The Effect of Taxpayer Awareness and Tax Sanctions on Hotel Taxpayer Compliance (Study on the Taxpayer of the Boarding House Hotel in South Kuta District)

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Abstract: **This study aims to determine the effect of taxpayer awareness and tax sanctions on taxpayer compliance by conducting empirical testing. This research was conducted at the Office of the Regional Revenue Agency/ Pasedahan Agung, Badung Regency. The entire population is used as a research sample of 51 taxpayers. Data collection was done by using a questionnaire. The data analysis technique used is multiple linear regression analysis. The results showed that taxpayer awareness had no effect on taxpayer compliance of boarding house hotels. On the other hand, tax sanctions have a significant positive effect on taxpayer compliance with boarding houses.**

Keywords: **Taxpayer Awareness; Tax Sanctions; Taxpayer Compliance.**

I. INTRODUCTION

According to Yasa and Jati (2017) tax is a taxpayer contribution owed by an individual or entity that is coercive based on legislation, by not receiving direct remuneration but is used to finance state needs which are later expected to have an effect on increasing income and public welfare. The legal basis for local tax collection is regulated in Law no. 28 of 2009 concerning Regional Taxes and Regional Retribution. The local tax revenue sector, particularly in Badung Regency, consists of hotel tax, restaurant tax, entertainment tax, advertisement tax, street lighting tax, non-metallic minerals and rocks tax, parking tax, groundwater tax, land and building tax, and rights acquisition fees on land and buildings.

South Kuta District is one of the tax-producing areas which is quite high in Badung Regency. The potential possessed by the South Kuta District has an impact on the increasing presence of boarding houses in the South Kuta District. This increase was due to the large number of migrants who lived permanently or temporarily to travel, do business, and study. Where the boarding house business is currently seen as a promising business. With the area, population, and potential in the fields of education and tourism, the South Kuta District has the potential to become an area with high local tax revenues, especially boarding house hotel taxes. Local taxes in Badung Regency regarding hotel taxes for the boarding house category are regulated in the Badung Regency Regional Regulation Number 15 of 2011 concerning Hotel Taxes. In this regulation, the object of tax is the service provided by the hotel with payment for services and supporting services as a completeness of the hotel which provides convenience and comfort, including sports and entertainment facilities. Meanwhile, Tax Subjects are individuals or entities that make payments to individuals or entities operating hotels/boarding houses. The rate imposed in this regulation is 10% of the total payment or what should be paid to the boarding house owner.

Taxpayer awareness is a condition in which the taxpayer fulfills the obligation to pay taxes based on his sincere conscience. Taxpayer awareness can be demonstrated through the taxpayer's understanding of the tax function and the taxpayer's seriousness in paying and reporting their tax obligations. The higher the level of awareness of taxpayers, the better understanding and implementation of tax obligations so as to increase compliance (Muliari and Setiawan, 2011).

According to Jatmiko (2006), awareness of taxpayers on the function of taxation as state financing is needed to improve taxpayer compliance. Low taxpayer awareness will result in a lot of tax potential that is not utilized optimally. Tax sanctions are a guarantee that the provisions of tax laws and regulations will be complied (Mardiasmo, 2018:62). Tax sanctions are also one of the things that affect the compliance of boarding house owners in paying taxes. This is shown by the theory of Mutia (2014), which states that the implementation of tax sanctions on taxpayers can lead to the fulfillment of tax obligations by taxpayers, to increase taxpayer compliance.

Taxpayer compliance is very closely related to tax revenue because if taxpayer compliance increases, state income in terms of taxation will also increase. Currently, if the tax is not complied with and the payment is fulfilled by the taxpayer, the government will experience difficulties (Hammar et al., 2009). Compliance becomes one of the important foundations in the development and smoothness of the success of the self-assessment system.

II.   REVIEW OF LITERATURE

Theory of Planned Behavior

Explains that the behavior caused by the individual arises because of the intention to behave. In this study, this theory is relevant to explain the behavior of taxpayers in fulfilling their tax obligations. Before the individual does something, the individual will have confidence about the results that will be obtained from his behavior. Then the person concerned will decide whether to do it or not to do it. Where in this study can be associated with awareness of taxpayers. Taxpayers who are aware of taxes will have confidence in the importance of paying taxes to help organize state development (behavioral beliefs). In this study, tax sanctions can be a motivation for taxpayers to avoid sanctions so that taxpayers can form tax compliance behavior. Then tax sanctions can also be associated with aspects of control beliefs. This is because sanctions can regulate a person's desire to pay or not the tax. Tax sanctions as control beliefs can shape some taxpayer behavior, such as taxpayers who comply with taxes for fear of sanctions and taxpayers who tend to avoid paying taxes for fear of sanctions imposed.

