

Taxpayer Awareness And Understanding Of Tax Regulations On Taxpayer Compliance With Tax Sanctions As A moderating

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Article Info	Abstract
<p><i>Keywords:</i></p> <ul style="list-style-type: none">○ <i>Taxpayer Awareness;</i>○ <i>Understanding Of Tax Regulations;</i>○ <i>Taxpayer Compliance;</i>○ <i>Tax Sanctions;</i>○ <i>Self-Assessment System</i>○ <i>Tax Compliance in Indonesia</i>	<p>Purpose - this research aims to provide empirical evidence regarding the influence of Taxpayer Awareness and Understanding Of Tax Regulations On Taxpayer Compliance, with Tax Sanctions As A Moderating Variable.</p> <p>Design/methodology/approach - This research adopts a quantitative approach. The study was conducted using questionnaires distributed to individuals with a Taxpayer Identification Number (NPWP), including those who earn income from employment in companies or from their own business ventures. A total of 51 questionnaires were distributed via social media, with each questionnaire containing 33 statements for respondents to answer. The distribution of the questionnaire yielded responses from 51 individuals from a single region. To analyze the data, the researchers used PLS-SEM version 3.0.</p> <p>Findings - The results of this research indicate that Taxpayer Awareness has a positive and significant effect On Taxpayer Compliance, and Understanding Tax Regulations also has a positive and significant effect On Taxpayer Compliance. However, Tax Sanctions were found not to strengthen the relationship between Taxpayer Awareness and Taxpayer Compliance, nor did Tax Sanctions strengthen the relationship between Understanding Tax Regulations and Taxpayer Compliance.</p> <p>Research limitations/implications - This study focuses On Taxpayer Compliance, and it is an intriguing research topic that discusses Taxpayers Awareness and Understanding of Tax Regulations, which are based on attitudes and the integrity and responsibility traits. The study emphasizes the importance of enhancing Taxpayers Awareness and Understanding of Tax Regulations to improve compliance rates, which can assist policymakers in designing an effective tax framework. Furthermore, it highlights the progress of a country driven by increased awareness and understanding, as these are obligations that every individual with such responsibilities must fulfill.</p>
Article History	
<p>Received: 06 - 01 - 2025 Accepted: 15 - 01 - 2025 Published: 16 - 01 - 2025</p>	

INTRODUCTION

In order to increase tax revenues within the country, the government carried out major reforms in the field of taxation (Tax Reform) in 1983. The reform transitioned from the Official Assessment System, where the responsibility for tax collection lay with tax officers (Fiscus), to the Self-Assessment System. Under this system, taxpayers are given full authority to register, calculate, pay, and self-report the amount of their tax liability. In this system, taxpayers take an active role, while the tax authorities only intervene if the taxpayer violates the applicable regulations (A, 2018)

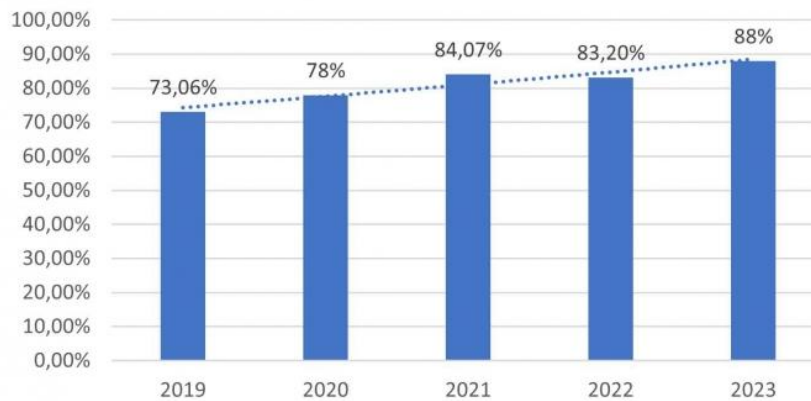
In February 2023, Indonesia was shocked by a case of violence involving the child of an employee from the Directorate General of Taxes. This case also implicated his father, Rafael Alun Trisambodo, an Echelon III official at the Directorate General of Taxes in South Jakarta. The incident gained attention because his son had been flaunting his wealth on social media. Various media outlets reported that Rafael Alun Trisambodo's assets (LHKPN) were found to be worth IDR 56 billion, surpassing even the Chief Director of DJP, Suryo Utomo, and the Minister of Finance, Sri Mulyani. This led to much speculation and public reactions, particularly among individual taxpayers. The incident caused a wave of reactions, which could potentially affect taxpayer's willingness to file tax returns (SPT) and disclose their assets.

