the variation in transaction values, and the difficulties in monitoring compliance effectively. The Indonesian government has made efforts to address these challenges by issuing various regulations, such as Minister of Finance Regulation (PMK) No. 210/PMK.010/2018, which requires e-commerce businesses to register for a taxpayer identification number (NPWP) and report their transactions. However, the implementation of these regulations still faces various challenges, particularly in ensuring taxpayer compliance in the e-commerce sector (Komdigi, 2019).

An additional phenomenon exacerbating these challenges is the experience of e-commerce business actors suddenly receiving large tax bills without adequate understanding of their tax obligations. For example, a case reported by Detikfinance highlighted a small business owner who unexpectedly received a tax bill amounting to tens of millions of rupiah, creating widespread concern among other small business owners who felt underinformed about the tax system (Fatimah, 2021). This highlights a critical gap in tax education and outreach, which the government must address to improve compliance rates.

According toLesiana & Anwar (2022), the low level of tax compliance in the e-commerce sector is influenced by several factors, including limited understanding of tax regulations, a lack of awareness about tax obligations, and ineffective enforcement of tax sanctions. Moreover, Indonesia's self-assessment tax system, which places full responsibility on taxpayers to calculate, pay, and report their taxes, often opens opportunities for tax avoidance practices. This situation is further exacerbated by the complexity of regulations, which are often challenging for business actors, particularly small and medium-sized enterprises, to understand.

Another challenge arises from e-commerce platforms that have not fully complied with their tax obligations. For instance, TikTok Shop has yet to be taxed despite actively facilitating buying and selling transactions. This is because TikTok is registered only as an Electronic System Provider (PSE) under the Ministry of Communication and Information Technology, rather than as an e-commerce platform (Santoso, 2020). This highlights significant gaps in the taxation framework for e-commerce platforms that require serious attention from policymakers.

The Directorate General of Taxes has issued a circular letter to reinforce the obligation to pay income tax for e-commerce businesses. However, in practice, this circular has not been fully effective in providing a strong legal foundation to regulate e-commerce actors efficiently. The implementation of this circular cannot yet be confirmed as optimal, given that the income tax collection system in Indonesia is based on self-assessment, where taxpayers are fully responsible for calculating, paying, and reporting their owed taxes (Lesiana & Anwar, 2022).

According to Amelia & Angiza (2022), efforts to enhance education and socialization related to tax regulations are necessary to reduce the challenges faced by e-commerce business actors in fulfilling their tax obligations. Addressing these challenges requires strong collaboration between the government, business actors, and other relevant stakeholders to establish a more efficient tax system and encourage improved tax compliance in the highly dynamic e-commerce sector. Tax compliance in this sector can be influenced by several factors, including understanding of tax regulations, taxpayer awareness, and tax rates (Sinaga et al., 2023). This aligns with the findings of Amelia & Angiza (2022), which indicate that understanding tax regulations, tax rates, and tax sanctions significantly impact taxpayer compliance levels.

This study aims to analyze the influence of tax regulation understanding, taxpayer awareness, tax rates, and tax sanctions on the tax compliance of e-commerce business actors in West Java in 2024. The results are expected to provide deeper insights and recommendations to improve tax compliance in the e-commerce sector.

Theory of Planned Behavior

According to Ajzen (1991), the Theory of Planned Behaviour (TPB) is a theoretical framework that explains that human behavior is influenced by behavioral intention, which is formed by three main factors: attitude towards behavior, subjective norms, and perceived behavioral control. In TPB, there are three main components that influence a person's behavioral intention. First, attitude toward the behavior, which is an individual's evaluation of certain behaviors. Second, (subjective norm), which reflects the social influence or expectations of important people around the individual. Third, perceived behavioral control, which is an individual's belief about his ability to carry out the behavior. These three components work together in shaping a person's intention, which ultimately determines whether the behavior will be carried out.

