The Value of a Thousand Suluks as a Foundation for MSME Taxpayer Compliance Registered in Rokan Hulu Regency

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Abstract

Research objectives foranalyze the effect of Tax Morale and Taxpayer's Religious Value Simultaneously on MSME Taxpayer Compliance registered in Rokan Hulu Regency.Quantitative research is a research method based on positive philosophy, used to examine certain populations or samples, data collection uses research instruments, data analysis is quantitative/statistical in nature, with the aim of testing established hypotheses.the determined sample method is not random (non-probability sampling) with a sampling technique that is purposive sampling of 67 samples.

The results of the study show that taxation morale has a significant effect on taxpayer compliance,Religious Value has a significant effect on taxpayer compliance and Tax Morale and Religious Value simultaneously have a significant effect on taxpayer compliance.

Keywords: Tax Morale, Religious Value, Taxpayer Compliance

JEL Classification : (according to JEL classification)

1. INTRODUCTION

The tax reform in 1983 was the government's first step in its efforts to improve tax compliance. This tax reform includes updating tax regulations, as well as changes in the tax collection system,(F., 2011). The application of the Self Assessment System (SAS), the imposition of tax sanctions, and the tax amnesty policy are all part of the tax reform. However, apparently the steps that have been taken by the government have not fully gone well. The provision of tax amnesty has not been able to increase tax compliance because the main goal of taxpayers participating in tax amnesty is to avoid tax audits,(Sudarma IM, 2017). The importance of tax reporting for taxpayers. Because taxes are the main contribution of a country's revenue, which is used to meet the needs of the state in an effort to improve people's welfare. This means that paying taxes is not an option, but a necessity that binds citizens of a country. However, most people consider the obligation to pay taxes to be a burden.(IN, 2019).

Moral, Attitude, Subjective Norms affect Compliance. It can be concluded that Tax Increase in guidance and counseling as well as socialization of the importance of accounting in tax reporting and accounting training among taxpayers, especially MSME actors is urgently needed to increase tax compliance so that tax revenue by itself increases from year to year, (Sani, 2017).

To continue to increase tax revenue, it must be able to provide education or understanding related to awareness, honesty and the existence of normative values instilled in religious values to continue to be able to generate a sense of responsibility from taxpayers. Awareness in tax compliance will arise from the motivation of taxpayers. WP compliance motivation is not only formed from economic considerations or sanctions that will be accepted alone, but the rules that bind them both as religious beings and social beings,(Palil MR, 2013).

The value of the Land of a Thousand Suluks is a path or method or method implemented by Muslims to cleanse themselves both physically and spiritually who receive guidance from

someone called a murshid (certain teacher/ kulifah) in a certain or special place called munosah, to purify themselves in order to get closer to the most holy Allah SWT, God Almighty. The rootedness of local values is the basis for approaching small, micro and medium enterprises from local to national. Researchers believe that with a special locality value in qualitative research, it can become a foundation for increasing taxpayer compliance.

The research question is what is the role of locality values in increasing individual taxpayer compliance. This research seeks to present locality values as a basic foundation for increasing individual taxpayer compliance (WPOP). This research has several updates, namely: using locality values and norms regulated in the Regional Regulation of Rokan Hulu Regency Number 3 of 2018 in article 6 concerning moral values and religious values in article 7 concerning the values of honesty and sincerity and responsibility(Suherman, 2018).

2. LITERATURE REVIEW

Taxpayer compliance is taxpayer compliance in registering, compliance with returning notification letters, compliance with calculation and payment of tax payable and compliance with arrears payments.(Ketut Jati, 2016). Thus taxpayer compliance is when the taxpayer fulfills all tax obligations and exercises his tax rights, tax obligations include registering, calculating and paying tax payable, paying arrears and re-submitting notification letters.

Tax morale is the intrinsic motivation of taxpayers to comply and pay taxes, so that it should be the main focus of tax authority policies. 16 Coupled with the Indonesian tax system which still adheres to the Self Assessment System to be applied to individual taxpayers, namely a system that provides flexibility in calculating, reporting, depositing and being accountable for WPOP tax obligations to the tax authorities.

Religiosity values are the values or principles held by a person based on the religion he adheres to. 8 Meanwhile, nationalism is an ideology, which argues that the highest individual allegiance must be left to the national state.

hypothesis

The hypothesis comes from the word hypo which means less and thesa which means opinion. Therefore, etymologically, a hypothesis is defined as a statement that has not yet received a thesis. According to(Siregar, 2013), stated that: "The hypothesis is a temporary statement that is still weak in truth.