Beyond the case, several reasons contribute to taxpayer non-compliance, such as the complexity of tax regulations and the confusion surrounding the many processes involved in tax filing. This complexity has led to a lack of interest in fulfilling tax obligations. The Minister of Finance stated that the Directorate General of Taxes (DJP) needs to make improvements in tax reporting, with the goal of increasing Taxpayer Compliance.

Previous research has produced diverse results regarding the influence of Taxpayer Awareness and Understanding of Tax Regulation On Taxpayer Compliance. Research conducted by (Lumban Gaol & Sarumaha, 2022), (Sulistiyowati et al., 2021), (Awwalina Farihin Yadinta et al., 2018), and (Asrinanda, 2018) found that Taxpayer Compliance positively influences Taxpayer Awareness. Studies by (Purnamasari, 2023), (Wardani & Wati, 2018), and (Nurkhin et al., 2018) indicate a positive influence of Understanding of Tax Regulations On Taxpayer Compliance. Conversely, research by (Meutiaa et al., 2021), and (I. alfalihin, A. Osmond, 2020) found that Understanding Tax Regulations does not have a significant effect on Taxpayer Compliance. Meanwhile, studies on Tax Sanctions and Taxpayer Compliance, such as those by (Jerry et al., 2022), (Nurlaela, 2018), (Efriyenty, 2019), and (Alfiyah & Latifah, 2017), found that Tax Sanctions have a positive effect on Taxpayer Compliance. However, (Supriatiningsih & Jamil, 2021) found that Tax Sanctions do not have a significant effect on Taxpayer Compliance.

In addition to the factors mentioned above, there is another factor that can strengthen an individual's Taxpayer Compliance, which is Tax Sanctions. In the study by (Indrasari et al., 2020), it is stated that Tax Sanctions have a significant effect On Taxpayer Compliance. This is because Tax Sanctions are imposed to emphasize the importance of paying taxes

and to highlight the penalties that will be incurred if one fails to comply with tax regulations, neglects their obligation to pay taxes, and faces the consequences of violating tax payment provisions.



Source: Kompasiana.com

Picture: Tax Compliance Reporting Ratio

The originality of this research lies in the progress of Taxpayer Awareness and Understanding of Tax Regulations, which has been proven to have increased from 2019 to 2023. The latest data shows that the level of Taxpayer Compliance reached 88% last year, with around 17.1 million SPT submissions out of a total of 19.4 million expected taxpayers. This research covers 12 dimensions and 33 indicators. It aims to add value to the literature and provide valuable insight into Taxpayer Compliance, ultimately benefiting efforts to fulfill tax obligations.

LITERATUR REVIEW

Attribution Theory

Attribution Theory was pioneered by Bernard Weiner and Fritz Heider. This theory discusses how individuals draw conclusions about the causes of behavior, whether it is their own behavior or the behavior of others (including organizations). Communication behavior is influenced by a person's attributions towards themselves and their interlocutor. Ineffective communication occurs due to misinterpretation, as attribution result from the interpretation of certain motives and behaviors (Rachmat, 2014)

Attribution is the process of seeking an answer to the question of why certain behavior occurs, whether for oneself or others. This attribution process is very useful in helping us understand the causes of behavior and it can be an important mediator in our reactions to these causes. It is a process of judgment about causes that individuals make daily about various events, with or without realizing it (Hama, 2019)

An individual who has good Taxpayer Awareness, Understanding of Tax Regulations, and Tax Sanctions tends to attribute both internal and external causes to their

non-compliant behavior. This is often due to a perceived lack of ability and the complexity of the rules, which they feel they do not fully understand, leading them to neglect their Taxpayer Compliance. Therefore, attribution theory helps explain that non-compliant behavior influenced by Understanding of Tax Regulations, Taxpayer Awareness, and Tax Sanctions is often viewed as the result of both internal and external assessments. This occurs through the attribution process based on consistency in interpreting the behavior of others.