Atribution Theory

Attribution theory was first introduced by Fritz Heider in 1958 and aims to explain the process of how a person determines the causes or motives for individual behavior (Gibson et al., 1994). This theory focuses on developing an explanation of how a person assesses the behavior of other individuals, depending on the meaning attributed to that behavior (Kelley, 1973). According to Kelley (1973), attribution theory also explains how individuals form attitudes towards situations around them and how these processes affect social perceptions. In this attribution, the causes of behavior are known as dispositional attributions (internal causes) and situational attributions (external causes) (Gibson et al., 1994). Dispositional attributions refer to factors that exist within a person, such as personal traits, self-perceptions, abilities, and motivations. In contrast, situational attributions refer to environmental factors that influence behavior, such as social conditions, social values, and societal views.

Tax

Based on the provisions of Law Number 16 of 2009, which is the fourth amendment to Law Number 6 of 1983 concerning General Provisions and Procedures for Taxation, tax can be defined as a mandatory contribution to the state owed by individuals or entities, is compelling based on law, without direct reward and is used for state purposes for the greatest prosperity of the people (Lesiana & Anwar, 2022).

Understanding of Tax Regulations

According to Putri & Andi (2020), understanding tax regulations is when taxpayers know the rules of taxation and use them in paying taxes. Harjo (2019) argues that taxpayer understanding of tax regulations is a way for taxpayers to understand existing tax regulations. Taxpayers who do not clearly understand tax regulations tend not to carry out their obligations properly. It is clear that the more taxpayers understand tax regulations, the more taxpayers understand the sanctions they will receive if they violate tax obligations.

According to Lamdora & Suyono (2024) Indicators of understanding tax regulations can involve several key aspects that reflect the extent to which taxpayers understand tax rules and regulations. Some of these indicators include:
1) Understanding of general provisions and tax procedures.
2) Understanding of tax laws in Indonesia.
3) Understanding of the function of taxation.
4) Understanding of filing tax objections.

Taxpayer Awareness

According to the research journal Savitri & Musfialdy (2016), taxpayer awareness is the understanding and concern of taxpayers about the importance of fulfilling their tax obligations. This awareness includes the willingness of taxpayers to report and pay taxes voluntarily without

coercion, as well as an understanding that taxes are a source of state funding used for development and public welfare.

According to Umam & Arifianto (2022), indicators of taxpayer awareness include:
1) Knowing the existence of tax laws and regulations.
2) Knowing the function of taxes for State financing.
3) Knowing that tax obligations must be carried out in accordance with applicable regulations.
4) Understand the function of taxes for State financing.
5) Calculate, pay, report taxes willingly.
6) Calculate, pay, report the correct tax.

Tax Rate

Tax rate is a regulation or percentage based on tax law that is used to calculate and determine the amount of tax that must be paid, deposited, or collected by Tawas et al. (2016). According to Faisal (2009), the tax rate is the percentage amount of income that must be paid to the government. Meanwhile, according to Rahayu (2017), the determination of tax rates needs to be based on the understanding that every individual has the same rights, so that the tax rate applied can be proportional.

According to Rahayu (2017), a tax rate is considered fair if:
1) The tax rate is adjusted to the economic ability of taxpayers, taking into account the individual characteristics inherent in them.
2) Tax rates are applied in accordance with special circumstances that differ among taxpayers.
3) Tax rates are balanced with the income received by taxpayers.
4) Tax rates have the effect of reducing income and power disparities in society.

Tax Sanctions

According to Mardiasmo (2019), tax sanctions are used as a guarantee that the rules of tax law are obeyed. In other words, tax sanctions aim as a preventive effort so that taxpayers do not violate tax regulations. In general, there are two types of tax sanctions, namely administrative sanctions and criminal sanctions. Administrative sanctions include interest sanctions, fine sanctions, and increase sanctions. Meanwhile, criminal sanctions consist of confinement and imprisonment.

Taxpayer Compliance

Tax compliance refers to a situation where taxpayers fulfill all their tax responsibilities and exercise their tax rights in accordance with applicable tax regulations and laws. In other words, compliant taxpayers are those who comply with and carry out all applicable tax regulations Harjo (2019).

According to Lamdora & Suyono (2024), indicators of tax compliance include:
1) Compliance in registering with the tax office.
2) Compliance in reporting tax returns on time.
3) Compliance in calculating and paying taxes correctly.
4) Compliance in paying arrears.

