



The Role of Tax Socialization in Strengthening Compliance Msme Taxpayers in Badung, Bali, Indonesia

Cokorda Krisna Yudha ^{a*}, Gede Sanjaya Adi Putra ^a
and Kadek Ady Putrawan ^a

^a Faculty of Economics and Business, Wamadewa University, Bali, Indonesia.

Authors' contributions

This work was carried out in collaboration among all authors. All authors read and approved the final manuscript.

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ABSTRACT

Aims: This study aims to examine the compliance of MSME taxpayers with tax socialization as a moderating variable.

Study Design: Quantitative method with survey method.

Place and Duration of Study: MSME taxpayers at the Badung KPP.

Methodology: Type of data in this study is primary data. Primary data in this study was obtained with a spread questionnaire to must MSME tax. The population in this study is all MSME taxpayers at the Badung KPP is 16,559. Whereas the sample in the study is must tax persons personal which do activity business. As for Technique sampling this study use a random sampling technique. *Random sampling* is taking sample members from a population that is carried out randomly without regard to the strata in that population. Determination of the number of samples in this study was carried out using the Slovin formula at an error threshold of 10% so that a minimum sample size of 100 respondents was obtained. The questionnaire in this study was measured using a Likert scale of 5 points from strongly disagreeing rated 1 to strongly agree rated 5. The tax understanding

*Corresponding author: E-mail: cokordakrisnayuda@gmail.com, amlayasaaabgs@gmail.com;

variable was measured using 5 indicators; Tax socialization variable is measured by 7 indicators). The variable of taxpayer compliance is measured by 3 indicators. Researcher used moderate regression analysis for analyzing data.

Results: The taxpayer compliance of MSME actors in Badung Regency can be increased if the taxpayer understands well how knowledge of taxation aspects is in the business world, both from the effort to record transactions, calculate bills or tax burden to be paid and pay tax debt on time is directly affected by the intention to comply. However, this effort will not run optimally if there is no dissertation on the role of tax socialization. The existence of this socialization provides additional knowledge and understanding of the aspects of taxation. The results of this test indicate that tax socialization can be justified as a moderating variable for the effect of understanding taxation on taxpayer compliance of MSME actors in Badung Regency.

Conclusion: To improve related research obedience must tax MSME, the researcher provides suggestions for research, furthermore as follows: 1) Government can increase compliance must tax in making payments and reporting tax with expand socialization tax and using various media which easily reached by must tax especially MSMEs (such as Facebook, Instagram, whatsapp). 2) MSME actors in a manner aware of the importance of following tax socialization given by the government and actively supports government programs in increasing tax understanding of MSMEs especially tax incentives given for MSMEs.

Keywords: Understanding tax; socialization tax; compliance taxpayers.

1. INTRODUCTION

Indonesia as a country develop needs increase the growth of the economy. From results, the review prove that all countries in the world tax it on their citizens and only the states' certain resource advantages nature use tax as their main source of income. Indonesia is a country that wearing tax on inhabitant his country for source income country. Tax is the source main income for government. In the website Ministry of Finance [1]. The APBN is planned to be around Rp. 3041.7 trillion in which the revenue collection sector from the taxation sector is pegged at around IDR 2,021.2 trillion or around 66.45% of the total APBN.

To meet the APBN target from the taxation sector, then the government has planned a number of policy taxation, among them is push recovery And transformation economy tax, through gift incentive tax which are more selective [2]. Tax incentives intended are to liberate And lower duty enter so that expected matters can help with mandatory cash flow tax. Government realizes that the impact pandemic Covid -19 in a manner really disrupted economic activity part big countries in the whole world including Indonesia. During the pandemic happened Covid-19 many suffered including process production distribution and any operational other which finally follow annoying the course of the economy, including Micro, Small and Medium Enterprises (MSME).

MSMEs have proven successful in playing the role of safeguarding the country's economy so the government needs to provide space for MSMEs to develop further. The increase in the number of MSMEs is not only caused by the government's encouragement to business actors to help boost the economy but also due to the awareness of the business actors themselves. Apart from being a necessity for business actors, entrepreneurship is also able to reduce the number of unemployed, the more business actors, the more jobs are available, because it can also help the government in reducing state poverty and can also help stabilize the country's economy [3].