Taxpayer Awareness

Building Tax Awareness is not only the responsibility of the agency, but also that of the citizens. Citizens play an important role in increasing awareness about the importance of paying taxes. This role can be played by educational institutions and society in general. According to (Hama, 2019), Taxpayer Awareness is a condition in which taxpayers know and understand taxes. Tax Awareness is essential because if taxpayers are aware of their obligation to pay taxes, tax reporting compliance becomes mandatory, taxes will be fulfilled, and tax payments will continue to increase, with no reluctance from taxpayers to pay their taxes. The higher the Taxpayer's Awareness, the higher the Taxpayer's Compliance. This is evident from the tax reporting compliance ratio from 2019 to 2023, which has shown a significant increase. This aligns with (Sulistyowati et al., 2021) research, which states that Taxpayer Awareness in paying taxes naturally comes from the individual themselves, as Tax Awareness is a condition in which taxpayers know, understand, and correctly and voluntarily implement tax provisions. Tax funds paid by taxpayers will be used by the government for the construction of public facilities and many other purposes.

Understanding of Tax Regulations

Most people are only familiar with tax regulations but do not fully understand the meaning behind them, which leads them to ignore these regulations and not clear the sanctions they may receive. According to (Firstta et al., 2023), Understanding Tax Regulations is the knowledge taxpayers have regarding existing tax regulations. Taxpayers who do not fully understand these regulations are more likely to become non-compliant taxpayers.

Taxpayer Compliance

Taxpayer Compliance is an important element in the tax system because it contributes to the revenue collection needed by the government to run various programs and services. High Tax Compliance can increase fiscal stability and ensure a fair distribution of the tax burden in society. On the contrary, low levels of Tax Compliance can negatively impact state finances and public welfare. Therefore, many countries are trying to increase Tax Compliance through various strategies, including effective law enforcement and tax education for taxpayers. Taxpayer Compliance in Indonesia is still low, particularly when it comes to fulfilling tax obligations, such as paying taxes (Hikmah & Ratnawati, 2024). This can be seen in several conditions or dimensions, as highlighted in research by (Wardani & Wati, 2018).

Tax Sanctions

Tax Sanctions are a means of ensuring that the provisions of tax laws and regulations (tax norms) are complied with or followed. In other words, Tax Sanctions serve as a deterrent (preventive measure) to prevent taxpayers from violating tax norms. In tax law, there are two types of sanctions: administrative sanctions, and criminal sanctions. Violations of tax norms may result in either administrative or criminal sanctions (Mardiasmo, 2019). In this research, the Tax Sanctions variable uses dimensions and indicators developed by (Alfiyah & Latifah, 2017), which consist of the first dimensions, "Usefulness," with three indicators, and the second dimensions, "Technical," with two indicators.

Hypothesis Development

Taxpayer Awareness is essential in social life, as well as for the nation and the state. However, the taxpayer community is not fully aware of how important their role is in Taxpayer Awareness within society, the nation, and the state. The dynamics of taxes are necessary for the life of society and the nation, driven by several factors. First, taxpayers will have full awareness in fulfilling their obligations when the results of development are directly felt in social life. Second, taxpayers may feel disadvantaged as active contributors to tax payments while witnessing rampant corruption that drains state funds, part of which comes from taxes. Third, taxpayers will feel more optimistic about fulfilling their obligations when the government demonstrates good performance, such as improving social welfare and ensuring internal justice in various aspects of social life. Fourth, taxpayers may feel deeply pessimistic about fulfilling their obligations and may try to avoid them when they observe a decline in social welfare, high unemployment rates, increasing crime, and various other social issues. Research by (Lumban Gaol & Sarumaha, 2022), (Sulistyowati et al., 2021), (Awwalina Farihin Yadinta et al., 2018), (Asrinanda, 2018) indicate that Taxpayer Awareness has a significant influence on Taxpayer Compliance. This means that taxpayers are aware of the importance of paying taxes to finance the country, with the goal of advancing the country in all respects. The following hypothesis are put out in light of the depiction above:

H₁ Taxpayer Awareness has a positive effect on Taxpayer Compliance.