E-commerce

According to Turban (2015), e-commerce refers to a process in which products are sold and bought electronically by consumers, as well as from company to company, with computers as the main intermediary in business transactions. Meanwhile, Laudon & Traver (2017) define e-commerce as a commercial transaction that involves the exchange of value through or by using digital technology between individuals.

LITERATURE REVIEW
The effect of understanding tax regulations on the compliance of taxpayers

Based on the findings of research conducted by Sinaga et al. Based on the findings of the research conducted by Sinaga et al. (2023) it can be concluded that understanding tax regulations has a positive influence on the compliance of taxpayers who run businesses through the *E-commerce* system. This study shows that the higher a person's level of understanding of

tax regulations, the higher the level of compliance in fulfilling tax obligations. This finding is supported by previous research by Zakia et al. (2023)which also found that the level of understanding of tax regulations has a positive effect on taxpayer compliance. Based on these findings, the first hypothesis (H1) can be proposed that understanding is as follows:

H 1 :   Understanding tax regulations has a positive effect on the compliance of taxpayers.

The effect of taxpayer awareness on the compliance of taxpayers

In research by Zakia et al. (2023) It was found that taxpayer awareness has a significant positive effect on compliance. This result is in line with the findings of the study by Sinaga et al. (2023) which reaffirms that taxpayer awareness is an important factor in improving tax compliance among *e-commerce* players. Based on these findings, it can be concluded that taxpayer awareness has a positive influence on the compliance of taxpayers doing business with the *e-commerce* system, as proposed in the second hypothesis (H2), namely:

H 2 :   Taxpayer awareness has a positive effect on the compliance of taxpayers.

The effect of tax rate on the compliance of taxpayers

Research conducted by Napisah & Khuluqi (2022) shows that tax rates have a positive impact on the level of compliance of taxpayers who use the *e-commerce* system. This research is reinforced by the findings in Amelia & Angiza (2022), which state that the more taxpayers know the tax rates that apply in *e-commerce* and realize equality or fairness in conventional trade, the level of taxpayer compliance will also increase. Based on this, the Third Hypothesis (H3) can be formulated as follows:

H 3 :   Tax rates have a positive effect on the compliance of taxpayers.

The effect of tax sanctions on the compliance of taxpayers

In the research results described in Amelia & Angiza (2022), it is concluded that there is a significant influence between tax sanctions and tax payment compliance. This finding is supported by the research results listed in Mutiara & Martantina (2023), which show that tax sanctions can simultaneously affect the dependent variable. Based on these findings, the fourth hypothesis (H4), namely :

H 1 :   Tax sanctions have a positive effect on the compliance of taxpayers.

RESEARCH METHODS

This study uses a quantitative approach to analyze the relationship between variables that affect taxpayer compliance in the e-commerce sector. The population in this study is e-commerce businesses in West Java, which according to data from the Central Bureau of Statistics (2023) amounted to 642,672 in 2022. However, the latest data for 2024 is not yet available so that the exact number of the population cannot be ascertained. The sample was taken using *nonprobability sampling* technique with *purposive sampling* method. The sample selection was based on certain criteria, namely e-commerce businesses domiciled in West Java, having a Taxpayer Identification Number (NPWP), and an annual turnover of more than IDR 500 million. The sample size was determined using the Cochran formula, which is recommended for research with large or unlimited populations.

The research instrument used was a questionnaire prepared using a Likert scale. According to Cooper & Schindler (2014), the Likert scale is the most commonly used method for measuring respondents' attitudes toward statements, with values of 1 for "Strongly Disagree" to 5 for "Strongly Agree." The questionnaire was distributed online through Google Form using various platforms such as WhatsApp, Instagram, TikTok, Twitter, and marketplaces such as Shopee, Tokopedia, and TikTok Shop. Primary data collected through questionnaires were supplemented with secondary data obtained from literature such as books, journals, and articles related to taxation and e-commerce.