Based on the framework above, the writer tries to formulate a hypothesis which is a temporary conclusion from the research as follows:

H1   :Tax Morale has a significant effect on Compulsory Personal Compliance in MSMEs Registered in Rokan Hulu Regency

H2   :Religiosity Value Has a Significant Influence on Compulsory Personal Compliance in MSMEs Registered in Rokan Hulu Regency

H3   :Tax Morale and Religiosity Value Have a Significant Influence on Compulsory Personal Compliance in MSMEs Registered in Rokan Hulu Regency.

3. RESEARCH METHOD

Types of research

According to (Sugiyono, 2019). Quantitative research is a research method based on positive philosophy, used to examine certain populations or samples, data collection uses research instruments, data analysis is quantitative/statistical in nature, with the aim of testing established hypotheses.

Population and Sample

According to(Sugiyono, 2019), said the population is a generalization area consisting of objects or subjects that have certain qualities and characteristics set by researchers to be studied and then drawn conclusions. The research population in this study is MSME taxpayers who are registered atService Office, Counseling and Tax Consultation of Pasir Pengaraianwith income above Rp. 600,000,000.

The sampling technique used in this study was a non-probability sampling method with a purposive sampling technique of 67 samples.

Data Types and Sources

The type of data used in this study is quantitative data, namely data consisting of numerical data and still needs to be re-analyzed.

The source of the data used is obtained from primary data, namely data obtained directly from the research subject by wearing a measurement tool or data retrieval tool directly from the subject as the source of information sought.(Sugiyono, 2019). This data is in the form of data obtained by distributing questionnaires to the respondents who are the sample in this study.

Data collection technique

According to(Sugiyono, 2019)Data collection techniques are methods used to obtain data and information needed in research. Data collection techniques used in this study were documentation and questionnaires. The type of documentation in the form of data obtained fromService Office, Counseling and Tax Consultation of Pasir Pengaraianrelated to taxpayers registered in Rokan Hulu Regency while for the questionnaire that the author uses is a closed questionnaire, namely a questionnaire that has provided answers. The reasons for using a closed questionnaire are:

1. Closed questionnaires make it easy for respondents to provide answers.
2. Closed questionnaires are more practical.
3. Research time limitations.

In measuring the answers to the questionnaire submitted to the respondents, the scale used is the Likert scale. The Likert scale is used to measure attitudes, opinions, and perceptions of a person or group of people about social phenomena. With a Likert scale, the variables to be measured are translated into variable indicators. Then these indicators are used as a starting point for compiling instrument items which can be in the form of statements or questions.

4. RESULTS AND ANALYSIS

Partial Test (t)

Partial test or t is used to test the significant relationship between variable X and variable Y. The following tests can be seen in the following table:

Table 4.1
Test Results t

Dependent Variable: Y
Method: Least Squares
Date: 06/11/23 Time: 15:14
Sample: 2001 2065
Included observations: 65

Variables	coefficient	std. Error	t-Statistics	Prob.
C	14.24362	2.480074	5.743224	0.0000
X1	0.460636	0.177175	2.599888	0.0116
X2	0.031140	0.082163	0.378999	0.7060

R-squared	0.107502	Mean dependent var		20.73846
Adjusted R-squared	0.078712	SD dependent var		2.313526
SE of regression	2.220610	Akaike info criterion		4.478495
Sum squared residue	305.7286	Schwarz criterion		4.578852
Likelihood logs	-142.5511	Hannan-Quinn criter.		4.518092
F-statistics	3.733972	Durbin-Watson stat		1.742698
Prob(F-statistic)	0.029432			

Source: Processed Data, 2023

Determining Ho is accepted or rejected from the regression output on E-Views has obtained the tcount value of the Tax Morale independent variable of 2.259 and the Religious Value of 0.379. Furthermore, it is compared with the ttable obtained at a certain significant level with the value of DK = N-2. In this study, the two-tailed test was determined with a significant level of 5% and DK = 67-2 = 65, so that the ttable value was determined to be 1.998, which can be seen in the attachment to the percentage point of the t distribution.

a. The tax moral calculation value is 2.259 > ttable 1.998, so it can be determined that Ho is accepted and Ha is rejected. The probability value is 0.012 > 0.05. Thus it is concluded that there is a significant influence between tax morale and taxpayer compliance.

b. The calculated value of religious value is 0.379 > ttable 1.998, so it can be determined that Ho is accepted and Ha is rejected. Probability value of 0.706 > 0.05 Thus it is concluded that there is no significant effect between Religious Value on taxpayer compliance.

