THE EFFECT OF ONLINE TAX APPLICATION AND JUSTICE OF TAX SYSTEMS ON TAX COMPLIANCE
(Empirical Study on Taxpayers in Cilegon)

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Abstract

This study aimed to analyze the influence of online tax application and justice of tax systems on tax compliance. Tax is the contribution of society to the state in the form of direct returns obtained by the taxpayer. The nature of the tax is forced and has been stipulated in law No. 28 of 2007. As citizens, taxpayers to pay it are compulsory and tax funds are used to support Indonesia's development. Some factors that influence taxpayers in making tax payments. This study aims to explain the effect of applying the online tax system with tax system justice on tax compliance in the study of individual taxpayers in Cilegon. This research is a quantitative research where the source of data obtained from primary data is by distributing questionnaires to MSME taxpayers in the Cilegon area.

Keywords: Application of Online Tax System, Taxpayer Compliance, and Fairness Tax System

INTRODUCTION

The continuous and sustainable development process of is one of the important things for Indonesia to realize the ideals of Indonesia, namely increasing public welfare. To be able to realize these ideals, tax is one source of funds which is able to realize national development (Abadi, 2016). In accordance with Laws No. 28 of 2007 concerning General Provisions and Taxation Procedures, tax is a compulsory contribution for the owed, namely the Taxpayer to a State and this is compelling

based on the Act, without obtaining any reward and it is used for the benefit of a country for the welfare of its people.

One of the efforts made by the Directorate General of Taxes in improving Taxpayer Compliance by facilitating taxpayers in terms of service is by making reforms in the administration more modern by utilizing the development of information technology, so that Taxpayers can fulfill their obligations in a timely, fast, low cost, and in simple ways. Besides, it increases taxpayers trust in the tax administration system and the productivity of tax authorities (Wardhana, 2013). This is also based on the results of a 2018 survey by PUSKAKOM Universitas Indonesia which show that internet users have reached 88.1 million users. If compared to the total population in Indonesia, which amounts to 252.4 million people, it can be said that internet users in Indonesia reach 34.9% of the total population of Indonesia. The figure is quite significant when compared to 2017 in which internet users were only at 28%.

In e-Registration-based Taxpayers registration includes a registration system, changes in Taxpayer data, Inauguration, and Revocation of Inauguration of Taxable Entrepreneurs through a system that is directly connected online with the Directorate General of Taxes. In the online Taxpayer registration system, one of the products in the Directorate General of Taxation is used by Taxpayers for new registrants to register Taxpayers who wish to have a Taxpayer Identification Number (NPWP). This system was used in 2005 when it was published: "Tax Director General Decree Number: KEP-173/PJ/2004."

Payment of taxes with an online system (e-Billing) is one way to ease paying taxes through online payments with many advantages including easy, convenient, fast, and flexible because taxpayers simply access e-billing, then enter the NPWP and the data needed, and will be published with Billing code. Taxpayers can pay taxes with the Automated Teller Machine (ATM), Bank, or nearest post office by entering the billing code. E-Billing was introduced since 2011 which has been regulated in the Director General of Taxes Regulation Number PER-47 PJ/2011.

The SPT delivery system online (e-Filing) can be done by visiting the web address of the Directorate General of Taxes or of the electronic SPT distributor. Submission of SPT can be used anywhere and there are no specific provisions in its delivery. The use of e-Filing was introduced since 2011, namely the issuance of regulation Number PER-39/PJ/2011.

Tax justice systems in the process of implementing online tax also need to be emphasized in an effort to improve the quality of the online taxation system and avoid the misuse of the online system itself. Permatasari (2013) states that justice in taxes determines that taxes must be fair, be equitable, and not be discriminative in applying the object of tax, and the release to each subject of tax should be balanced according to the capacity of the tax payers. The more unfair the tax system in accordance with the perception of taxpayers, the lower the compliance. In addition, it tends to trigger tax evasion.