Data analysis was conducted using *Structural Equation Modeling* (SEM) based on *Partial Least Square* (PLS) with SmartPLS software version 4. SEM was used to test the validity and reliability through *Measurement Model*, and analyze the relationship between latent variables through *Structural Model*. This approach was chosen because it is able to handle models with

complex constructs without requiring certain data distribution assumptions, making it suitable for quantitative research with large populations. This research was conducted in the West Java region during 2024, with a focus on e-commerce businesses as the main subject of research.

RESEARCH RESULTS AND DISCUSSION
Descriptive Statistical Test Results
Based on the results of the descriptive statistical test presented in Table 1, the majority of respondents showed a good understanding of tax obligations. The variable Understanding of Tax Regulations (X_1) obtained a mean of 4.12 with a standard deviation of 0.72, which indicates that most respondents have a good and consistent understanding of tax regulations. Taxpayer Awareness (X_2) has a mean of 3.70 with a standard deviation of 1.30, indicating that respondents have a fairly good level of awareness, although there is greater variation among respondents. The Tax Rate variable (X_3) shows a mean of 4.15 and a standard deviation of 0.76, indicating that respondents tend to agree with the tax rates applied and have similar views.

For the Tax Sanctions variable (X_4), the mean is 3.61 with a standard deviation of 1.34, indicating higher disagreement among some respondents regarding the effectiveness of tax sanctions. Finally, Taxpayer Compliance (Y) obtained a mean of 4.16 with a standard deviation of 0.74, indicating that the majority of respondents showed good compliance with tax obligations, with little variation in their responses. Overall, the descriptive statistical test results show that most respondents have a good understanding, awareness, and compliance with applicable tax regulations.

Outer Model Test Results
Convergent Validity Test Results
Convergent validity for the Outer Loading test is measured by assessing the relationship between component score values. The component score is said to have a strong relationship with the measured construct if the value is greater than 0.70 (J. F. Hair et al., 2019). Based on testing using the SmartPLS 4.0 application, the Outer Loading value which is greater than 0.70 indicates that the indicators in this study are valid for measuring the intended construct.

Table 2 displays the results of the Outer Loading test, which shows the value for each indicator. All tested indicators have an Outer Loading of more than 0.7, which indicates that the indicators are valid in measuring the intended variable. However, although the number of questions in the initial instrument totaled 38, only 13 indicators met the terms and conditions for use in further analysis because several other indicators did not meet the expected Outer Loading value standards.

Based on table 2, all indicators on the variables of Understanding Tax Regulations (X_1), Taxpayer Awareness (X_2), Tax Rates (X_3), Tax Sanctions (X_4), and Taxpayer Compliance (Y) have an Outer Loading of more than 0.7, which indicates that all indicators are valid to measure their respective constructs. For example, indicator X1.07 on Understanding Tax Regulations (X_1) has the highest Outer Loading value of 0.851, which indicates a very strong relationship with its construct.

In addition, *convergent validity* can be further evaluated by calculating the *Average Variance Extracted* (AVE) for each indicator. An AVE value greater than 0.5 indicates that the statements on the variable have good *convergent validity*. From the attached table 3, that the resulting *convergent validity* by looking at the AVE value of each of the variables of this study that shows the number> 0.5 which means that it has met the *convergent validity* criteria well.

Discriminant Validity Test Results
The discriminant validity test is used to ensure that each latent variable in the model is different from one another. This study conducted a discriminant validity test by looking at the cross loading calculation. A model is said to have good discriminant validity if the loading factor value for each item on the measured indicator is greater than the loading factor value on other latent variables. This means that the item will correlate lower in measuring other variables.

From the attached table 4, it can be seen that based on the analysis of the *loading factor* value, all indicators on each variable show a value greater than the *loading factor* value on

other latent variables. This shows that all latent variables in this study have met the criteria for good *discriminant validity*.

Reliability Test Results

SmartPLS provides two methods for testing reliability, namely Cronbach's alpha and composite reliability. Cronbach's Alpha measures the lower limit of item reliability, while composite reliability measures the actual construct reliability value. This test must be carried out to ensure that each questionnaire item meets the reliability criteria. The research instrument is said to have good reliability if the Cronbach's alpha value is more than equal to 0.60 or the composite reliability value is more than equal to 0.70.