A good understanding of Tax Regulations helps taxpayers know their rights and obligations. Adequate knowledge can reduce errors in tax return (SPT) reporting and other related issues. Taxpayers who understand the regulations are more likely to grasp the tax system in Indonesia, particularly the Self-Assessment System, which can reduce the risk of sanctions being imposed on them. This is consistent with research by (Purnamasari, 2023), (Wardani & Wati, 2018), (Nurkhin et al., 2018), which shows that taxpayers who Understand Tax Regulations are more aware of their rights and obligations, making them more compliant in fulfilling their tax duties. The following hypothesis are put in light of the depiction above:

H₂ Taxpayer Awareness has a positive effect on Taxpayer Compliance.

This hypothesis can be developed based on attribution theory. This theory discusses how individuals make conclusions about the causes of behaviors, whether behaviors are exhibited by other people or organizations (Rachmat, 2014). Awareness itself is part of intrinsic motivation, which is motivation that comes from within the individual, as well as extrinsic motivation (I. alfalihin, A. Osmond, 2020). According to (Alfiyah & Latifah, 2017), taxpayers who understand Tax Sanctions tend to be more compliant with their tax obligations. Additionally, understanding Tax Sanctions allows taxpayers to directly perceive the benefits or advantages gained from compliance. Therefore, Tax Sanctions, through their legal strength, can be demonstrated in Taxpayer Compliance through integrity and responsibility. As a result, Tax Sanctions strengthen Taxpayer Awareness of compliance. The following hypothesis are put in light of the depiction above:

H₃ Tax Sanctions strengthen Taxpayer Awareness of Taxpayer Compliance.

The relationship between Tax Sanctions, Understanding of Tax Regulations, and Taxpayer Compliance can be observed in that as individuals or business entities Understanding of Tax Regulations increases, their level of Taxpayer Compliance also increases, which in turn minimizes the imposition of sanctions on individuals or business entities. This statement is supported by research (Nurlaela, 2018), which indicates that Tax Sanctions have a significant effect on Taxpayer Compliance. The following hypothesis are put in light of the depiction above:

H₄ Tax Sanctions strengthen the Understanding of Tax Regulations on Taxpayer Compliance.

RESEARCH METHOD

The data used in this study is primary data. The research method employed is a quantitative approach, which examines the significant relationships between the variables under study in order to draw conclusions that will explain the general overview of the research, based on the values or scores from respondents answers to the questionnaire. The sampling design in this study is non-probability sampling. The variables used in this study are as follows:

Table 1. Variable Measurements

Type	Variable	Dimension	Source
Independent Variables	Taxpayer Awareness	1. Taxpayer perceptions about the use of tax funds, 2. Level of knowledge in awareness of paying taxes, 3. Taxpayers financial condition.	(As'ari, 2018)
	Understanding of Tax Regulations	1. Knowledge of general provisions and tax procedures,	(As'ari, 2018)

		2. Knowledge of tax functions, 3. Compliance in calculating and paying taxes correctly.	
Dependent Variable	Taxpayer Compliance	1. Register, 2. Calculate, 3. Pay, 4. Report.	(Wardani & Wati, 2018)
Moderations Variables	Tax Sanctions	1. Usefulness, 2. Technical.	(Alfiyah & Latifah, 2017)

