THE EFFECT OF CHANGE IN TAX RATE, RATE OF RETURN, AND APPLICATION SOCIALIZATION GOVERNMENT REGULATION NO. 23 OF 2018 ON THE COMPLIANCE OF TAXPAYER SMALL MICRO MEDIUM ENTERPRISES

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Abstract: **The government has made various forms of efforts to collect taxpayers in fulfilling their tax obligations voluntarily in order to increase tax revenue. The high demand for tax revenue has not yet been fully implemented by the South Badung Pratama tax office. The purpose of this study is to examine the effect of changes in tax rate, rate of return, and application socialization Government Regulation No. 23 of 2018 on compliance with taxpayer small micro medium enterprises. The theory used in this research is the theory of compliance and theory of planned behavior. This research was conducted at the South Badung Pratama Tax Office. The number of respondents was 100 taxpayer small micro medium enterprises selected using the Slovin formula. The sampling method used in this study is accidental sampling and the technical analysis of the data in this study uses multiple linear regression analysis. The results showed that changes in tax rate, rate of return, and application socialization Government Regulation No. 23 of 2018 has a positive effect on the partial compliance of taxpayer small micro medium enterprises.**

Keywords: **Change in Tax Rate, Rate Of Return, Application Socialization, Compliance With Taxpayer Small Micro Medium Enterprises.**

I. INTRODUCTION

Indonesia is a developing country that is always doing development in all fields, this is done by the government as an effort to realize the welfare of society. A developing country is a country where the level of welfare of the people is still low, there are still many economic problems, and the level of development is still low. To increase development, the government has maintained a large amount of funds to carry out development activities in a separate establishment. Tax revenue is one source of sufficient funds for the state to finance the country's development. Development will not be achieved if there is no collaboration between the government and the community. Tax is the largest source of income in Indonesia, in 2018 the tax contributed 92.41% to the national budget or grew 14.32% from the realization in 2017 (KITA National Budget, 2018). Tax has a budgetary function, namely as a source of revenue that is used to finance state expenditure. As a source of state revenue, taxes have a very large and increasingly dependable role in the interests of development and government spending (Handayani and Noviari, 2016). The size of the tax will determine the capacity of the state budget in financing state expenditure, both for development funding and routine budget financing. Because taxes have a very important role in terms of state revenue, the state must be more active in collecting taxes to obtain optimal income. The optimal achievement of managed establishment requires good cooperation between the government and the

community. The state is demanded to provide the best service so that the public plays an active role in carrying out taxation activities.

Tax revenue becomes a very important role for the country, therefore the Directorate General of Taxes which is part of government agencies under the Ministry of Finance of the Republic of Indonesia who acts as the manager of the taxation system in Indonesia regulates ways to increase tax revenue. Various ways are carried out by the general tax director in order to increase tax revenue by carrying out tax reforms aimed at making the Indonesian taxation system simplified with the tax rate, taxable income and the tax collection system. Since 1983, Indonesia has adopted a Self-Assessment System which is a comprehensive tax reform. This system gives full authority and trust to the taxpayer to record, calculate, pay and report their own taxes in accordance with applicable regulations. Tax authorities are only tasked to provide services, supervision, and guidance to taxpayers (Rahmawati and Achadiyah, 2016).

The high portion of tax revenue towards overall state revenue shows how important tax is for the continuity of the wheels of government and the establishment of the Unitary State of the Republic of Indonesia. The government needs to ensure that the tax revenue target set in the National Budget can be realized as shown in Table 1 below.

TABLE 1: TAX REVENUE TARGET IN THE 2014-2016 NATIONAL BUDGET (in Trillions of Rupiah)

No	Year	State Revenue At National Budget	Tax Revenue	%
1	2016	1786,2	1503,3	84,16%
2	2015	1761,6	1440	81,74%
3	2014	1636,4	1189,8	72,76%

Source: Sudaarsa, 2018

The national tax revenue targets shown in Table 1.1 are then distributed to the Directorate General of Tax vertical units, one of which is the Pratama Selatan Badung Tax Office located on Jl. Letda Tantular No. 4 GKN II, Renon, Denpasar. The tax revenue target that is the responsibility of the South Badung Primary Tax Office in the 2014 fiscal year to 2017 is as shown in Table 2 below.

