

Research Article

Determinants of Personal Taxpayer Compliance: Evidence from North Badung Tax Office

Ni Putu Yuria Mendra¹, Putu Wenny Saitri², I Gusti Putu Eka Rustiana Dewi^{3*}, Ni Komang Janitri Pratiwi⁴, Ni Made Swinta Setiani⁵

¹⁻⁵ Mahasaraswati Denpasar University, Indonesia; e-mail: rustiana_dewi@unmas.ac.id

* Corresponding Author: I Gusti Putu Eka Rustiana Dewi

Abstract: Taxes are the largest contributor to state revenue in financing national development. Tax compliance is the act of the taxpayer in fulfilling their tax obligations following the provisions of the legislation and tax implementation regulations in force in a country. Efforts made by the government to improve taxpayer compliance are by reforming tax laws and the tax administration system. This study aims to determine the effect of tax knowledge, tax sanctions, the benefit of the taxpayer identification number, and modern tax administration systems on personal taxpayer reporting compliance at the tax office in North Badung. The population of this research is personal taxpayers at the North Badung Tax Office Services, which is based on the data of individual taxpayers, as many as 95,542 people. The sample in this study consisted of 76 individual taxpayers who reported compliance, selected using a non-probability sampling method with an accidental sampling technique. The data analysis technique used is multiple linear regression analysis. The results showed that the tax knowledge variable did not affect personal taxpayer compliance, while the tax sanctions variable, the benefit of the taxpayer identification number, taxpayer awareness, and the modern tax administration system had a positive effect on personal taxpayer reporting compliance. Further research can expand on this study by incorporating other variables that, in theory, influence taxpayer reporting compliance, such as tax services.

Keywords: Benefit of Taxpayer Identification Number; Tax Compliance; Tax Knowledge; Tax Sanctions; Taxpayer Awareness

Received: January 13, 2025

Revised: March 10, 2025

Accepted: May 5, 2025

Published: June 30, 2025

Curr. Ver.: June 30, 2025



Copyright: © 2025 by the authors.

Submitted for possible open

access publication under the

terms and conditions of the

Creative Commons Attribution

(CC BY SA) license

(<https://creativecommons.org/licenses/by-sa/4.0/>)

1. Introduction

Taxes are one of the main sources of state revenue. Therefore, the government, particularly the Directorate General of Taxes, is expected to optimize state revenue through tax collection. According to Law No. 16 of 2009 concerning the General Provisions and Procedures of Taxation (KUP), Article 1, the definition of tax is a mandatory contribution to the state owed by individuals or entities that is coercive under the law, without receiving direct compensation, and is used for state purposes to achieve the greatest prosperity of the people.

Taxpayer compliance, as defined in the Decree of the Minister of Finance No. 544/KMK.04/2000, is an action taken by taxpayers to fulfill their tax obligations in accordance with applicable tax laws and implementing regulations in a country. Taxes play a very important role in the life of a nation, particularly in supporting development, because they are the main source of state revenue to finance most government expenditures. In addition to serving as the primary source of national income, taxes also aim to increase citizens' awareness and sense of responsibility.

Understanding taxes is a crucial factor that every taxpayer must possess. Taxpayers who have a good understanding of taxation will be more aware of the importance of paying taxes to increase state revenue, which in turn will also increase the number of potential taxpayers. According to Astana and Merkusiwati (2017), the higher the level of taxpayer awareness, the

better their understanding and implementation of tax obligations will be, thereby improving taxpayer compliance.

As a consequence of violating regulations, sanctions are imposed on offenders. Tax sanctions are penalties of a negative nature for those who commit violations of tax laws and regulations. These sanctions apply to taxpayers who fail to comply with the applicable tax laws. Tax sanctions serve as a deterrent for tax violators and as a guarantee that tax regulations will be obeyed. In other words, tax sanctions function as a preventive measure to ensure taxpayers do not violate tax norms. The more severe the sanctions imposed, the greater the deterrent effect, which is expected to encourage taxpayers to fulfill their tax obligations rather than face heavy penalties for violations (Wahyuni, 2020).

One of the obligations of taxpayers is to register themselves to obtain a Taxpayer Identification Number (NPWP). An NPWP is a number issued to taxpayers as a tool for tax administration, serving as an identity or identification for taxpayers in exercising their tax rights and obligations. In the Law of the Republic of Indonesia No. 16 of 2009, as amended several times, concerning the Taxpayer Identification Number (NPWP), Article 2 states: "Every taxpayer who has fulfilled the subjective and objective requirements in accordance with the provisions of tax laws and regulations must register at the tax office whose working area covers the residence or domicile of the taxpayer, and shall be issued an NPWP."