Based on the attached table 5, the reliability test shows that all variables in this study have a Cronbach's Alpha value above 0.60 and a Composite Reliability (Hair et al., 2022)above 0.70, which indicates good reliability. In detail, the variable Understanding Tax Regulations (X_1) has a Cronbach's Alpha of 0.776 and a Composite Reliability of 0.870. The Taxpayer Awareness variable (X_2) has a Cronbach's Alpha of 0.825 and a Composite Reliability of 0.894. Tax Rates (X_3) has a Cronbach's Alpha of 0.758 and a Composite Reliability of 0.892. Tax Sanctions (X_4) shows Cronbach's Alpha 0.623 and Composite Reliability 0.835, while Taxpayer Compliance (Y) has a Cronbach's Alpha value of 0.900 and Composite Reliability 0.938. Thus, all variables in this study meet the required reliability standards and can be considered reliable.

Structural Model Test Results (Inner Model)
R-Square Test Result (R^2)

R-Square (R^2) is a statistical measure used to determine the proportion of variance in the dependent variable that can be predicted or explained by the independent variables in a regression model. The coefficient of determination (R^2) is expected to be between 0 and 1, with higher values indicating better predictive ability of the model. In general, R^2 values of 0.75, 0.50, and 0.25 indicate that the model has strong, moderate, and weak predictive power respectively The R-Square results in this study are described in the following table.

Based on the results displayed in table 6, the R-square value for the Taxpayer Compliance variable (Y) is 0.684 and the adjusted R-square value is 0.674. This R-square value indicates that 68.4% of the variation in the taxpayer compliance variable can be explained by the independent variables in this research model. Based on this category, the R-square value of 0.684 indicates that the model used has a moderate influence on taxpayer compliance.

F-Square Test Result (F^2)

F-Square or effect size in this study is used to assess whether the independent variables simultaneously affect the dependent variable. According to Rahadi (2023), the recommended effect sizes for F-square (f2) are 0.02, 0.15, and 0.35. These values indicate the level of influence of exogenous latent variables on the dependent variable at the structural level. An f2 value of 0.02 indicates a small effect, a value of 0.15 indicates a medium effect, and a value of 0.35 indicates a large effect. Determining this effect size is important to understand the extent to which the independent variable affects the dependent variable in the structural model, thus providing a clearer picture of the strength of the relationship between the variables being analyzed (Hair et al., 2022). The F-square results in this study are described in the following table.

Based on the results of the f-square test displayed in the table 7, it can be concluded that the effect of the independent variables on Taxpayer Compliance (Y) varies. Understanding Tax Regulations (X_1) has an f-square value of 0.143, which shows a moderate influence on taxpayer compliance. Although the effect is significant, the value is not too large. Taxpayer Awareness (X_2) has an f-square value of 0.000, which means it does not have a significant influence on taxpayer compliance in this model.

On the other hand, Tax Rate (X_3) has an f-square value of 0.260, which indicates a moderate influence on Taxpayer Compliance, indicating that the tax rate has a significant contribution. Tax Sanctions (X_4) with an f-square value of 0.222 also shows a moderate influence on taxpayer compliance.

Q-Square Test Result (Q²)

The cross-validated communality approach measures the model's ability to predict direct indicators of its supporting variables through cross-validation using the measurement model. In contrast, the cross-validated redundancy approach uses path model estimates to predict omitted data points, utilizing both the inner structural model and the outer measurement model (Hair et al., 2022).

In the developed PLS Path model, the cross-validated redundancy approach was applied to predict the missing data points. A Q2 value greater than 0 indicates that the model has predictive relevance, while a Q2 value less than 0 indicates that the model lacks predictive relevance (Rahadi, 2023).The Q-Square results in this study are described in table 8 below.

With a Q2 value of 0.621, this study shows that the model used is quite effective in predicting taxpayer compliance, which means that this model has a good enough predictive relevance to describe the relationship between variables in the study.