The Indonesian population also needs clarity about fair treatment as well as the imposition and collection of taxes by the state. This is done so that the process does not cause a problem or injustice in the imposition and collection of taxes. If the

fairness of the taxation system is good, it can have a good impact which is expected to increase compliance for taxpayers (Permatasari, 2013).

This research is important because in increasingly sophisticated technological developments especially now in the era of 4.0, taxpayers should make maximum use of technology by reforming from manual systems to online systems, on how to pay taxes, to register taxes and to report their annual SPT more modernly that is by using a system called the online tax system. In practice, there needs to be a tax system justice because when the system is good or fair in its tax collection and collection, it will be able to increase compliance of taxpayers in conducting taxation.

METHOD

The object of research is a trait or value of the person who has the variation determined by the researcher in order to be examined and to draw conclusions (Sugiyono, 2012). The object of this research is the individual at Cilegon which aims to determine the extent of the influence of the application of e-Registration, e-Billing, e-Filing, and tax system justice on taxpayer compliance. The reason for choosing the Cilegon area as the object of this research is the development of Cilegon tax in an annual average of 58.54% even though the national development is only 51% annually.

Independent variables are variables that affect the dependent variable. This independent variable is also called the confounding variable. It can be called an independent variable because it can affect other variables. The independent
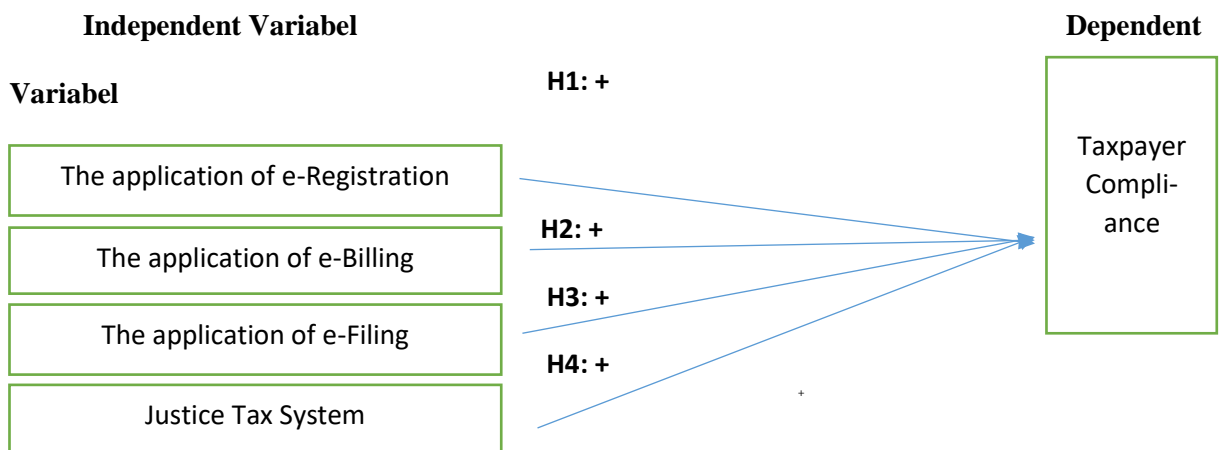
variables in this study are the application of e-Registration, e-Billing, e-Filing, and tax system justice. The dependent variable is the variable that is influenced by the independent variable. Dependent variables can also be referred to as, affected variables or effect variables. The dependent variable used in this study is taxpayer compliance.