TABLE 2: TAX OFFICE PRATAMA SELATAN BADUNG TAX REVENUE TARGET IN 2014 - 2017 (in billions of Rupiah)

No	Year	Tax Revenue Target	Target Growth
1	2017	1074,52	(5,45%)
2	2016	1136,46	26,85%
3	2015	895,89	(4,37%)
4	2014	936,87	-

Source: Tax Office Pratama Badung Selatan, 2019

The high demand for tax revenue has not yet been fully implemented by the government. This is evident in the realization of tax revenue from year to year is still very low. Tax Office Pratama Selatan Badung never achieved the tax revenue target it is responsible for as shown in Table 3 below.

TABLE 3: REALIZATION OF TAX REVENUE TAX OFFICE PRATAMA BADUNG SELATAN IN 2014 - 2017 (in billion rupiah units)

No	Year	Tax Revenue Target	Target Growth	%
1	2017	1074,52	950,88	88,49%
2	2016	1136,46	912,37	80,28%
3	2015	895,89	809,84	90,40%
4	2014	936,87	659,05	70,35%

Source: Tax Office Pratama Badung Selatan, 2019

The low realization of tax revenue can be explored further through the level of taxpayer compliance. Taxpayer compliance in carrying out its tax obligations in general can be seen from two main compliance, namely compliance to make payments / deposits and compliance to do tax reporting. In terms of payment, the South Badung Pratama Tax Office is faced with the fact that the realization of tax revenue never reaches the target charged. The percentage of compliance level of taxpayer small micro medium enterprises in the South Badung Primary Tax Office can be seen in Table 4 below.

TABLE 4 : PERCENTAGE OF TAXPAYER COMPLIANCE LEVEL SMALL MICRO MEDIUM ENTERPRISES AT TAX OFFICE PRATAMA BADUNG SELATAN IN 2015 – 2018

No	Year	Total of Taxpayer Small Micro Medium Enterprises	Percentage of Compliance Level
1	2018	3081	85,00%
2	2017	2834	74,00%
3	2016	2310	72,00%
4	2015	2096	67,00%

Source: Tax Office Pratama Badung Selatan, 2019

The government has made various forms of efforts to collect taxpayers in fulfilling their tax obligations voluntarily in order to increase tax revenue. The efforts of the self-contained establishment include the policy of reducing the Income tax law No. 36 of 2008 for agency taxpayers, and the policy of the Government Regulation No. 46 of 2013 to facilitate taxpayers with a turnover of less than Rp. 4.8 billion by simply paying 1% tax from gross circulation. In 2013 through the issuance of Government Regulation No. 46 of 2013, which took effect on July 1, 2013, for taxpayers of individuals and entities other than Permanent Establishments that have a gross circulation (turnover) ≤ Rp. 4.8 billion per year subject to a final tax rate of 1% of gross circulation (Keziana et al, 2017). Government Regulation No. 46 of 2013 provides convenience in the form of simplification of the calculation of tax payable, reporting, and tax payments for small micro medium enterprises to encourage tax compliance voluntarily so as to increase compliance with taxpayer of small micro medium enterprises in meeting their tax obligations.

However, the establishment of a 1% tariff on a separate establishment did not meet expectations as some small micro medium enterprises taxpayers did not pay taxes every month. Research conducted by Rahmawati and Achadiyah (2016) in Pratama Pasuruan's Tax Office provides evidence that the level of taxpayer compliance has decreased significantly since the regulation of independent establishment was enacted so that it can be concluded that tax revenue also decreased. This is reinforced by research conducted by Resyniar (2013), which shows that the majority of small micro medium enterprises do not agree with changes in tariffs and tax calculation basis, small micro medium enterprises do agree that the ease and simplification of taxes can help the public especially those Small micro medium enterprises entrepreneurs in paying their taxes, small micro medium enterprises actors argue that the intention carried out in Government Regulation No. 46 of 2013 cannot educate the public for transparency in tax payments, and according to the perpetrators of small micro medium enterprises, socialization regarding Government Regulation No. 46 of 2013 is still not optimal. Therefore, many taxpayers began to disobey and did not pay their tax obligations because it was seen that paying taxes would reduce capital to develop their business.