The data analysis method used in this study was the Partial Least Square (PLS) methodology. PLS is a structural equation modeling (SEM) solution method that is better suited for this study than other SEM approaches. PLS SEM was chosen for its advantages in handling small sample size and evaluating complex relationships among latent variables. In this study, the respondents are from only one region due to limitations in resources, a focus on a specific area, and ease of access. Although the study is limited to just one region, the results are more relevant because they are focused solely on that area. Even though the research is conducted in only one region, it still provides valuable insights into Taxpayer Compliance. The linear equation model in this regression is as follows:

$$TPCY = \beta_0 + \beta_1 TPA + \beta_2 UTR + \beta_3 TPA * TS + \beta_4 UTR * TS + \varepsilon$$

RESULTS

Respondent Demographics

Respondents who participated in this research were individuals who have a NPWP individuals who have good income from jobs in companies and from business sources owned by these individuals spread across the Bekasi area were selected as samples for this research. With 15 male and 36 female respondents, the majority of respondents were aged between 22 to 27. Of them, 31 had a school/vocational degree, 3 had a diploma III degree, and 17 had a bachelor's degree. In addition, respondents who have worked < 1 year, 1-2 years, 3-5 years, and > 5 years, their job levels include civil servants, private employees, entrepreneurs, and the majority have < 1 year, 1-2 years.

Normality Testing, Convergent Validity and Reliability Testing

The fundamental assumption of multivariate analysis is normality. The data are considered normal if the skewness value is the range of ± 1.96 at a significance of 0.05 (Hair J et al., 2014). The data is deemed normal since, according to the table, the normality test indicates that each variables skewness value is less than 1.96. in the meantime, the data processing findings demonstrated that all indicators and dimensions created latent variables, with loading factor >0.7 and AVE >0.5 meeting the validity of convergence

(Hair et al., 2019). Additionally, the reliability test revealed that each variable had Cronbach's alpha and composite reliability values greater than 0.7, indicating the dependability of the data. All things considered, the assessment of the measurement model (outer model) verifies that all dimensions and indicators originate from latent variables.

The Hypothesis Test

The hypothesis in this study can be known from calculation of the model using the PLS bootstrapping technique. From the result of the bootstrapping calculation, the statistical t value of each relationship or path will be obtained. This hypothesis testing is set with a significance level 0.05. The hypothesis can be accepted if the original sample value is in line with the hypothesis. The results of the calculation for hypothesis testing in this study, using the direct effect of the independent variable on the dependent variable and the moderating variable obtained as follows:

Tabel 2. T test result (Individual)

$$TPCY = \beta_0 + \beta_1 TPA + \beta_2 UTR + \beta_3 TPA * TS + \beta_4 UTR * TS + \varepsilon$$

Struktur Path	Hypothesis	Prediction	Original sample (O)	P Values
TPA --> TPCY	H1	+	0,356	0,024
UTR --> TPCY	H2	+	0,481	0,020
TS*TPA--> TPCY	H3	+	-0,067	0,757
TS*UTR --> TPCY	H4	+	-0,164	0,484
R - Squared			0,540	
Adjusted R - Square			0,489	

Source: SmartPLS Data Processing Results

Caption: TPA = Taxpayer Awareness; UTR = Understanding of Tax Regulations;

TPCY = Taxpayer Compliance; TS = Tax Sanctions

Explanatory

Based on the table above, the R-squared value is 0,540, which is statistically significant and can be classified as moderate. This indicates that 50,4% of the variation in Taxpayer Compliance is influenced by Taxpayer Awareness and Understanding of Tax Regulations, moderate by Tax Sanctions. The remaining 49,6% is explained by other variables not included in this study. Tax Sanctions does not significantly moderate the relationship between Taxpayer Awareness and Taxpayer Compliance, and the direction of the relationship is not consistent with theory. This means that the effect of Tax Sanctions moderation does not strengthen the relationship between Taxpayer Awareness and Taxpayer Compliance. This is because respondents understand the purpose of sanctions not to be detrimental, but to create a deterrent effect and encourage compliance. Tax Sanctions do not significantly strengthen the relationship between Understanding of Tax Regulations and Taxpayer Compliance, and the direction of the relationship is not in line with the theory. In the Understanding of Tax Regulations variable, the lowest

response was found in the compliance dimension regarding the accurate calculation and payment of taxes with the statement: "People know how to calculate the amount of tax owed." Twelve respondents disagreed with this statement. This is due to a lack of tax education, as many people have not received adequate socialization or education about the tax system, including how to calculate the tax to be paid. Additionally, the complexity of tax regulations is often seen as a barrier, as tax rules are frequently considered complicated.