In addition to improving the quality of tax services, the Directorate General of Taxes (DGT) also enhances services in the field of technology systems. With the implementation of a modern tax administration system, taxpayers are expected to find it easier to submit their tax returns (SPT) online and in real time to fulfill their tax obligations. This tax administration system is divided into several components: e-Registration, e-SPT, e-Invoice (e-Faktur), e-Filing, and e-Billing. After several years of an increasing tax ratio, Indonesia has recently experienced a decline in taxpayer compliance, particularly at the North Badung Tax Office. Over the past five years, the level of compliance at the North Badung Primary Tax Office has decreased significantly, in contrast to the number of registered individual taxpayers, which has increased from 2019 to 2023. This indicates a setback in the compliance of individual taxpayers. The following table presents the compliance level of individual taxpayers at the North Badung Primary Tax Office:

Table 1. Individual Taxpayer Compliance Level at The North Badung Primary Tax Office (KPP Pratama Badung Utara), 2019 – 2023

No	Year	Registered Taxpayers (Individual)	Active Taxpayers	Taxpayer Submit Tax Returns (Individuals)	Compliance Rate (%)
1.	2019	63.030	33.359	27.171	81,45%
2.	2020	66.691	35.501	27.623	77,81%
3.	2021	71.704	40.476	27.451	67,82%
4.	2022	76.891	45,656	29.298	64,17%
5.	2023	95.542	43.482	32.319	74,33%

Source: North Badung Primary Tax Office, 2025

In Table 1 above, it can be seen that in 2019, the compliance rate of individual taxpayers at the North Badung Primary Tax Office was 81.45%. This figure then declined in 2020 to 77.81%. In 2021, the compliance rate of individual taxpayers at the same office further decreased to 67.82%, and in the following year, 2022, it dropped again to 64.17%. However, in 2023, the compliance rate of individual taxpayers at the North Badung Primary Tax Office increased to 74.33%.

The objectives of this study are as follows: 1) To examine the effect of tax knowledge on the compliance of individual taxpayers in reporting. 2) To examine the effect of tax sanctions on the compliance of individual taxpayer reporting. 3) To examine the effect of the usefulness of the Taxpayer Identification Number (NPWP) on the compliance of individual taxpayers in reporting. 4) To examine the effect of the modern tax administration system on the compliance of individual taxpayers in reporting.

2. Literature Review

Compliance Theory

Compliance Theory is a theory that explains a condition in which an individual obeys given orders or rules. In the context of taxation, compliance represents a responsibility to God, the government, and the people, as taxpayers are expected to fulfill all tax obligations and exercise their tax rights. Taxpayer compliance is behavior based on a taxpayer's understanding of taxation as well as their tax obligations, while remaining grounded in the applicable laws and regulations.

Taxpayer

A taxpayer refers to an individual or entity, including tax payers, tax with holders, and tax collectors, who have tax rights and obligations in accordance with applicable tax laws and regulations (Law No. 28 of 2007 concerning General Tax Provisions and Procedures (KUP), Law No. 36 of 2008 concerning Income Tax (PPh), Law No. 42 of 2009 concerning Value-Added Tax (VAT) and Luxury Goods Tax (PPnBM), and their implementing regulations). According to Wikipedia, a taxpayer, often abbreviated as TP, is an individual or entity (tax subject) designated under tax laws and regulations to fulfill tax obligations, including certain tax collectors or withholding.

Tax Sanctions

A sanction is a form of penalty imposed on individuals who violate regulations. Laws and regulations act as guidelines for individuals in carrying out their duties. Indonesia's taxation system follows a self-assessment approach. However, if taxpayers fail to fulfill their obligations properly, they are subject to sanctions in accordance with applicable laws.

Taxpayer Identification Number (NPWP)

According to Article 2 of Law No. 16 of 2009 concerning General Tax Provisions and Procedures (KUP), the Taxpayer Identification Number (NPWP) is an administrative tool used as an identification for taxpayers. Obtaining an NPWP signifies that a taxpayer is officially registered with the Directorate General of Taxes.

Taxpayer Awareness

Taxpayer awareness refers to a deep understanding by an individual or entity that is manifested in thoughts, attitudes, and behaviors to exercise their tax rights and fulfill obligations in accordance with applicable tax laws, based on the understanding that taxes are essential for national financing.

Modern Tax Administration System

The modern tax administration system, also known as the e-System, is a technology-based platform designed to streamline administrative processes through the internet (Pandiangan, cited in Wahyuni, 2020). This system involves several key components: all administrative activities are managed through technology-based systems; taxpayers are required to make payments online via authorized payment offices; tax reporting must be done through computer-based media (e-SPT); compliance is monitored proactively by leveraging taxpayer data; and only a select group of taxpayers, approximately 500, are processed through the Madya Tax Service Office. The electronic system, particularly for these taxpayers, ensures greater efficiency, transparency, and convenience in fulfilling tax obligations.

The Effect of Tax Knowledge on Tax Reporting Compliance

In relation to individual taxpayer reporting compliance (ITRC), citizens with a good understanding of taxation will naturally behave differently from those without such knowledge. Individual taxpayers who possess a solid understanding of taxation tend to have a higher level of compliance. Awareness of regulations and tax sanctions encourages taxpayers to report their taxes accurately. Gandhi (2022) stated in his research that tax knowledge does not have a positive effect on individual taxpayer reporting compliance. Conversely, Puspitasari (2024), Thriatmoko and Mubaraq (2020) found that tax knowledge positively affects compliance. Based on these findings, the following hypothesis is proposed:

H1: Taxpayer knowledge has a positive effect on tax reporting compliance.