Taxpayer compliance is one of the determining factors for increasing income tax revenue. Income tax receipts can run well if each taxpayer applies obediently in carrying out their obligations to pay taxes (Kastolani and Ardiyanto, 2017). Therefore, President Jokowi submitted a proposal to reduce the tax rate of small micro medium enterprises. On July 1, 2018 the Government Regulation No. 23 of 2018 which is a revision of Government Regulation No. 46 of 2013. In Government Regulation No. 23 of 2018 there was a decrease in the final tax rate of tax from 1% to 0.5% which applies to perpetrators of income tax with gross circulation (turnover) below Rp. 4.8 billion (www.pajakonline.com, accessed October 25, 2019) . This regulatory policy is considered to be able to increase the compliance of taxpayer small micro medium enterprises from year to year, so that it can have implications for increasing state revenue from the income tax sector or income tax. Not only that, this tariff reduction also gives small micro medium enterprises entrepreneurs more ability to develop their businesses. Government Regulation No. 23 of 2018 exists to provide convenience for small micro

medium enterprises, ease of independent establishment including low tax rate forms, calculation methods, payment, and easy tax reporting (www.pajak.go.id, accessed October 25, 2019).

The ability of taxpayers to meet tax obligations is closely related to the amount of income in paying taxes on time. One of the things considered in tax collection is the rate of return from the taxpayer. Rate of return is the level of income obtained by someone taxpayer (Ernawati, 2014). Rate of return is one of the references in terms of tax deductions or tax collections made to taxpayers who are then reported in a tax return. Rate of return can affect taxpayer compliance in paying taxes on time. Some people consider tax as a burden that must be borne in their economic activities.

Self Assessment Sytem greatly enhances the establishment of taxpayer awareness to obey to carry out obligations, increase taxpayer awareness, and increase public knowledge and insight regarding taxation systems and regulations that apply in Indonesia. One of the efforts made by the government is to conduct tax socialization. This socialization activity is very important because the public's knowledge and insight on the taxation system and regulations that apply is still lacking. Lack of socialization results in low taxpayer knowledge of tax regulations so that there are still many taxpayers who have not fulfilled their obligations as taxpayers (Hartana and Merkusiwati, 2018). The socialization of tax regulations is also not comprehensive to every taxpayer which can cause the taxpayer's lack of knowledge about taxation information and the matters of independent establishment can have an impact on state tax revenue.

II. CONCEPTUAL MODEL AND HYPOTESIS DEVELOPMENT

The Effect Of Tax Rate Changes On Tax Compliance Of Small Micro Medium Enterprises Taxpayers

Based on Compliance Theory and Theory of Planned Behavior, changes in tax rates are related to normative beliefs which are the expectations perceived by one or more people to approve a behavior and motivate someone to comply with their obligations. Tax rate is a number or percentage used by the taxpayer to calculate the amount of tax owed. The current small micro medium enterprises tax rate is 0.5%, this rate reduction aims to motivate taxpayers to comply with their obligations in paying taxes and provide justice for ISES's small micro medium enterprises taxpayer. A tax rate that is fair and not burdensome for taxpayers will encourage taxpayers to comply with their tax obligations (Ananda, 2015). Research conducted by Julianto (2017) shows that the tax rate has a positive influence on taxpayer compliance. In addition, based on the results of research Cahyani and Noviari (2018) states that the tax rate has a positive effect on the compliance of taxpayer small micro medium enterprises. Based on the description above, the hypothesis proposed in this study is as follows.