Compliance Theory

Compliance theory is a theory used in the social sciences, especially in the fields of psychology and sociology, which emphasizes the importance of the socialization process in influencing individual compliance behavior. Compliance means compliance with all activities in accordance with applicable policies, rules, regulations, and laws. Compliance theory is also relevant to taxpayer awareness, which is related to obedience which is identification and internalization. This is relevant to the awareness of taxpayers because taxpayers are aware that if they choose not to comply with paying taxes, their good relationship with someone will be damaged, where this can affect their business continuity as well, and if the taxpayer feels that the applicable rules are in accordance with their values. then the taxpayer with his own awareness will obey in paying taxes without any coercion. In this study, tax sanctions act as a controller that makes taxpayers comply with their obligations in paying taxes for fear of being subject to sanctions that have been set.

III.   RESEARCH METHOLODGY

3.1 Research GAP

The fluctuating amount of boarding house tax revenue makes researchers interested in choosing South Kuta District as the location for conducting research on boarding house tax compliance. The boarding house tax needs to be investigated because there are indications of non-compliance by taxpayers in fulfilling their tax obligations. Based on the boarding house tax arrears data that the researcher obtained from the Regional Revenue Agency/Pasedahan Agung, Badung Regency, which indicates the non-compliance of the boarding house tax payer.

3.2 HYPOTHESIS

- Taxpayer awareness has a positive effect on taxpayer compliance with boarding house hotels.

- Tax sanctions have a positive effect on taxpayer compliance for boarding house hotels

3.3 RESEARCH METHODOLOGY

The research design uses a quantitative approach with an associative level of explanation. This research was conducted at the Regional Revenue Agency/Pasedahan Agung, Badung Regency which is located at Jalan Raya Lukluk-Sempidi, Lukluk, Mengwi District, Badung Regency to obtain secondary data such as; boarding house data and the realization of hotel tax receipts. The implementation of the research to obtain primary data about the perception of taxpayers for

boarding house hotels will be carried out by distributing questionnaires to boarding houses in South Kuta District. The research object used by the researcher is taxpayer awareness, tax sanctions, and taxpayer compliance of boarding house hotels in South Kuta District, Badung Regency. The qualitative data used in this study is all forms of information regarding the Regional Revenue Agency/Pasedahan Agung of Badung Regency such as the history of the establishment of the Regional Revenue Agency/Pasedahan Agung of Badung Regency and the organizational structure of the Regional Revenue Agency/Pasedahan Agung of Badung Regency. Quantitative data used in this study is data on the number of taxpayers for boarding houses at the Regional Revenue Agency/Pasedahan Agung, Badung Regency, data on the number of realized local tax revenues at the Regional Revenue Agency/Pasedahan Agung, Badung Regency, data on the number of arrears of Taxpayers for boarding houses in Badung Regency. Regional Revenue Agency/Pasedahan Agung Badung Regency, and answers to the questionnaire questions that have been quantified.

PRIMARY DATA: The primary data that the researcher used in this study was obtained from the answers to the questionnaires distributed to respondents regarding taxpayer awareness, tax sanctions, and taxpayer compliance.

SECONDARY DATA: The secondary data that the researcher uses in this study is the number of realized local tax revenues based on PAD at the Regional Revenue Agency/Pasedahan Agung, Badung Regency in 2015-2019, the number of active taxpayers and the number of boarding house tax receipts registered in South Kuta District in 2015-2019. , the amount of tax arrears for boarding houses in South Kuta District in 2015-2019, the history of the formation of the Regional Revenue Agency/Pasedahan Agung Badung Regency, organizational structure, as well as a description of the duties and activities of the Regional Revenue Agency/Pasedahan Agung Badung Regency.

3.4 DATA COLLECTION:

Data collection methods used by researchers in this study include non-participant observation, and distributing questionnaires.

SAMPLE TECHNIQUE:

The sample used in this study was the entire research population, as many as 51 boarding house taxpayers, using the research respondents' criteria referring to the Regional Regulation of Badung Regency Number 15 of 2011 concerning Hotel Tax. Where what is meant by hotel is a lodging/resting service provider facility including other related services for a fee, which includes motels, inns, tourist huts, tourism guesthouses, guesthouses, lodging houses and the like as well as boarding houses with more than 10 rooms.

DATA ANALYSIS TECHNIQUE:

The data analysis technique used are descriptive statistical analysis, classical assumption test, multiple linear regression analysis, coefficient of determination test, model feasibility test, and hypothesis testing.