The Effect of Tax Sanctions on Tax Reporting Compliance

Tax sanctions reflect a taxpayer's perception of the severity of penalties imposed on those who fail to comply with tax obligations. Failure to fulfill tax obligations carries legal consequences due to the coercive nature of taxation. Gandhi (2022) found that tax sanctions do not have a positive effect on individual taxpayer reporting compliance. In contrast, Jannah (2022) concluded that tax sanctions positively affect compliance. Wahyuni (2020) also reported that tax sanctions have no significant effect. Based on these findings, the hypothesis is formulated as follows:

H2: Tax sanctions have a positive effect on tax reporting compliance.

The Effect of the Usefulness of the Taxpayer Identification Number (NPWP) on Tax Compliance

The NPWP serves as an identification tool for taxpayers and helps maintain order in tax payments and administrative monitoring. Taxpayers are expected to voluntarily register for an NPWP. However, simply possessing an NPWP does not guarantee that taxpayers will fulfill their obligations to pay and report taxes. Taxpayers with an NPWP should be motivated to comply with tax obligations if the benefits align with their interests. Jannah (2022) and Gandhi (2022) both found that the usefulness of NPWP positively influences individual taxpayer compliance. Based on this, the hypothesis is formulated as:

H3: The usefulness of the Taxpayer Identification Number (NPWP) has a positive effect on taxpayer compliance.

The Effect of Taxpayer Awareness on Tax Reporting Compliance

Taxpayer awareness is a key factor influencing compliance. It can be seen from the sincerity and willingness of taxpayers to fulfill their obligations, reflected in their understanding of the tax function and their commitment to paying and reporting taxes. According to Puspitasari (2024), taxpayer awareness represents a good-faith effort to voluntarily fulfill tax obligations. Higher levels of awareness result in better understanding and execution of tax responsibilities, thereby improving compliance. Jannah (2022) similarly found a positive effect of taxpayer awareness on individual taxpayer compliance. Based on these findings, the hypothesis is:

H4: Taxpayer awareness has a positive effect on tax reporting compliance.

The Effect of Modern Tax Administration System on Tax Reporting Compliance

Business processes and information and communication technology are integral to the modernization of tax administration. The Directorate General of Taxes (DGT) provides services using IT, such as e-SPT, online payments, and electronic tax reporting, to facilitate taxpayers in reporting, paying, and registering. These services are expected to positively influence voluntary compliance. Astana and Merkusiwati (2017) found that the tax administration system positively affects compliance. Dewi and Setiawan (2017), Kurniawan (2018), and Zuhdi et al. (2019) also reported a positive influence of modernized tax administration on individual taxpayer compliance. Based on this, the hypothesis is:

H5: The modern tax administration system has a positive effect on tax reporting compliance.

3. Research Method

Research Location

This study was conducted at the North Badung Primary Tax Office (KPP Pratama Badung Utara), located at Jl. Ahmad Yani No. 100, Dauh Puri Kaja, North Denpasar District, Denpasar City, Bali 80231, Tel. 0361 230010. The focus of this research is on active individual taxpayers at the North Badung Primary Tax Office.

Operational Definitions of Variables

In this study, the independent variables are:

- a. Tax Knowledge (X1)
- b. Tax Sanctions (X2)
- c. Usefulness of Taxpayer Identification Number (NPWP) (X3)
- d. Taxpayer Awareness (X4)
- e. Modern Tax Administration System (X5)

The dependent variable is the compliance of individual taxpayers (Y).

Population and Sample Determination

The population of this study comprises all active individual taxpayers in 2024 at the North Badung Primary Tax Office, totaling 95,542 taxpayers. The sampling method used is non-probability sampling, specifically accidental sampling. This technique determines the sample based on chance encounters; individuals who happen to meet the researcher can be included as samples if deemed suitable as data sources (Sugiono, 2016).

The sample size was calculated using Slovin's formula, resulting in 76 individual taxpayers selected as respondents for this study.

Data Collection Methods

The data collection methods used in this research include questionnaires and documentation. The questionnaire is a data collection technique where a set of written questions or statements is provided to respondents for their answers. This method is efficient when the researcher clearly understands the variables to be measured and what to expect from respondents. The questionnaire may contain both closed and open-ended questions or statements and can be administered directly, by post, or online. Documentation involves records of past events, including written materials, images, or significant works. In this study, documentation includes articles, general descriptions, work areas, organizational structures, main duties and functions, the vision and mission of the North Badung Primary Tax Office, websites, and previous studies related to the research topic.

Data Analysis Techniques

Validity and Reliability Testing

- a. Validity

The validity test is used to assess whether a questionnaire accurately measures the variables it intends to. A questionnaire is considered valid if the questions effectively reveal the variables being measured (Ghozali, 2016). In this study, the validity test uses the Pearson Correlation approach, where a questionnaire is deemed valid if the Pearson Correlation value is positive and greater than 0.3, with a significance level of $\alpha = 0.05$.

b. Reliability

The reliability test is conducted to evaluate the consistency of responses provided by respondents over time. A questionnaire is considered reliable if a respondent's answers remain stable or consistent across repeated measurements (Ghozali, 2016). This test is performed using Cronbach's Alpha, with the following criteria: if Cronbach's Alpha is greater than 0.7, the questions are considered reliable; if Cronbach's Alpha is less than 0.7, the questions are deemed unreliable.