Badung Regency as the richest district in Bali has the largest source of Regional Original Revenue (PAD) which comes from the tourism sector. The development of the tourism industry sector was followed by the mushrooming growth of MSMEs. Furthermore, the growth of MSMEs opens up further business opportunities to increase potential income from the taxation aspect. However, the fact was found that not all of them who became MSME taxpayers had the obligation to pay taxes, as reported by the Pratama Badung Tax Service Office (KPP) which is presented in Table 1.

Based on the data in Table 1, shows that there is high growth in the number of MSMEs in North Badung Regency. The high growth of MSMEs that have registered their MSMEs at the Pratama Badung Tax Service Office (KPP) can create a

Table 1. Percentage of MSME taxpayer compliance in badung regency

Year	Required Amount MSME tax	Compliant MSME taxpayers	Percentage (%)
2018	11,000	3,463	31.48%
2019	11,805	3,350	28.38%
2020	19,423	5,090	26.21%

Source: North Badung Tax Service Office (KPP), 2022

large potential for regional revenue apart from taxes received from hotel taxes or other tourist attractions. This shows that in 2018-2021 the percentage ratio of the number of MSME taxpayers to the number of MSME taxpayers who have paid their taxes has decreased, so it can be concluded that MSME taxpayer compliance at KPP Pratama Badung is still low.

Taxpayer compliance is the ability of taxpayers to fulfill tax obligations and exercise their tax rights fairly and in accordance with applicable tax laws [4]. Taxpayer compliance has been a tax issue for a long time. Azizah [5] states that the tax compliance ratio has not increased from time to time. This is based on a comparison of the number of taxpayers who are not proportional to those who report their taxes. Many taxpayers do not understand their rights and obligations as taxpayers. The Tax Office has the authority to carry out guidance, supervision and service. It can be concluded that taxpayer compliance is the ability of taxpayers to carry out obligations that are guided by applicable regulations, namely obtaining a register number and conducting self-assessments which include calculating, collecting, paying, and reporting taxes independently.

One of the main factors that influence taxpayer compliance is the understanding of taxation. Understanding which less about taxes raises lack of obedience from must tax. Lack of understanding This Can resulted must tax No obey on his obligations pay tax. Dewi et.al [6] stated that compliance is something program Which made by Directorate General Tax each moment, And must tax I hope you realize how important it is role tax as well as role for something Country. Mudiarti and Mulyani [7], get results that understanding effect tax positive and significant to taxpayer compliance. Understanding taxation is understanding tax to Constitution related taxation Which must applied on moment fulfil obligation taxation, like obligation taxation, report SPT, calculating the amount of tax owed and payment tax [8]. Fauzi and Maula [9] found different results that understanding tax No influential obedience must tax.

Another factor that can affect taxpayer compliance is tax socialization. Andreas and Savitri [10] stated that socialization tax is effort Directorate General Tax For give understanding and information to must tax to use for reach the goal. Pitaloka et al. [11] states that Socialization is an important part of the goal is to increase the number of taxpayers. Socialization this is effort Directorate General Tax for give information and coaching as well as understanding to public specifically taxpayer. Socialization tax can done in various method including: Socialization through media print, socialization through media electronic, socialization through media on line, socialization through media stare face and socialization through direct consultation with an account representative (AR) [12]. Tax understanding to increase tax awareness is not only the responsibility of the tax authorities, the public also plays an important role in raising awareness about paying taxes. This role can be taken by educational institutions and the wider community [13].

Adam et al. [14] stated that socialization tax is business beginning For give guidance or direction to must tax so understand Regulation Minister Finance No 86 Year 2020. Mudiarti and Mulyani [7] states that tax socialization is business that the Director General of Taxes (DGT) for give information to inhabitant country, specifically must tax, about all things related to tax, Good regulation nor system method or tax strategy, through means or exact steps. Next activity tax socialization is divided into several focus, namely: a) socialization activities for prospective taxpayers, b) outreach activities for new taxpayers, and c) activities socialization for must tax registered. Syaputra [15] prove that tax socialization has a positive effect on compliance MSME taxpayers.