IV. RESULT & ANALYSIS

1. CHARACTERISTICS OF RESPONDENTS

Based on gender, most of the respondents were dominated by male taxpayers, as many as 23 people or 65.7 percent. Meanwhile, only 12 respondents were female or 34.3 percent. Based on age, respondents with an age range of 36 to 50 years were the highest, namely 20 people or 57.2 percent. Respondents with an age range of 21 to 35 years were 8 people or 22.8 percent. Meanwhile, respondents with an age range above 50 years are the lowest number of respondents, as many as 7 people or 20 percent. Based on the latest education level, respondents with the last education level are SMA/Equivalent, as many as 12 people or 34.3 percent. Followed by respondents with the latest education level S1, as many as 11 people or 31.4%. Respondents with the last education level of Diploma are 7 people or 20 percent. Respondents with the last education level of SD/Equivalent and S3 have the same number, as many as 2 people or 5.7 percent. The lowest number of respondents is respondents with the last education level of Masters, which is 1 person or 2.9 percent.

2. RESULTS OF DATA ANALYSIS

DESCRIPTIVE STATISTICAL ANALYSIS

• The taxpayer awareness variable was measured using 10 statement items. Based on the results of descriptive statistical tests, it is known that the taxpayer awareness variable has a minimum value of 27 and a maximum value of 40. The

average value of the taxpayer awareness variable is 32.11. This indicates that the level of tendency of respondents to have awareness to pay taxes is still low. The standard deviation value of the taxpayer awareness variable is 3.604. This shows that the standard deviation of the data to the average value is 3.604.

- The variable of tax sanctions is measured by using 8 statement items. Based on the results of descriptive statistical tests, it can be seen that the tax sanctions variable has a minimum value of 17 and a maximum value of 32 with an average value of 25.37. The value of the standard deviation of the tax sanctions variable is 4.25. This shows that the standard deviation of the data to the average value is 3.604.

- The taxpayer compliance variable was measured using 6 statement items. Based on the results of descriptive statistical tests, it shows that the taxpayer compliance variable has a minimum value of 14 and a maximum value of 24. The average value of the taxpayer compliance variable is 19.43 which indicates that the level of tendency of respondents to comply with paying taxes is high. The standard deviation of the taxpayer compliance variable is 2.649 which indicates that the standard deviation of the data to the average value is 2.649

CLASSIC ASSUMPTION TEST

The results of the normality test show that the significance level value is greater than 0.05, which is 0.144. Therefore, it can be concluded that the regression model in this study is normally distributed. Multicollinearity test results show that all independent variables have a tolerance value greater than 0.1 and VIF less than 10. So it can be concluded that the two independent variables are multicollinearity free. The results of the heteroscedasticity test are known that each independent variable has a significance value of more than 0.05. The taxpayer awareness variable has a significance level of 0.195 and the tax sanctions variable shows a significance value of 0.891. So, it can be concluded that the regression model in this study is free of heteroscedasticity.

RESULTS OF MULTIPLE LINEAR REGRESSION ANALYSIS

TABLE I: Results of Multiple Linear Regression Analysis

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig
	B	Std. Error	Beta		
(Constant)	5,519	2,852		1,935	0,062
Taxpayer Awareness	0,103	0,098	0,140	1,046	0,303
Tax Sanctions	0,418	0,083	0,671	5,027	0,000
R Square	0,559				
Adjusted R Square	0,532				
F count	20,318				
Significance of F	0,000				

Source: Research Data, 2021

Based on the results of multiple linear regression analysis, it can be explained that the constant value (α) of 5.519 means that if the taxpayer awareness variable and tax sanctions are zero, taxpayer compliance in paying the boarding house tax will increase by 5.519. The regression coefficient value of the taxpayer awareness variable (X1) of 0.103 means that if the taxpayer awareness variable increases by one unit, then taxpayer compliance in paying the boarding house tax will increase by 0.103 with the assumption that other variables are constant. The regression coefficient value of the tax sanctions variable (X2) of 0.418 means that if the tax sanctions variable has increased by one unit, the taxpayer compliance in paying the boarding house tax will increase by 0.418 assuming other variables are constant.

THE RESULTS OF THE SIGNIFICANCE TEST OF THE REGRESSION COEFFICIENT SIMULTANEOUSLY (F TEST)

The results of the coefficient of determination test show the Adjusted R Square value of 0.532 which means that 53.2% of the variation in taxpayer compliance is influenced by the taxpayer awareness variable and tax sanctions, while 46.8% is influenced by other factors not included in the regression model. The results of the model feasibility test show that the calculated F count is 20.318 with a significance level of 0.000 <0.05. So it can be concluded that the independent variables used in this study, such as taxpayer awareness and tax sanctions have a simultaneous influence on taxpayer compliance in paying boarding house taxes.