In this research, the application used to process the data was by using the SPSS application (Nazaruddin and Basuki, 2015). The multiple linear regression equation models used in this study are as follows:

$$KWOP = \alpha + \beta_1\ PER + \beta_2\ PEB + \beta_3\ PEF + \beta_4\ KSP + \varepsilon$$

Information:
KWOP = Individual Taxpayer Compliance
α = Constant
β1 = e-Registration Regression Coefficient
β2 = e-Billing Regression Coefficient
β3 = e-Filing Regression Coefficient
β4 = Regression Coefficient of Tax System Justice
PER = Application of e-Registration
PEB = Application of e-Billing
PEF = Application of e-Filing
KSP = Taxation Justice System
ε = Error (Disturbance Error)

Independent Variabel

Variabel

H1: +

| The application of e-Registration |

H2: +

| The application of e-Billing |

H3: +

| The application of e-Filing |

H4: +

| Justice Tax System |

Dependent

Taxpayer Compli-ance

RESULT AND ANALYSIS

Hypotheses in this research are:

H1: The e-Registration application has a positive effect on Taxpayer Compliance.

H2: The e-Billing application has a positive effect on Taxpayer Compliance.

H3: The application of e-Filing has a positive effect on Taxpayer Compliance.

H4: Tax System Justice has a positive effect on Taxpayer Compliance.

Variable	Cronbach Alpha	N of Items	Information
e-Registration	0.816	3	Reliable
e-Billing	0.830	3	Reliable
e-Filling	0.860	5	Reliable
Justice of the Tax System	0.830	4	Reliable
Taxpayer Compliance	0.846	5	Reliable

Source: SPSS Output, 2019.

The table above shows the value of Cronbach's Alpha from the e-Registration variable amounting to 0.816, while the e-Billing variable is 0.830, e-Filling variable is 0.860, tax system justice variable is 0.830, and taxpayer compliance variable is 0.846. From these results, it can be concluded that the 5 variables used in this study are reliable because all variables had more Cronbach's Alpha values than 0.6.

This shows that each question item used in this study can obtain the same and consistent data if it is submitted more than once and will have a relative answer similar to the answers from other respondents. Because the variable items from this study have passed the validity and reliability tests, the data obtained can be reused in future studies.

One Kolmogorov Smirnov	Score Sig.	Information
Unstandardized Residual	0.658	Normal data

Source: SPSS Output, 2019.

Based on the table above in the Kolmologorov-Smirnov test the data have a significance value of 0.658. From that value it can be seen that all variables in the study have sig values > 0.05. Therefore, it can be stated that all data are normally distributed (Ghozali, 2009).

Collinearity Statistics	
Tolerance	VIF
(Constant)	
E-Registration	1.509
E-Billing	1.396
E-Filling	1.862
Justice Tax Sytem	1.236

Source: SPSS Output, 2019.

In the table above, it can be seen that the data in the study are not affected by multicollinearity. These results can be seen from the absence of the results of the VIF value in numbers > 10. Therefore, it can be concluded that multicollinearity does not occur in all data.

Heteroscedasticity test is done through regression (regression) absolute residual value with independent variables in the model, if the significance value is > alpha 0.05 and then the data is not exposed to heteroscedasticity.

Model	Sig.
(Constant)	0.355
E-Registration	0.700
E-Billing	0.071
E-Filling	0.296
Justice Tax System	0.793

Source: SPSS Output, 2019.

Based on the table above it can be seen that the data are exposed to Heteroscedasticity. This is because they have a significant value > 0.05. Therefore, the data have fulfilled the criteria for not being exposed to Heteroscedasticity.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	0.530	0.280	0.254	1.712	1.813

Source: Output SPSS, 2019.

Based on the table above it can be seen that the value of Adjusted R Square is equal to 0.254. This shows that 25.4% variations of the taxpayer compliance variable can be explained by independent variables namely e-Registration, e-Billing, e-Filling, and system justice taxation. Then, the rest of this or 74.6% is explained by other variables not present in this study.

F Test Results

F
10.650

Source: SPSS Output, 2019.

Based on the table above, it can be seen that there is a result of a significance value of 0.00 < 0.05. Thus, it can be said that the hypothesis is supported. Then it can be concluded that the implementation of e-Registration, e-Billing, e-Filling, and tax system justice systems can explain the variable tax compliance.

t Test Results

Sig.
.000
.039
.001
.004
.899

Source: SPSS Output, 2019.