Descriptive Analysis

According to Gandhi (2022), descriptive analysis is a statistical method used to analyze data by describing or presenting it as it is, without intending to make generalizations or conclusions applicable to the wider population. Descriptive statistics provide a summary of data using measures such as mean, standard deviation, variance, maximum, minimum, sum, range, kurtosis, and skewness. In this study, the descriptive analysis focuses on the sample size, mean, standard deviation, maximum, and minimum values of the research variables. The data analysis is performed using SPSS (Statistical Product and Service Solutions) as the tool to process and examine the data.

Multiple Linear Regression Analysis

Multiple linear regression is an extension of simple linear regression that involves two or more independent variables used as predictors and one dependent variable to be predicted. All the assumptions and procedures applied in simple linear regression also apply to multiple regression. In this study, multiple linear regression is used to determine the effect of the independent variables on the dependent variable. Data processing is performed using SPSS (Statistical Product and Service Solutions). The multiple linear regression equation is as follows: $KWP = \alpha + \beta_1 KWP + \beta_2 KWP + \beta_3 KWP + \beta_4 KWP + \beta_5 KWP + e$ (2)

KWP = Taxpayer Compliance

α = Constant

β = Coefficient of the independent variable in the regression equation

PMP = Tax Knowledge

SKP = Tax Sanctions

KN = Usefulness of NPWP

SA = Modern Tax Administration System

e = Error term

Classical Assumption Testing

Classical assumption tests are conducted to determine whether the regression model meets the criteria of Best, Linear, Unbiased, and Efficient Estimator (BLUE), making it suitable for predicting the influence of independent variables on the dependent variable. The classical assumption tests include: normality test, autocorrelation test, multicollinearity test.

Model Fit Test

The model fit test is performed using the F value. If the F significance < 0.05, H_0 is rejected, indicating that the regression model is fit. If the F significance > 0.05, H_0 is accepted, indicating that the regression model is not fit.

4. Results and Discussion

Descriptive Statistical Analysis

Table 2. Result of Descriptive Statistical Analysis

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
PP	76	14.00	25.00	21.4868	2.91430
SK	76	12.00	30.00	24.3684	4.32926
KN	76	14.00	25.00	21.8421	2.72300
KP	76	11.00	20.00	17.1447	2.34210
SA	76	10.00	25.00	21.1579	3.20854
KWP	76	13.00	25.00	21.4079	3.12912
Valid N (listwise)	76				

Source: Processed Data, 2025

Based on Table 2 above, it is known that the number of observations in this study (N) is 76. The results of the descriptive statistical analysis are as follows:

a. Tax Knowledge (PP)

The tax knowledge variable has a minimum value of 14.00 and a maximum value of 25.00, with a mean of 21.4868 and a standard deviation (data spread) of 2.91430.

b. Tax Sanctions (SK)

The tax sanctions variable has a minimum value of 12.00 and a maximum value of 30.00, with a mean of 24.3684 and a standard deviation of 4.32926.

- c. Usefulness of Taxpayer Identification Number (KN)
The usefulness of the NPWP variable has a minimum value of 14.00 and a maximum value of 25.00, with a mean of 21.8421 and a standard deviation of 2.72330.
- d. Taxpayer Awareness (KP)
The taxpayer awareness variable has a minimum value of 11.00 and a maximum value of 20.00, with a mean of 17.1447 and a standard deviation of 2.34210.
- e. Modern Tax Administration System (SA)
The modern tax administration system variable has a minimum value of 10.00 and a maximum value of 25.00, with a mean of 21.1579 and a standard deviation of 3.20854.
- f. Taxpayer Compliance (KWP)
The taxpayer compliance variable has a minimum value of 13.00 and a maximum value of 25.00, with a mean of 21.4079 and a standard deviation of 3.12912.

Multiple Linear Regression Analysis

Table 3. Multiple Linear Regression Analysis Result

Model	Coefficients ^a			t	Sig.
	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta		
1 (Constant)	1.057	1.507		.701	.485
PP	-.190	.111	-.172	-1.706	.091
SK	.152	.073	.202	2.082	.040
KN	.296	.104	.262	2.838	.006
KP	.414	.133	.311	3.106	.003
SA	.333	.109	.322	3.058	.003

a. Dependent Variable: KWP

Source: Processed Data, 2025

Based on the results of the multiple linear regression analysis, the following regression equation is obtained: $KWP = 1.057 - 0,190 PP - 0,152 SK + 0,296 KN + 0,414 KP + 0,333 SA$

Classical Assumption Test

Normality Test

Table 4. Normality Test Result One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		100
Normal Parameters ^{a,b}	Mean	.0000000
	Std. Deviation	1.77490142
Most Extreme Differences	Absolute	.145
	Positive	.120
	Negative	-.145
Test Statistic		.145
Asymp. Sig. (2-tailed)		.106

a. Test distribution is Normal.

b. Calculated from data.

c. Lilliefors Significance Correction.