H_1: Changes in the tax rate have a positive effect on compliance with taxpayer small micro medium enterprises

The Effect Of Rate Of Return On Tax Compliance Of Small Micro Medium Enterprises

Based on Compliance Theory, the taxpayer rate of return is related to an instrumental perspective which assumes that individuals are wholly driven by personal interests and responses to changes related to behavior. Rate of return is a level of income taxpayer so that it can affect public compliance in paying taxes. The higher the income earned by the taxpayer, the taxpayer will have no difficulty in meeting their tax obligations (Wiranatha and Rasmini, 2017). The ability of taxpayers to meet tax obligations is closely related to the amount of income, so one of the considerations in tax collection is the rate of return. Based on the results of Samudra's research (2015), the taxpayer rate of return has a positive effect on taxpayer compliance. Based on the description above, the hypothesis proposed in this study is as follows.

H_2: Rate of return taxpayer has a positive effect on compliance with taxpayer of small micro medium enterprises

The Effect of Application Socialization Government Regulation No. 23 of 2018 to the Compliance of Taxpayer of Small Micro Medium Enterprises

Based on Compliance Theory, application socialization Government Regulation No. 23 of 2018 relating to normative commitment through personal morality (normative commitment through morality) means to obey the law because the establishment of secralized law is considered a necessity. Good tax socialization is expected to increase taxpayer compliance. Research conducted by Hartana and Merkusiwati (2018) proves that tax socialization is able to strengthen the influence of taxpayer awareness on taxpayer compliance. The importance of socialization provides understanding to the public in paying taxes. Based on the results of Dharma's research (2014), tax counseling has a positive effect on taxpayer compliance. Based on the description above, the hypothesis proposed in this study is as follows.

H₃: Application socialization Government Regulation No. 23 of 2018 has a positive effect on small micro medium enterprises tax compliance
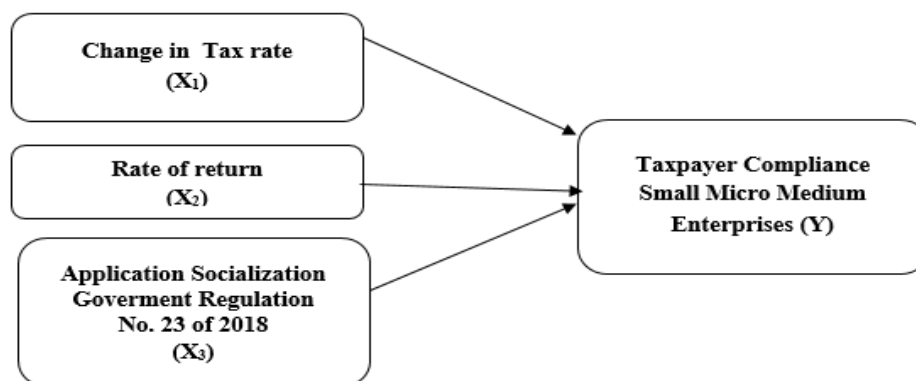

Figure 1: Conceptual Model

III. RESEARCH METHODOLOGY

This research uses quantitative methods in the form of associative. This research was conducted at Tax Office Pratama Selatan Badung located on Jl. Letda Tantular No. 4 GKN II, Renon, Denpasar. Tax Office Pratama Selatan Badung covers two sub-districts, namely Kuta and South Kuta. The location of the separate establishment was chosen because the percentage of taxpayer compliance in the small micro medium enterprises sector is still low and is not comparable with the growth of the small micro medium enterprises in Badung Regency which continues to increase every year. The population in this study is the taxpayer small micro medium enterprises registered at Tax Office Pratama Selatan Badung. The sampling method used is the accidental sampling method. Accidental sampling method is accidental sampling by taking respondents who happen to be or are available somewhere according to the research context. Through sample calculation using the Slovin formula, the number of samples used in this study were 100 samples of small micro medium enterprises taxpayers registered at Tax Office Pratama Selatan Badung in 2018. The data collection method used in this study was a survey method. The data analysis technique used in this study is multiple linear regression analysis.