Simultaneous Test (f)

The Simultaneous Test (f) is useful for proving whether the dependent variable is significant or not with a 95% confidence level and a 5% error rate.

Table 4.2
F test results

Dependent Variable: Y
Method: Least Squares
Date: 06/11/23 Time: 15:14
Sample: 2001 2065
Included observations: 65

Variables	coefficient	std. Error	t-Statistics	Prob.
C	14.24362	2.480074	5.743224	0.0000
X1	0.460636	0.177175	2.599888	0.0116
X2	0.031140	0.082163	0.378999	0.7060
R-squared	0.107502	Mean dependent var		20.73846
Adjusted R-squared	0.078712	SD dependent var		2.313526
SE of regression	2.220610	Akaike info criterion		4.478495
Sum squared residue	305.7286	Schwarz criterion		4.578852
Likelihood logs	-142.5511	Hannan-Quinn criter.		4.518092
F-statistics	3.733972	Durbin-Watson stat		1.742698
Prob(F-statistic)	0.029432			

Source: Processed Data, 2023

The results of the F test can be seen in table 4.8, the value of F_{count}> F table (3.74> 3.15) with a significance level of 0.029 <0.05. Because the significant level is less than 0.05, Ha is accepted, the calculation shows that the variables of Taxation Morale and Religious Value simultaneously have a significant influence on taxpayer compliance.

The Influence of Taxation Morale on Taxpayer Compliance

The first hypothesis states that tax morale has an effect on taxpayer compliance. the results of the panel data regression show a moral tax calculation value of 2.259 > ttable 1.998, it can be determined that Ho is accepted and Ha is rejected. The probability value is 0.012 > 0.05. Thus it is concluded that there is a significant influence between tax morale and taxpayer compliance.

This explains that tax morale can have a positive effect on tax payer compliance so that to improve this, government officials through the Directorate General of Taxes should further improve public education so that compliance can be increased not only through tax morale but also through education delivered by tax apparatus.

The results of this study, Sani, 2017 which show that the results of tax morale have an effect on taxpayer compliance

The Influence of Religious Values on Taxpayer Compliance

The second hypothesis states that tax morale has an effect on taxpayer compliance. The results of the panel data regression show that the religious value is 0.379 > ttable 1.998, so it can be determined that Ho is accepted and Ha is rejected. Probability value of 0.706 > 0.05 Thus it is concluded that there is no significant effect between Religious Value on taxpayer compliance.

These results explain that religious value is not a thing that can increase taxpayer compliance, but it can be used as a variable that can increase taxpayer compliance, by conveying tax knowledge through spiritual activities and coupled with improving attitudes and ethics from government officials, especially in the form of rampant corruption which in fact generates a sense of distrust from taxpayers to government.

The results of the study are not in line with Palil's research, 2013 which states that religious values affect taxpayer compliance.

The Influence of Taxation Morals and Religious Values on Taxpayer Compliance

This hypothesis shows that Taxation Morale and Religiosity Value of Taxpayer Compliance shows a value of Fcount > F table (3.74> 3.15) with a significant level of 0.029 <0.05. Because the significant level is less than 0.05, Ha is accepted, the calculation shows that the variable Taxation Morale and Religiosity Value simultaneously have a significant influence on taxpayer compliance.

These results explain that tax morale and religious values have an important role in increasing taxpayer compliance, but this continues to be improved through outreach not only to city centers but also to remote areas.

The results of the study are in line with research by Sani, 2017 and Palil 2013, which states that tax morale, religious values affect taxpayer compliance.

5. CONCLUSION

Conclusion

Based on the description above, it can be concluded regarding the results of the research that has been carried out as follows:

1. Tax Morale has a significant effect on taxpayer compliance
2. Religious value has a significant effect on taxpayer compliance
3. Taxation Morale and Religiosity Value simultaneously have a significant influence on taxpayer compliance.

Suggestion

1. It is necessary to increase knowledge for MSME taxpayers through counseling and outreach regarding the importance of tax reporting to be used to increase taxpayer compliance.
2. There is dissemination of tax knowledge through spiritual value activities and also evidenced by the behavior of tax officials who do not commit corruption, so that a high sense of trust from taxpayers to officials is no doubt to continue to report taxes on time.

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