Based on the results of the normality test in Table 4 above, the Kolmogorov-Smirnov (K-S) value is 0.145 with a significance level of 0.106. Since this value is greater than 0.05, it can be concluded that the data in the regression model are normally distributed and can therefore be used for further analysis.

Multicollinearity Test

Table 5. Multicollinearity Test Result

Model	Coefficients ^a			t	Sig.	Collinearity Statistics	
	Unstandardized Coefficients		Standardized Coefficients			Tolerance	VIF
	B	Std. Error	Beta				
1 (Constant)	1.057	1.507		.701	.485		
PP	-.190	.111	-.172	-1.706	.091	.301	3.325
SK	.152	.073	.202	2.082	.040	.327	3.054
KN	.296	.104	.262	2.838	.006	.361	2.774
KP	.414	.133	.311	3.106	.003	.307	3.262
SA	.333	.109	.322	3.058	.003	.277	3.611

a. Dependent Variable: KWP

Source: Processed Data, 2025

Based on the results of the multicollinearity test in Table 5 above, the tolerance values of all independent variables are greater than 0.1 and the VIF values are less than 10. Therefore, it can be concluded that the regression model does not exhibit symptoms of multicollinearity, and thus the model is appropriate for use.

Heteroskedasticity Test

Table 6. Heteroskedasticity Test Result

Coefficients ^a					
Model		Unstandardized Coefficients		Standardized Coefficients	Sig.
		B	Std. Error	Beta	
1	(Constant)	-20.723	12.664		.105
	PP	.266	.934	.052	.776
	SK	.347	.613	.099	.573
	KN	.127	.876	.024	.885
	KP	.332	1.120	.054	.768
	SA	.095	.916	.020	.917

a. Dependent Variable: ABRES

Source: Processed Data, 2025

Based on the results of the heteroskedasticity test in Table 6 above, it can be seen that there is no influence of the independent variables on the absolute residuals, as indicated by the significance values of each tested variable being greater than 0.05. Thus, the constructed model does not contain any symptoms of heteroskedasticity and is therefore suitable for further analysis.

Model Feasibility Test

Coefficient of Determination (R^2) or Adjusted R^2

Table 7. Coefficient of Determination (R^2) or Adjusted R^2 Result

Model Summary ^b				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.829a	.687	.665	1.81175

a. Predictors: (Constant), SA, PP, SK, KP

b. Dependent Variable: KWP

Source: Processed Data, 2025

Based on the results of the coefficient of determination test in Table 7 above, the adjusted R-squared (R^2) value obtained is 0.665 or 66.5%. This indicates that the influence of tax knowledge, tax sanctions, the benefits of the taxpayer identification number (NPWP), taxpayer awareness, and the modern tax administration system on taxpayer compliance is 66.5%, while the remaining 33.5% is influenced by other factors outside the model.

F-Test

Table 8. F-Test Result

ANOVA ^a					
Model		Sum of Squares	df	Mean Square	F
1	Regression	504.584	5	100.917	30.744
	Residual	229.772	70	3.282	
	Total	734.355	75		

a. Dependent Variable: KWP

b. Predictors: (Constant), SA, PP, KN, SK, KP

Source: Processed Data, 2025

Based on the results of the F-test in Table 8 above, the calculated F value (F_{hitung}) is 30.744 with an F significance of 0.001. Since this value is less than 0.05, it indicates that tax knowledge, tax sanctions, the benefits of the taxpayer identification number (NPWP), taxpayer awareness, and the modern tax administration system simultaneously have a significant effect on taxpayer compliance.

Hypothesis Test (t-Test)

Table 9. Hypothesis Test (t-Test) Result

Coefficients ^a					
Model		Unstandardized Coefficients		Standardized Coefficients	Sig.
		B	Std. Error	Beta	
1	(Constant)	1.057	1.507		.485
	PMP	-.190	.111	-.172	.091
	SKP	.152	.073	.202	.040
	KNPWP	.296	.104	.262	.006
	SAP	.414	.133	.311	.003

a. Dependent Variable: KWP

Source: Processed Data, 2025

Based on the results of the t-test in Table 9 above, the following information is obtained:

- The effect of tax knowledge on taxpayer compliance.
The test results show that the tax knowledge variable has a t-value of 0.701 with a significance level of 0.091, which is greater than 0.05. This indicates that tax knowledge does not have a significant effect on taxpayer compliance, so H1 is rejected.

- b. The effect of tax sanctions on taxpayer compliance.
The test results show that the tax sanctions variable has a t-value of 2.082 with a significance level of 0.040, which is less than 0.05. This indicates that tax sanctions have a significant positive effect on taxpayer compliance, so H2 is accepted.
- c. The effect of the usefulness of the taxpayer identification number on taxpayer compliance.
The test results show that the usefulness of the NPWP variable has a t-value of 2.838 with a significance level of 0.006, which is less than 0.05. This indicates that the usefulness of NPWP has a significantly positive effect on taxpayer compliance, so H3 is accepted.
- d. The effect of taxpayer awareness on taxpayer compliance.
The test results show that the taxpayer awareness variable has a t-value of 3.106 with a significance level of 0.003, which is less than 0.05. This indicates that taxpayer awareness has a significant positive effect on taxpayer compliance, so H4 is accepted.
- e. The effect of the modern tax administration system on taxpayer compliance.
The test results show that the modern tax administration system variable has a t-value of 3.058 with a significance level of 0.003, which is less than 0.05. This indicates that the modern tax administration system has a significant positive effect on taxpayer compliance, so H5 is accepted.