IV. RESEARCH FINDING AND DISCUSSION

The data of this study were obtained from a questionnaire that had been distributed to respondents totaling 100 taxpayer small micro medium enterprises registered at the South Badung Pratama Tax Office. The number of questionnaires distributed was 100 questionnaires and the number of returned questionnaires was 100 questionnaires. Characteristics of respondents include gender, education, length of time respondents have taxpayer registration number, and type of business.

TABLE 5: CHARACTERISTICS OF RESPONDENT

Characteristic	Classification	Respondent	(%)
Gender	Male	64	64,0
	Female	36	36,0
	Total	**100**	**100**
Type of business	Trade	45	45,0
	Industry	6	6,0
	Services	45	45,0
	Etc	4	4,0
	Total	**100**	**100**
Education	Diploma I	5	5,0
	Diploma II	3	3,0
	Diploma III	7	7,0
	Bachelor	40	40,0
	Magister	7	7,0
	Senior High School	20	20,0

Vocational High School	15	15,0
Junior High School	3	3,0
Total	**100**	**100**
1 year	1	1,0
2 years	6	6,0
3 years	6	6,0
4 years	24	24,0
Period of Taxpayer Registration Number (years) 5 years	11	11,0
6 years	18	18,0
7 years	13	13,0
8 years	8	8,0
9 years	6	6,0
10 years	2	2,0
> 10 years	5	5,0
Total	**100**	**100**

Source: Primary data processed, 2019

Based on Table 5 it can be seen that there are 64 respondents with male gender or as much as 64% of the 100 respondents used and as many as 36 respondents with female sex or as much as 35% of the 100 respondents used in the study. Based on Table 5 it can be seen that there are 45 respondents or 45% with the type of trading business, 6 respondents or 6% with the type of industrial business, 45 respondents or 45% with the type of service business, 4 respondents or 4% with other types of business -Other than 100 respondents used in the study.

Based on Table 5 it can be seen that there are 5 respondents or 5% with Diploma I education level, 3 respondents or 3% with Diploma II education level, 7 respondents or 7% with Diploma III education level, 40 respondents or 40% with Bachelor's education level, 7 respondents or 7% with Masters education level, 20 respondents or 20% with Senior High School education level, 15 respondents or 15% with Vocational High School education level, 3 respondents or 3% with education level Junior High School of 100 respondents used in the study.

Based on Table 4.3 it can be seen that there are 5 respondents or 5% with a taxpayer registration number> 10 years, 1 respondent or 1% with a taxpayer registration number for 1 year, 2 respondents or 2% with a taxpayer registration number 10 years, 6 respondents or 6% with a taxpayer registration number 2 years, 6 respondents or 6% with a taxpayer registration number 3 years, 24 respondents or 24% with a taxpayer registration number 4 years, 11 people respondents or 11% with a taxpayer registration number of 5 years, 18 respondents or 18% with a taxpayer registration number for 6 years, 13 respondents or 13% with a taxpayer registration number for 7 years, 8 respondents or 8% with long have a taxpayer registration number 8 years, 6 respondents or 6% with long have a taxpayer registration number 9 years dar i 100 respondents used in the study.The results of the validity test show that all instruments of this study are valid and appropriate to be used as research instruments. Reliability test results show that all research instruments have Cronbach's Alpha coefficients of more than 0.60. So it can be stated that all variables have met the requirements of reliability or reliability so that they can be used to conduct research.

TABLE 6: TEST RESULTS OF MULTIPLE LINEAR REGRESSION ANALYSIS

Variable	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	0,525	0,163		3,227	0,002
Change in Tax rate (X_1)	0,386	0,072	0,414	5,347	0,000
Rate of return (X_2)	0,328	0,055	0,388	5,918	0,000
Application socialization goverment regulation no. 23 of 2018 (X_3)	0,190	0,069	0,193	2,769	0,007

Source: Primary data processed, 2019

Based on Table 6, the multiple regression model obtained in this study is as follows:

Y = 0.525 + 0.386 X1 + 0.328 X2 + 0.190 X3

This model has the following interpretation :

1) Positive coefficient value of 0.525 can be interpreted if there is no influence from other variables or independent variables, then the constant value of the taxpayer compliance variable (Y) is 0.525.