3. DISCUSSION OF RESEARCH RESULTS

The Effect of Taxpayer Awareness on Taxpayer Compliance of Hotel Boarding Houses

The results of the analysis of the effect of taxpayer awareness on taxpayer compliance of boarding house hotels obtained a significance value of 0.303 or 0.303 > = 0.05 which resulted in H1 being rejected. So it can be concluded that taxpayer awareness has no significant effect on taxpayer compliance. The results of this study do not support the Theory of Planned Behavior (TPB) on behavioral beliefs, where before doing something the individual will have confidence about the results that will be obtained from his behavior. In this study, taxpayers tend not to have the awareness to pay taxes. This can be seen from the respondents' answers, not a few taxpayers of boarding house hotels still think that taxes are not something that can be forced. Some taxpayers don't even pay their boarding house taxes on time. This is possible because the taxpayer does not have confidence in the reciprocity that he will feel directly.

The results of this study are in line with research conducted by Handayani and Laily (2017), Lestari and Adi (2018), and Wilda (2015) which also found that taxpayer awareness had no significant effect on taxpayer compliance.

The Effect of Tax Sanctions on Taxpayer Compliance of Hotel and Boarding Houses

The results of the analysis of the effect of tax sanctions on taxpayer compliance hhotel boarding houses obtained a significance value of 0.000 or 0.000 < = 0.05 which resulted in H2 being accepted. So it can be concluded that tax sanctions have a significant effect on taxpayer compliance. The results of this study support the Theory of Planned Behavior (TPB) on normative beliefs, namely beliefs about the normative expectations of others and the motivation to fulfill these expectations and control beliefs, namely beliefs about the existence of things that support or hinder the behavior that will be displayed by individuals. The results of this study also support the theory of compliance, where compliance is compliance where individuals obey the rules for fear of being sanctioned. In this case, the tax sanction is a controller where the taxpayer is afraid of the tax sanctions imposed by the government because it is considered quite detrimental. So that the existence of this tax sanction can shape the behavior of taxpayers who are obedient in paying taxes. Tax sanctions can be a motivation for taxpayers to avoid burdensome sanctions, which causes taxpayers to tend to comply.

The results of this study are in line with research conducted by Lydiana (2018) and Nugraheni and Purwanto (2015) which also found that tax sanctions had a significant positive effect on taxpayer compliance.

4. RESEARCH IMPLICATIONS.

This study is empirical evidence regarding the Theory of Planned Behavior (TPB) and Compliance Theory in explaining the effect of taxpayer awareness and tax sanctions on taxpayer compliance of boarding house hotels in South Kuta District registered with the Regional Revenue Agency/Pasedahan Agung, Badung Regency. The results showed that the taxpayer awareness variable had no effect on the compliance of the boarding house hotel taxpayers. This does not support the Theory of Planned Behavior where taxpayer awareness is related to behavioral beliefs. Taxpayers tend not to have the awareness to pay taxes. Then the variable of tax sanctions has a significant positive effect on taxpayer compliance of boarding house hotels. This supports the Theory of Behavior where tax sanctions are related to normative beliefs and control beliefs. In addition, tax sanctions also support the theory of compliance, namely compliance that is compliance. Where tax sanctions in this case act as a controller which can ultimately shape the behavior of obedient taxpayers in paying taxes. The results of this study can also prove that not all variables in theory have an influence on taxpayer compliance.

The results of this study are expected to provide contributions and inputs to the government, especially the Regional Revenue Agency/Pasedahan Agung, Badung Regency as a tax collector in an effort to improve taxpayer compliance in paying boarding house hotel taxes. In addition, this research is also expected to be a reference for boarding house hotel owners regarding the importance of paying taxes and knowing the applicable tax regulations so that later every boarding house hotel owner will obey in paying taxes so that they can avoid applicable tax sanctions.

V. CONCLUSION

Based on the discussion in the previous chapter, the conclusions of this study are as follows: Taxpayer awareness has no effect on taxpayer compliance with boarding house hotels. This means that the level of awareness of boarding house hotel taxpayers in this study is still low to be able to influence taxpayer compliance in carrying out their obligations. Tax sanctions have a positive and significant effect on taxpayer compliance of boarding house hotels. This means that the size of the tax sanction will affect the compliance of the boarding house hotel taxpayer.

SUGGESTION

1. It is recommended for the Regional Revenue Agency/Pasedahan Agung, Badung Regency as a tax collection agency, it must focus more on increasing the compliance of boarding house hotel taxpayers by increasing more effective tax sanctions. Because based on the results of this study, tax sanctions are stated to have more influence to help increase taxpayer compliance for boarding house hotels in South Kuta District.

2. For further researchers, it is expected to expand the research population by adding other sub-districts, so that the research population is larger. Consider other variables for use in research. Because based on the results of Adjusted R Square, the research variable is only able to explain taxpayer compliance by 53.2 percent. While 46.8 percent is influenced by other variables not examined in this study.

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