The Effect of Tax Knowledge on Individual Taxpayer Compliance

The first hypothesis (H1) states that tax knowledge has a positive effect on individual taxpayer compliance. The test results indicate that the tax knowledge variable does not have a significant effect on individual taxpayer compliance, so H1 is rejected. Tax knowledge can assist in making the taxation process more accurate. It is related to a taxpayer's understanding of applicable regulations. A taxpayer can be considered knowledgeable if they can calculate, pay, fill out, and report taxes correctly and on time, while also understanding the penalties imposed for late payment or reporting.

However, tax knowledge does not necessarily guarantee taxpayer compliance. Taxpayers will still fulfill their tax obligations regardless of their understanding of tax regulations, primarily because compliance is mandated and penalties are imposed for noncompliance. Additionally, many taxpayers register to obtain a Taxpayer Identification Number (NPWP) merely to meet their obligations as employees in their workplace or for other purposes, rather than to actively fulfill their tax duties. In many cases, they may not even fully understand why it is required and are only completing it as an administrative requirement. Therefore, taxpayers will continue to meet their obligations regardless of their knowledge or understanding of tax penalties.

This indicates that tax knowledge does not significantly affect taxpayer compliance. These findings are supported by previous studies conducted by Gandhi (2022) and Mariani et al. (2020), which also found no effect of tax knowledge on individual taxpayer compliance. Conversely, earlier research by Puspitasari (2024), Thriatmoko and Mubaraq (2020) reported that tax knowledge has a positive effect on taxpayer compliance.

The Effect of Tax Sanctions on Individual Taxpayer Compliance

The second hypothesis (H2) states that tax sanctions have a positive effect on individual taxpayer compliance. The test results show that the tax sanctions variable positively affects individual taxpayer compliance, so H2 is accepted.

Tax sanctions represent a taxpayer's perception and understanding of the severity of penalties imposed on those who fail to comply with their tax obligations. When tax obligations are not fulfilled, legal consequences may arise because taxation contains an element of coercion. These legal consequences are implemented in the form of tax sanctions. The purpose of imposing tax sanctions is to create a deterrent effect for taxpayers who violate tax regulations, thereby encouraging compliance in fulfilling their tax obligations. The positive effect indicates that the more clearly and strictly tax sanctions are enforced, the higher the taxpayer compliance will be.

This shows that tax sanctions have a positive influence on taxpayer compliance. These findings are supported by previous studies conducted by Puspitasari (2024), Gandhi (2022), and Permata & Zahroh (2022), which also found a positive effect of tax sanctions on individual taxpayer compliance. Conversely, earlier research by Ningsih and Rahayu (2016) and Ghozali (2016) indicated that tax sanctions did not significantly affect taxpayer compliance.

The Effect of the Usefulness of the Taxpayer Identification Number (NPWP) on Individual Taxpayer Compliance

The third hypothesis (H3) states that the usefulness of the Taxpayer Identification Number (NPWP) has a positive effect on individual taxpayer compliance. The test results show that the NPWP usefulness variable positively affects individual taxpayer compliance, so H3 is accepted. One of the taxpayer's obligations is to register for an NPWP. The NPWP is

a number assigned to taxpayers as a tool in tax administration. The NPWP serves as an identification number for taxpayers and helps maintain order in tax payments and administrative supervision. The results of this study indicate that the usefulness of the NPWP is one factor that motivates taxpayers to fulfill their tax obligations. Beyond its administrative function, the NPWP can also be used to access public services, such as applying for a passport, obtaining a credit card, or meeting employment requirements in certain institutions.

This shows that the usefulness of the NPWP has a positive effect on taxpayer compliance. These findings are supported by previous research conducted by Ningsih and Rahayu (2016), which found that the NPWP's usefulness positively influences individual taxpayer compliance. Conversely, earlier studies by Dharmayanti and Humaryoh (2019) and Gandhi (2022) found that NPWP usefulness does not significantly affect compliance in reporting taxes for individual taxpayers.

The Effect of Taxpayer Awareness on Individual Taxpayer Compliance

The fourth hypothesis (H4) states that taxpayer awareness has a positive effect on individual taxpayer compliance. The test results show that the taxpayer awareness variable positively affects individual taxpayer compliance, so H4 is accepted. Awareness is an inherent element within humans that allows them to understand reality and determine how to act or respond to situations. Taxpayer awareness refers to a deep understanding by an individual or entity, manifested in thoughts, attitudes, and behaviors, to fulfill tax rights and obligations in accordance with applicable laws and regulations, recognizing that taxes are crucial for national financing. Taxpayer awareness is one of the key factors determining the level of compliance among taxpayers at the Badung Utara Primary Tax Office in fulfilling their tax obligations.