2) The coefficient value of the variable change in tax rate (X1) is positive at 0.386, meaning that if the value of changing tax rate (X1) rises, taxpayer compliance (Y) will rise by 0.386, so it can be concluded that the change in tax rate (X1) has a positive effect on compliance taxpayer (Y).

3) The coefficient of the variable rate of return (X2) has a positive value of 0.328, meaning that if the rate of return (X2) rises, taxpayer compliance (Y) will rise by 0.328, so it can be concluded that the rate of return (X2) has a positive effect on compliance taxpayer (Y).

4) The coefficient value of the application socialization variable Goverment Regulation No. 23 of 2018 (X3) has a positive value of 0.190, it means that if the value of application socialization Goverment Regulation No. 23 of 2018 (X3) increases, the taxpayer (Y) compliance will increase by 0.190, so it can be concluded that the application socialization Goverment Regulation No. 23 of 2018 (X3) has a positive effect on taxpayer compliance (Y).

Table 7: The Result of Determination Coefficient Test (R^2)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.928[a]	0,861	0,857	0,19582

Source: Primary data processed, 2019

Regression analysis used is multiple regression analysis so the coefficient of determination used is Adjusted R square (corrected determination coefficient). The coefficient value obtained is 0.857. The determination value becomes 0.857 x 100% = 85.7%. This indicates that taxpayer compliance (Y) is explained by 85.7% by variable changes in tax rate (X1), rate of return (X2) and application socialization Government Regulation No. 23 of 2018 (X3) the rest is explained by other variables not included in the model or research.

Table 8: The Result of F Test

	Model	Sum of Squares	Df	Mean Square	F	Sig.
	Regression	22,842	3	7,614	198,569	.000[b]
1	Residual	3,681	96	0,038		
	Total	26,523	99			

Based on the ANOVA table above, the calculated F value is 198.569. This calculated F value is greater than the F table value of 2.70 and the significance value of F of 0.000 is less than 0.05, so it can be concluded that there is a significant influence namely changes in tax rate (X1), rate of return (X2) and application socialization Goverment Regulation No. 23 of 2018 (X3) of the dependent variable is taxpayer compliance (Y).

The Effect Of Tax Rate Changes On The Compliance Of Taxpayer Small Micro Medium Enterprises

The first hypothesis of this study states that the change in tax rate has a positive effect on compliance with taxpayer of small micro medium enterprises in the Tax Office of Pratama Selatan Badung. The test results using multiple linear regression are in line with the formulated hypothesis which shows that changes in tax rate have a positive effect on compliance with taxpayer small micro medium enterprises. The results showed that the coefficient value of the variable change in the tax rate was positive at 0.386 with a significant value of 0,000 this value is smaller than 0.05. This result has the conclusion that there is a partially significant effect between changes in tax rate on compliance with taxpayer of small micro medium enterprises. The results of this study are also in line with the Compliance Theory and theory of planned

behavior related to taxpayer perceptions of a 0.5% decrease in tax rates for small micro medium enterprises, which has motivated taxpayers to comply with their obligations in paying taxes and provided justice for small micro medium enterprises taxpayers. In line with Ananda's research (2015) states that a fair and not burdensome tax rate for taxpayers will encourage taxpayers to comply with their tax obligations. This is also in line with the results of the research by Cahyani and Noviari (2018) that the tax rate has a positive effect on the compliance of taxpayer small micro medium enterprises.