Based on the table above, it can be seen that the significance values in the e-Registration, e-Billing, and e-Filling variables are < 0.05. However, the tax system justice variable has a significance value of > 0.05 which is equal to 0.899. Thus, it can be concluded that the variables of the implementation of e-Registration, e-Billing, and e-Filling systems have a significant influence on taxpayer compliance, while the justice variable taxation system has a negative effect and is not significant in tax compliance.

Discussion

This study aims to determine the effect of the application of e-Registration, e-Billing, e-Filling, tax system justice on individual taxpayer compliance in Cilegon. After referring to the results of the research that has been done and processing the data that has been obtained, they can show that the hypothesis of implementing e-

Registration, e-Billing, and e-Filling systems is supported. There are four factors that influence taxpayer compliance in fulfilling their tax obligations, namely the implementation of e-Registration, e-Billing, e-Filling systems, and justice tax system.

1. Effect of the Implementation of the e-Registration System on Taxpayer Compliance

Referring to the results of hypothesis testing that has been done, the result is that there is a positive and significant influence of the implementation of the e-Registration system on tax compliance. The results of this study are in line with Wasao's research (2014) where the results of these studies indicate that online registration has a positive effect on taxpayer compliance. Then, Muturi et al. (2015) state that online tax registration has a positive effect on taxpayer compliance. Sulistyorini (2016) concludes that the use of e-Registration administration system has a positive effect on tax compliance. The research is also in line with Putra's research stating (2015) that the application of e-Registration administration system has a positive effect on taxpayer compliance.

The application of the e-Registration system has a large influence on taxpayer compliance in an effort to fulfill its tax obligations. With the online tax system that is e-Registration, it will help simplify and accelerate taxpayers in carrying out their tax obligations, namely in terms of making a new Tax Identification Number (NPWP) or registering as a taxpayer. In addition, the e-Registration system does not have a space and time limit so that taxpayers themselves can use this system anytime, in terms that there is a connection with the internet without having to go

to the tax service place. So, with the existence of such perceptions, the results of the implementation of this system is that the system more effective and significant.

2.   Effect of the Application of e-Billing System on Taxpayer Compliance

Referring to the results of hypothesis testing that has been done, the result is that there is a positive and significant effect of the application of the e-Billing system on tax compliance. The results of this study are in line with the research of Maisiba (2016) stating that electronic tax payment or tax billing has a positive effect on tax revenue. This research is also in line with research from Wasao (2014) which shows that online billing has a positive effect on tax compliance. Then, Sulistyorini (2016) concludes that the use of e-Billing administration system has a positive effect on taxpayer compliance, and it is also like the research from Putra (2015) stating that the application of e-Billing system has a positive effect on taxpayer compliance.

The e-Billing system is a system created by the DGT (Directorate General of Taxes) to support tax payment activities by taxpayers. This system is able to work in real time without time constraints, and taxpayers only need to fill in the tax bill in accordance with the obligations under their responsibility and then the taxpayer receives a billing code. The billing code will be used when making payments at banks that have cooperated with the DGT (Directorate General of Taxes), such as ATMs, post offices, or internet banking by simply entering the code. The system is able to cut down on activities that are too long when making payments manually, and errors when having input that might occur in the manual process, but it will not occur in e-Billing. Therefore, taxpayers feel helped by the existence of this system.

3.   Effect of the Implementation of e-Filling System on Taxpayer Compliance

Referring to the results of hypothesis testing that has been done, the result is that there is a positive and significant influence of the implementation of the e-Filling system on tax compliance. The results of this study are in line with the research of Sulistyorini (2016) who concludes that the application of e-Filling system has a positive effect on tax compliance. This is also in line with research conducted by Putra (2014) that the application of e-Filling system has a positive effect on tax compliance. Another study from Astuti (2014) states that the application of the e-Filling system is considered to be able to overcome various problems that occur, among others, the queve the delivery of SPT by taxpayers who are at due date and SPT data recording officers in tax service offices that have limited personnels so that the process is a little slow.