This indicates that taxpayer awareness has a positive influence on taxpayer compliance. These findings are supported by previous studies conducted by Puspitasari (2024), Anam et al. (2018), and Jotopurnomo & Mangoting (2013), which also found a positive effect of taxpayer awareness on individual taxpayer compliance. Conversely, earlier research by Atarwaman (2020) indicated that taxpayer awareness did not significantly affect taxpayer compliance.

The Effect of the Modern Tax Administration System on Individual Taxpayer Compliance

The fifth hypothesis (H5) states that a modern tax administration system has a positive effect on individual taxpayer compliance. The test results show that the modern tax administration system variable positively affects individual taxpayer compliance, so H5 is accepted. The Directorate General of Taxes (DJP), in addition to improving quality tax services, also enhances services through technological systems. The presence of a modern tax administration system is expected to facilitate taxpayers in submitting their tax returns (SPT) online and in real time to fulfill their tax obligations.

The results of this study indicate that the services provided by the DJP utilizing information and communication technology such as e-SPT, online payments (e-billing), online NPWP registration (e-registration), and electronic tax reporting (e-filing) effectively simplify the process for taxpayers in reporting, paying, and registering. These services positively influence the compliance of individual taxpayers.

This shows that a modern tax administration system has a positive effect on taxpayer compliance. These findings are supported by previous studies by Kurniawan (2018), Zuhdi et al. (2019), Dewi and Setiawan (2017), and Astana & Merkusiwati (2017), which also found a positive effect of modern tax administration systems on individual taxpayer compliance. Conversely, earlier research by Windari et al. (2022) indicated that a modern tax administration system did not significantly affect taxpayer compliance.

5. Conclusion

This study aimed to test and obtain empirical evidence regarding the effects of tax knowledge, tax sanctions, the usefulness of the Taxpayer Identification Number (NPWP), taxpayer awareness, and modern tax administration systems on individual taxpayer compliance. The research was conducted at the Badung Utara Primary Tax Office (KPP Pratama Badung Utara) with 100 individual taxpayer respondents. Multiple Linear Regression Analysis was used for data analysis. Based on the results, several conclusions can be drawn.

First, tax knowledge does not significantly affect individual taxpayer compliance at KPP Pratama Badung Utara. Second, tax sanctions have a positive effect on individual taxpayer compliance at KPP Pratama Badung Utara. Third, the usefulness of the NPWP positively affects individual taxpayer compliance, indicating that having an NPWP provides benefits aligned with taxpayer interests, motivating taxpayers to pay and report taxes more diligently than those without an NPWP. Fourth, taxpayer awareness positively affects individual taxpayer compliance. Finally, a modern tax administration system positively affects individual taxpayer compliance at KPP Pratama Badung Utara.