This research was developed to fill the gap in previous research (gap research) that found inconsistent research results between the level of tax understanding and tax compliance. The novelty in this study is the addition of a tax socialization culture variable which acts as a moderating variable with the hope that it can

strengthen the effect of the level of tax understanding on the compliance of MSME taxpayers, where in previous research there was no or rarely used it. Therefore, the role of tax socialization as a moderating variable is expected to obtain a more comprehensive understanding regarding taxpayer compliance as an aspect of the behaviour of every law-abiding citizen, especially MSMEs in Badung Regency, Bali.

2. LITERATURE REVIEW

2.1 Compliance Theory

Compliance theory was coined by Milgram [16]. "In this theory it is explained about a condition in which a person obeys the orders or rules that have been set" [17]. There are two perspectives in sociological literacy regarding compliance with law, namely instrumental and normative. The instrumental perspective assumes that the individual as a whole is driven by personal interests and perceptions of changes associated with behaviour. The normative perspective is associated with the assumption that people are moral and conflict with personal interests. Bill et al. [18] states that "taxpayer compliance defines a condition in which taxpayers can carry out all their obligations and fulfil their rights related to taxation. Taxpayer compliance is a behaviour that is based on the awareness of a taxpayer towards his tax obligations while remaining based on the laws and regulations that have been stipulated. Awareness itself is part of intrinsic motivation, namely motivation that comes from within the individual itself and extrinsic motivation, namely motivation that comes from outside the individual. Individuals generally tend to follow orders from figures who have authority, even to the point of killing innocent humans. Compliance with authority has existed in humans since the humans were born. Individuals tend to obey orders because they really know that it is necessary or right, but there are also individuals who carry out orders because of coercion or because of a belief that the person responsible for the obedience behaviour is the source of authority, not the individual who does it".

2.2 Effect of Understanding of Taxation on Taxpayer Compliance

Yulianti [19] states that understanding is an ability that exists within a person to understand and or be able to understand something, in other

words knowing how something can be seen from various angles. Someone will be said to understand something if that person can provide an explanation and can imitate it and express it in his own language. The more taxpayers who understand, are motivated and know tax sanctions, the higher the level of awareness of individual tax payments. Juliana and Semy [20] state that increasing the understanding of taxpayers about taxes can affect the level of compliance of the taxpayers themselves, this is because the taxpayers already know the consequences they will receive if they do not carry out their obligations properly. In line with obedience which explains about someone obeying orders or rules that have been given in any condition. Compliance theory states that understanding of taxation matters that affect taxpayer compliance based on a taxpayer's understanding of his tax obligations while still being based on applicable regulations. Research conducted by Zahrani and Mildawati [21] and Cahyani and Noviari [22] found that understanding of taxation has a positive effect on taxpayer compliance.

H1: Understanding of taxation has a positive effect on taxpayer compliance.

2.3 The Effect of Tax Socialization on Taxpayer Compliance

"Socialization is important in efforts to increase taxpayer awareness and compliance. Tax socialization is the provision of insight and guidance to taxpayers so that they know everything about taxation" [23]. According to social learning theory states that "humans can learn well through observation or direct experience, with the socialization provided by the Directorate General of Taxes to taxpayers it is expected to be able to optimize the application of laws and regulations to taxpayers". "One of the factors that can be emphasized by officials in increasing tax understanding and compliance is by disseminating tax regulations either through counselling, moral appeals either through billboards, billboards, or by opening a tax regulation website which can be accessed at any time by taxpayers. Purba [24] found that there is a positive influence between tax socialization on taxpayer compliance".

H2: Tax socialization has a positive effect on taxpayer compliance.