DISCUSSIONS

Taxpayer Awareness has a positive and significant effect on Taxpayer Compliance.

The results of the research by (Sulistiyowati et al., 2021), and (Awwalina Farihin Yadinta et al., 2018), show that Taxpayer Awareness has a positive effect on Taxpayer Compliance. The higher the Taxpayer Awareness, the higher compliance ratio in reporting taxes. This is consistent with the research by (Lumban Gaol & Sarumaha, 2022), which indicates that taxpayers have begun paying taxes online, making it easier for taxpayers, while tax officers also remind taxpayers to fulfill their tax obligations via email. This means that as Taxpayer Awareness increases, Taxpayer Compliance will also rise. The government will use the tax funds collected from taxpayers to build public facilities and much more. Taxpayer Awareness is essential for understanding and recognizing that paying taxes is an obligation for Indonesia citizens. The level of tax knowledge, the taxpayer's perception of the importance of paying taxes, and their financial ability to pay taxes all contribute to increasing Taxpayer Compliance.

Understanding of Tax Regulations has a positive and significant effect on Taxpayer Compliance.

The results of the research by (Purnamasari, 2023), (Nurkhin et al., 2018), show that Understanding of Tax Regulation has a positive effect on Taxpayer Compliance. A good Understanding of Tax Regulations can help improve Taxpayer Compliance by emphasizing the importance of paying taxes and ensuring taxpayers can comply with tax laws and regulations. Without knowledge of tax regulations and procedures, taxpayers are unable to determine their behavior appropriately. The research by (Wardani & Wati, 2018), shows that the tax knowledge acquired by taxpayers can ensure compliance with their tax obligations. When taxpayers have a high level of tax knowledge, their fulfillment of tax obligations increases, which helps achieve tax revenue targets. These funds can then be used for operational and development activities in the country. A good and adequate Understanding of Tax Regulations can improve public welfare, giving taxpayers a sense of well-being and satisfaction, knowing that the money they contribute through taxes is not wasted, and that it is used for national development.

Tax Sanctions cannot strengthen the relationship between Understanding of Tax Regulations on Taxpayer Compliance.

In other words, taxpayers view sanctions as a fair instrument as long as they are applied in accordance with the rules. High compliance means that taxpayers who follow

the regulations tend to see sanctions as irrelevant to them, since they do not violate tax laws. Therefore, they do not feel disadvantaged by sanctions. Trust in the tax system plays a role here respondents who have high confidence in the accuracy and fairness of the tax system view sanctions as a legitimate tool. They do not see the need for sanctions to enforce compliance, as the implementation of the system is transparent and fair. When sanctions are applied according to the rules, taxpayers perceive them as a logical consequence rather than an unreasonable burden. Tax Sanctions do not strengthen the relationship between Taxpayer Awareness on Taxpayer Compliance. Individuals with high awareness do not need sanctions because they fulfill their obligations voluntarily, without any threat or pressure from penalties. This finding is consistent with research by (Supriatiningsih & Jamil, 2021), who conducted a study at KPP Setiabudi IV, which found that many taxpayers were still subjected to sanctions for failing to report their SPT on time.

Tax Sanctions cannot strengthen the relationship between Understanding of Tax Regulation on Taxpayer Compliance.