Tresno et al. (2013) conclude that the e-Filling system can change the behavior of taxpayers because e-Filling itself is a new technology that can help taxpayers in SPT reporting quickly and easily so that taxpayers do not need to come to tax service office to take the reporting form. The result is that the implementation of the e-Filling system has a positive effect on taxpayer compliance.

The application of e-Filling has a large influence on taxpayer compliance in an effort to fulfill its tax obligations. This e-Filling system is a system that helps taxpayers to submit their annual SPT in real time. The application of the e-Filling system is able to encourage taxpayers to tend to comply with their tax obligations. Taxpayers feel that the existence of this system can facilitate taxpayers in delivering

SPT. So, the existence of such perceptions is the result of the application of this system that is more effective and significant.

4.   Effect of Tax System Justice on Taxpayer Compliance

Referring to the results of testing of the hypothesis that has been done, the result is a positive and significant effect of the taxation system. However, the research results that have been obtained by researcher is that the justice of the taxation system has no effect on tax compliance. The result is that the regression coefficient value (B) on the tax system justice variable is of – 0.011 with a significant value of 0.899 > 0.05. These results indicate that the fairness of the taxation system is the opposite of taxpayer compliance and is not significant. From these results, it turns out that this study is more in line with research from Andarini (2010) which states that the justice of the taxation system does not have a positive effect on taxpayer compliance.

The existence of this taxation system will actually trigger a tax evasion and will tend not to comply with its tax obligations. This happens because taxpayers feel the unfair implementation of the tax system. This is evidenced by the results of descriptive statistical tests that the fairness of the system of mass taxation is relatively the same between the average in the actual range and the average in the theoretical range. The justice of the tax system is only fair in the law but not in its implementation. Taxpayers themselves are more oriented to applicable rules and sanctions that may be accepted in paying taxes than the justice they receive.

The results of this test are different from the research conducted by Syakura (2014) which shows that the fairer the taxation system in Indonesia, the more the

taxpayer's compliance rate will increase in paying taxes. The same study from Sari's research (2009) states that the better the perception of fair taxpayers, the more improved taxpayer compliance. Brainyyah (2013) in his research also shows that tax system justice has a significant effect on tax compliance.

CONCLUSION AND SUGGESTIONS

The purpose of this research is to determine the effect of the application of the online tax system (e-registration, e-billing, and e-filling) and tax system justice on tax compliance in the Cilegon area. Looking at the results of this study, conclusions can be taken as follows:

1. E-registration implementation has a positive and significant effect on tax compliance.

2. The application of e-billing has a positive and significant effect on taxpayer compliance.

3. The application of e-filling has a positive and significant effect on taxpayer compliance.

4. The application of justice tax system has no effect on tax compliance.

The following are suggestions given by the researcher for future research:

1. Future research should expand the scope of the research subjects to get maximum results and can describe more real circumstances.

2. Further research should use other research methods and not be confined only to the method of distributing questionnaires, such as conducting a brief interview to each individual taxpayer.

3. For the further research, the researcher should add other variables, other than e-registration, e-billing, and e-filling systems to tax compliance or replace the dependent variable such as tax evasion.

4. With this study, the Directorate General of Taxes will be able to know that there is still a need for more intense socialization related to tax knowledge to taxpayers because the knowledge possessed by individual taxpayers will also influence the awareness of taxpayers on their tax obligations, so that this will raise tax compliance in carrying out their tax obligations.

5. With this research, the readers knows more about the impact and benefits of the online tax system and tax system justice on taxpayer compliance, especially for individual taxpayers in Cilegon.

6. With this research the readers know that the fairness of the taxation system does not always have a positive impact on taxpayer compliance. This happens because individual taxpayers feel that the

justice of the tax system is only fair to the law but not to the

implementation.

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