The Effect Of Rate Of Return On Small Micro Medium Enterprises Taxpayer Compliance

The second hypothesis of this study states that the rate of return taxpayer has a positive effect on compliance with taxpayer of small micro medium enterprises in the Tax Office of Pratama Selatan Badung. The test results using multiple linear regression are in line with the formulated hypothesis which shows that the rate of return taxpayer has a positive effect on taxpayer compliance for small micro medium enterprises. The results showed that the coefficient of the rate of return variable was positive at 0.328 with a significant value of 0.000 this value was smaller than 0.05. This result has the conclusion that there is a partially significant effect between the rate of return on taxpayer compliance with small micro medium enterprises. The results of this study are also in line with the Compliance Theory that the rate of return taxpayer is related to an instrumental perspective which assumes that individuals are wholly driven by personal interests and responses to changes related to behavior. In line with the research of Wiranatha and Rasmini (2017), it is stated that the higher income earned by taxpayers, the taxpayers will not find it difficult to meet their tax obligations. This is also in line with the results of Samudra's (2015) study that the taxpayer rate of return has a positive effect on taxpayer compliance.

The Effect of application socialization Government Regulation No. 23 of 2018 on compliance with taxpayer of Small Micro Medium Enterprises

The third hypothesis of this study states that the Application socialization Government Regulation No. 23 of 2018 has a positive effect on compliance with taxpayer small micro medium enterprises in the South Badung Pratama Tax Office. The results of tests using multiple linear regression are in line with the formulated hypothesis which shows that the application of socialization Government Regulation No. 23 of 2018 has a positive effect on compliance with taxpayer small micro medium enterprises. The results showed that the coefficient values of the application socialization Government Regulation No. 23 of 2018 has a positive value of 0.190 with a significant value of 0.007 this value is smaller than 0.05. . These results have the conclusion that there is a partially significant effect between application socialization Government Regulation No. 23 of 2018 on compliance with taxpayer small micro medium enterprises. The results of this study are also in line with the Compliance Theory that application socialization Government Regulation No. 23 of 2018 relating to normative commitments through personal morality means obeying the law because the law of independent establishment is considered a necessity. In line with research conducted by Hartana and Merkusiwati (2018), taxation socialization is able to strengthen the influence of taxpayer awareness on taxpayer compliance. This is also in line with the results of Dharma's research (2014) stating that tax education counseling has a positive effect on taxpayer compliance.

Implications of Research Results

1) Theoretical implications

This study generates conclusions regarding changes in tax rate, rate of return, and socialization of the application of Government Regulation No. 23 of 2018 on compliance with taxpayer small micro medium enterprises in the South Badung Pratama Tax Office. The test results in this study found that the independent variables are changes in tax rate, rate of return, and socialization of Government Regulation No. 23 of 2018 has a positive effect on compliance with taxpayer small micro medium enterprises

2) Practical implications

This research can be used as motivation for the government, general tax director, and the Tax Office of South Badung Pratama to be able to increase socialization related to decreasing the tax rate of small micro medium enterprises, the amount of income that must be reported by taxpayer of small micro medium enterprises, and socialization related to new regulations namely Government Regulation No. 23 of 2018. In addition, the South Badung Pratama Tax Office is expected to provide all the information needed by taxpayers to increase compliance with taxpayer small micro medium enterprises.

V. CONCLUSIONS AND SUGGESTIONS

Based on the results of the analysis and discussion in the previous chapter, it can be concluded as follows:

1) Changes in tax rate on Government Regulation No. 23 of 2018 has a positive effect on the compliance of taxpayer small micro medium enterprises in the South Badung Pratama Tax Office.

2) Rate of return has a positive effect on the compliance of taxpayer S small micro medium enterprises in South Badung Pratama Tax Office.

3) Application socialization Government Regulation No. 23 of 2018 has a positive effect on the compliance of taxpayer small micro medium enterprises in the South Badung Pratama Tax Office.

Suggestions that can be given based on the results of the study are as follows:

1) The independent variables used in this study are changes in tax rate, rate of return, and application socialization Government Regulation No. 23 of 2018. The next researcher is expected to be able to explore other independent variables such as tax knowledge, tax administration systems, and tax sanctions that aim to determine the variable of independent establishment can affect the compliance of taxpayer small micro medium enterprises.

2) The researcher is expected to further expand the population and increase the number of research samples to be used by examining taxpayer of small micro medium enterprises in other regions, where this will improve the quality of research to be conducted.

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