Individuals who are familiar with tax regulation in Indonesia are not concerned about Tax Sanctions. This is because their compliance is based on their understanding of the tax laws. Those who Understand of Tax Regulation are aware of their obligations, including the correct procedures for registration, calculation, payment, and reporting. Additionally, a good understanding helps prevent violations, as individuals know what is allowed and what is not in taxation. They can avoid both administrative and criminal errors that might lead to sanctions. Moreover, individuals who understand tax rules feel more confident and at ease when fulfilling their obligations. They do not feel threatened by sanctions, as they believe they have complied with the regulations correctly. Finally, their focus is on voluntary compliance since they have followed the rules based on their understanding, they do not find sanctions relevant to their situation, as sanctions are intended for those who are negligent or violate the rules.

CONCLUSIONS

(1) Taxpayer Awareness has a positive and statistically significant effect on Taxpayer Compliance. The research results show that the higher the level of Taxpayer Awareness, the greater the increase in Taxpayer Compliance. (2) Understanding of Tax Regulations has a positive and statistically significant effect on Taxpayer Compliance. This means that a good Understanding of Tax Regulations can adequately improve citizens' welfare and also give taxpayers a sense of satisfaction and happiness, knowing that the money they pay in taxes is not wasted. They can see the tangible benefits of their contributions, as they understand that tax revenues are used for the development of the country. (3) Tax Sanctions cannot strengthen the relationship between Taxpayer Awareness on Taxpayer Compliance. This means that individuals who are aware of their responsibilities do not need to be penalized, as their awareness drives voluntary compliance. In other words, individuals with high awareness will fulfill their obligations willingly, without the need for threats or pressure from sanctions. (4) Tax Sanctions cannot strengthen Understanding of Tax Regulation on Taxpayer Compliance. This means that individuals who understand tax regulations in Indonesia are not concerned about Tax Sanctions, as they are already

aware of their obligations.

Theoretical Implications

It is hoped that the result of this research will contribute to academic literature and be used to develop a more comprehensive theoretical model for understanding the same issue. This research can serve as a reference for testing the variables of Taxpayer Awareness, Understanding of Tax Regulations as the independent variable, Taxpayer Compliance as the dependent variable, and Tax Sanctions as the moderating variable among individuals who have a Taxpayer Identification Number (NPWP), including those who earn income both from employment in a company and from their own business activities.

Managerial Implications

The research suggests that awareness is crucial for fulfilling the obligations of every taxpayer. This means that as Taxpayer Awareness increases, Taxpayer Compliance will also rise. The tax funds paid by taxpayers will be used by the government to build public facilities and more. A good and adequate Understanding of Tax Regulations can improve the welfare of citizens and give taxpayers a sense of satisfaction and joy, knowing that the money they pay in taxes is not wasted. They understand that tax revenues are used for the development of the country. When taxpayers feel happy and satisfied, they no longer have any doubts about paying taxes. This will encourage them to continue fulfilling their obligations and further improve their Taxpayer Compliance.

Policy Implications

The government, as the regulator, can also establish standards that govern the application of Tax Sanctions in a transparent and fair manner across all sectors. These standards may include requirements for providing early warnings before sanctions are imposed, clear appeal mechanisms, and monitoring the implementation of sanctions to ensure they comply with applicable regulations. This would demonstrate the government commitment to the principles for justice and accountability in the tax system, while encouraging Taxpayer Compliance and building public trust in the tax authorities. In this way, it is hoped that Taxpayer non-Compliance will be reduced, fostering a national environment with high compliance and integrity.

Limitations

The limitations of this research lie in the measurement of all research variables, including Taxpayer Awareness, Understanding of Tax Regulations as the independent variable, taxpayer Compliance as the dependent variable, and Tax Sanctions as the moderating variable, which were assessed using a questionnaire. As a result, the data collected reflects the respondent's perception. Respondents were contacted via WhatsApp and were mainly relatives or close friends of the writer's acquaintances, which means the completion of the questionnaire was not closely guided. This could lead to potential subjectivity in the respondent's answers. Additionally, there were challenges in waiting for responses from the participants.

Suggestion

For future researchers, it is recommended not to use Tax Sanctions as a moderating variable, as it does not strengthen the relationship between Taxpayer Awareness, Understanding of Tax Regulations, and Taxpayer Compliance. Therefore, in future research, Tax Sanctions should be treated as an independent variable only.

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