Model Fit Test Results

Researchers use the criteria for model fit by looking at the calculation of the SRMR (*Standardized Root Mean Square Residual*) value with the limitation value that meets is <0.08 but between 0.08 - 0.1 is still acceptable. The results of the fit model test based on the attached table 9 find that this research model has a good fit as evidenced by the SRMR value of 0.102 which is rounded to 0.1.

Direct Hypothesis Test Results

In this study, path analysis is used to evaluate the impact of exogenous variables on endogenous variables through bootstrapping procedures. Path analysis helps identify direct and indirect relationships between variables in the model. Path coefficient, which is the method used in this analysis, provides information about the strength of the relationship between variables. This study also utilizes the t-statistic and p-values generated by the path coefficient to evaluate the effect of exogenous variables on endogenous variables as well as to identify variables that may moderate the effect.

To see the direct relationship between independent, dependent, and moderating variables together, p-values can be seen in the path coefficient results. The validity of the research hypothesis is assessed by comparing the t-statistic value with the relevant t-table, calculated using the degrees of freedom obtained from the sample size minus two. The hypothesis is considered significant if the p value is <0.05 (Hair et al., 2022)

The effect of understanding tax regulations on the compliance of taxpayers

The effect of Understanding Tax Regulations on Taxpayer Compliance is 0.285 with a p-value of 0.008 <0.05, indicating that Understanding Tax Regulations has a significant positive effect on Taxpayer Compliance. These results are in line with Sinaga et al. (2023) research which states that understanding tax regulations has a positive influence on taxpayer compliance. This indicates that the higher the taxpayer's understanding of tax regulations, the higher their level of compliance will be. Therefore, the first hypothesis (H1) which states that understanding tax regulations has a positive effect on taxpayer compliance is accepted. This finding is also supported by Zakia et al. (2023) research which confirms that the level of understanding of tax regulations has a significant positive effect on taxpayer compliance.

The effect of taxpayer awareness on the compliance of taxpayers

The effect of taxpayer awareness on taxpayer compliance is 0.004 with a p-value of 0.952> 0.05, indicating that taxpayer awareness has no significant effect on taxpayer compliance. These results are consistent with Yuliani et al. (2023) research which states that the taxpayer awareness variable has no effect on taxpayer compliance of e-commerce users.

The effect of tax rate on the compliance of taxpayers

The effect of tax rates on taxpayer compliance is 0.34 with a p-value of 0 <0.05, indicating that tax rates have a significant positive effect on taxpayer compliance. Research conducted

by Napisah & Khuluqi (2022) also revealed that tax rates have a positive impact on the level of compliance of taxpayers who use the e-commerce system. These results are reinforced by the findings of Amelia & Angiza (2022) which state that the more taxpayers understand the tax rates that apply in e-commerce and realize equality or fairness compared to conventional trade, the level of taxpayer compliance will increase.

The effect of tax sanctions on the compliance of taxpayers

The effect of tax sanctions on taxpayer compliance is 0.395 with a p-value of 0 <0.05, indicating that tax sanctions have a significant positive effect on taxpayer compliance. These results are in line with the research described by Amelia & Angiza (2022), which concluded that tax sanctions have a significant influence on compliance in tax payments. This finding is also supported by research by Mutiara & Levi Martantina (2023), which shows that the application of tax sanctions simultaneously affects the increase in taxpayer compliance as the dependent variable.

CONCLUSION

a) Understanding tax regulations has a significant positive effect on taxpayer compliance. This shows that the higher the taxpayer's understanding of tax regulations, the higher the level of taxpayer compliance. Therefore, the first hypothesis (H1) is accepted.

b) Taxpayer awareness has no significant effect on taxpayer compliance. This shows that the level of awareness of taxpayers does not affect their level of compliance. So that the second hypothesis (H2) is rejected.

c) Tax rates have a significant positive effect on taxpayer compliance. This shows that the fairer and more appropriate the tax rate applied, the taxpayer compliance will increase. Therefore, the third hypothesis (H3) is accepted.

d) Tax Sanctions have a significant positive effect on taxpayer compliance. This shows that the application of strict and effective tax sanctions encourages an increase in taxpayer compliance. Therefore, the fourth hypothesis (H4) is accepted.

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