References

- Anam, M. C., Andini, R., & Hartono, H. (2018). Pengaruh kesadaran wajib pajak, pelayanan fiskus dan sanksi pajak terhadap kepatuhan wajib pajak orang pribadi yang melakukan kegiatan usaha dan pekerjaan bebas sebagai variabel intervening (studi di KPP pratama Salatiga). *Journal of Accounting*, 4(4).
- Astana, M. (2017). Pengaruh penerapan sistem administrasi perpajakan modern dan kesadaran wajib pajak pada kepatuhan wajib pajak. *E-Jurnal Akuntansi Universitas Udayana*, 18(1), 818–846.
- Azkya, H. S., & Nisa, F. (2024). The influence of tax understanding, taxpayer awareness, and tax sanctions on the compliance of e-commerce actors in fulfilling tax obligations (Case study of individual taxpayers of e-commerce actors in DKI Jakarta Province, Indonesia). *International Journal of Management and Business Economics*, 2(3), 72–79. <https://doi.org/10.58540/ijmebe.v2i3.592>
- Chandra, C., & Sandra, A. (2020). Pengaruh tarif pajak, sanksi pajak dan kesadaran pajak terhadap kepatuhan wajib pajak orang pribadi usahawan. *Jurnal Online Insan Akuntan*, 5(2), 153–168. <https://doi.org/10.51211/joia.v5i2.1435>
- Dewi, S. (2017). Pengaruh sistem administrasi perpajakan modern dan sanksi perpajakan pada kepatuhan wajib pajak orang pribadi. *E-Jurnal Akuntansi Universitas Udayana*, 21(3), 1821–1847.
- Gandhi, E. S. (2022). Pengaruh pemahaman perpajakan, sanksi perpajakan, kemanfaatan nomor pokok wajib pajak (NPWP), dan sistem administrasi perpajakan modern terhadap kepatuhan wajib pajak orang pribadi pada Kantor Pelayanan Pajak (KPP) Pratama Badung Utara (Doctoral dissertation, Universitas Mahasaraswati Denpasar).
- Ghozali, I. (2016). *Aplikasi analisis multivariate dengan program SPSS* (8th ed.). Badan Penerbit Universitas Diponegoro.
- Humayroh, N. D. (2019). Pengaruh NPWP dan sanksi perpajakan terhadap kepatuhan wajib pajak (Studi kasus civitas akademika Universitas Islam Syekh-Yusuf Tangerang). *Fakultas Ekonomi, Program Studi Akuntansi, Universitas Islam Syekh Yusuf Tangerang*, 32–36.
- Jannah. (2022). Pengaruh kebermanfaatan NPWP, kualitas pelayanan fiskus dan sanksi perpajakan terhadap kepatuhan wajib pajak (Studi pada WP yang terdaftar di KPP Pratama Boyolali). *Jurusan Akuntansi Syariah Fakultas Ekonomi dan Bisnis Islam Institut Agama Islam Negeri Surakarta*.
- Jotopurnomo, C., & Mangoting, Y. (2013). Pengaruh kesadaran wajib pajak, kualitas pelayanan fiskus, sanksi perpajakan, lingkungan wajib pajak berada terhadap kepatuhan wajib pajak orang pribadi di Surabaya. *Tax & Accounting Review*, 1(1), 49.
- Kurniawan. (2018). Pengaruh modernisasi sistem administrasi perpajakan, sanksi perpajakan terhadap kepatuhan wajib pajak orang pribadi (Studi kasus pada Kantor Pelayanan Pajak Pratama Magelang). *Jurnal Ekobis Dewantara*, 1(3), 1–15. <https://doi.org/10.30598/manis.2.1.1-11>
- Mariani, M. S. (2020). Pengaruh sosialisasi perpajakan, pengetahuan perpajakan, persepsi wajib pajak tentang sanksi pajak dan implementasi PP Nomor 23 Tahun 2018 terhadap kepatuhan wajib pajak orang pribadi (Studi empiris pada wajib pajak di Kabupaten Badung). *Jurnal Kharisma*, 2(1), 1–15.
- Ningsih, R. (2016). Pengaruh kemanfaatan NPWP, pemahaman wajib pajak, kualitas pelayanan dan sanksi perpajakan terhadap kepatuhan wajib pajak di KPP Pratama Medan Kota. *Syariah Paper Accounting FEB UMS*, ISSN 2460-0784. Seminar Nasional dan The 3rd Call for Syariah Paper.
- Permata, M. I., & Zahroh, F. (2022). Pengaruh pemahaman perpajakan, tarif pajak, dan sanksi perpajakan terhadap kepatuhan wajib pajak. *Fair Value: Jurnal Ilmiah Akuntansi dan Keuangan*, 4(12), 5432–5443. <https://doi.org/10.32670/fairvalue.v4i12.1893>
- Pranata, J. (2019). Pengaruh sanksi pajak dan kesadaran wajib pajak pada kepatuhan wajib pajak. *E-JA e-Jurnal Akuntansi e-ISSN 2302-8556*, 29(1), 158–172. <https://doi.org/10.24843/EJA.2019.v29.i01.p11>
- Puspitasari, E. N. D., & Dirman, A. (2024). Pengaruh pemahaman pajak, kesadaran pajak dan sanksi pajak terhadap kepatuhan wajib pajak. *Media Akuntansi Perpajakan*, 9(1), 51–57. <https://doi.org/10.52447/map.v9i1.7623>
- Raharjo, N. K., Majidah, M., & Kurnia, K. (2020). Pengaruh pemahaman peraturan perpajakan, tarif pajak, dan kualitas pelayanan terhadap kepatuhan wajib pajak (Studi kasus pada wajib pajak orang pribadi non karyawan di KPP Pratama Cibirong periode 2020). *E-Jurnal Ekonomi dan Bisnis Universitas Udayana*, 7, 671–680. <https://doi.org/10.24843/EEB.2020.v09.i07.p05>
- Sugiyono. (2022). *Metode penelitian kuantitatif, kualitatif, dan R&D*. Bandung: Alfabeta, CV.
- Thriatmoko, M. (2020). Pengaruh pemahaman akuntansi dan pemahaman perpajakan terhadap kepatuhan wajib pajak pada KPP Pratama Madiun. *E-Jurnal Akuntansi*, 30(9), 2231–2243. <https://doi.org/10.24843/EJA.2020.v30.i09.p05>
- Wahyuni, W. (2018). Pengaruh kesadaran wajib pajak, pengetahuan, sistem administrasi perpajakan modern, dan sanksi pajak terhadap kepatuhan perpajakan pada Kantor Pelayanan Pajak Madya Makassar. *Bongaya Journal of Research in Accounting (BJRA)*, 1(2), 1–7. <https://doi.org/10.37888/bjra.v1i2.71>
- Windari, N. N. T., Putra, I. G. C., & Dicriyani, N. L. G. M. (2022). Analisis faktor-faktor yang mempengaruhi kepatuhan wajib pajak orang pribadi pada Kantor Pelayanan Pajak Pratama Denpasar Timur. *Kumpulan Hasil Riset Mahasiswa Akuntansi (KHARISMA)*, 4(2), 355–370.

Zuhdi, S. Y. (2019). Pengaruh modernisasi sistem administrasi dan sanksi perpajakan terhadap kepatuhan wajib pajak orang pribadi pada KPP Pratama Bandung X. *Jurnal Ilmiah MEA (Manajemen, Ekonomi & Akuntansi)*, 3(1), 1–15.
<https://doi.org/10.31933/jemsi.v1i3.103>