2.4 The Effect of Tax Socialization on the Relationship between Tax Understanding and Taxpayer Compliance

Tax socialization can be a moderator for understanding taxation in influencing taxpayer compliance. In line with the attribution theory which states that socialization is an external factor that can influence understanding of taxation on taxpayer compliance, the higher the level of taxation socialization, the higher the level of understanding of taxation, and the higher the level of understanding of taxation, the higher the level of taxpayer compliance. As a result of the low understanding, tax socialization activities can increase, so that taxpayer compliance will also increase. Research conducted by Ramadhanty and Zulaikha [25] found that understanding of taxation has a positive effect on taxpayer compliance, and is in line with previous research conducted by Wardani, Primastiwi, and Ramadhan [26] found that tax socialization has a positive effect on understanding of taxation.

H3: Tax socialization strengthens the effect of understanding taxation on taxpayer compliance.

2.5 Research Conceptual Framework

Based on the description of the background, previous theoretical studies, it can be explained the relationship between the variable understanding of taxation on the compliance of MSME taxpayers in Badung Regency in the perspective of compliance theory.

3. RESEARCH METHOD

Type of data in this study is primary data. Primary data in this study was obtained with a spread questionnaire to must MSME tax. The population in this study is all MSME taxpayers at the Badung KPP are 16,559. Whereas the sample in the study is must tax persons personal which do activity business. As for Technique sampling this study use a random sampling technique. "Random sampling is taking sample members from a population is carried out randomly without regard to the strata in that population" [27]. Determination of the number of samples in this study was carried out using the Slovin formula at an error threshold of 10% so that a minimum sample size of 100 respondents was obtained.

The questionnaire in this study was measured using a Likert scale of 5 points from strongly disagreeing rated 1 to strongly agree rated 5. The tax understanding variable was measured using 5 indicators developed by Rahayu [28], namely (1) Understanding of taxation and tax procedures, (2) Understanding of the tax system in Indonesia, (3) Understanding of the function of taxation in Indonesia. (4) Applicable tax rules, (5) Knowing the right of tax returns. The tax socialization variable is measured by 7 indicators developed by Barus [29] including (1) There are seminars related to the importance of paying taxes held by collecting agencies, (2) Taxpayers often receive brochures about taxes, (3) Officers master material about taxes when giving explanations and outreach, (4) Taxpayers obtain complete information about taxes through the internet or websites of collecting agencies, (5) There is information on tax-related developments through newspapers, magazines, journals or public service advertisements on television, (6) Socialization can increase knowledge, skills, and public awareness, both government and non-government agencies on taxation, (7) Socialization of taxation can encourage taxpayers to understand, care, and contribute in carrying out their obligations as taxpayers. The variable of taxpayer compliance is measured by 3 indicators developed by Fadilah [30] including (1) registering, (2) calculating, paying, reporting, tax administration, tax arrears, and (3) calculating and paying tax owed.

Researchers use analysis moderate regression analysis with model equality regression as follows:

$$KWP = \alpha + \beta^1.U + \beta^2.SP + \beta^3.PP + e$$

Note: KWP = Taxpayer Compliance; α = constant; β = Coefficient Regression; SP = Tax Socialization; PP = Understanding Tax; e = Standard Error.

4. RESULTS AND DISCUSSION

4.1 Results

The research data was obtained from the results of a questionnaire that was distributed to research respondents in the number of 100 taxpayers at the East Denpasar Primary Tax Service Office. Respondent characteristics include age, gender, last education level and occupation. A summary of the characteristics of the respondents can be seen in Table 2.

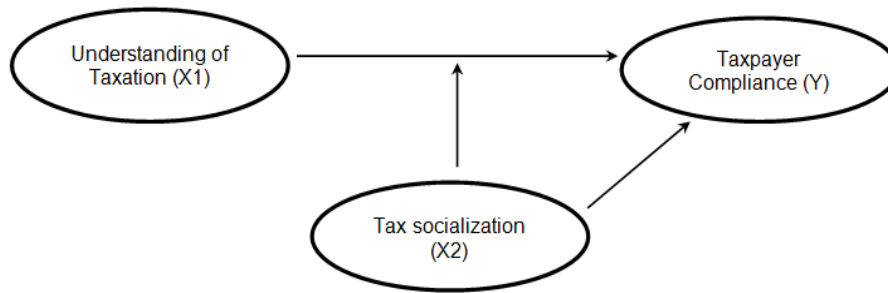


Fig. 1. Research conceptual framework

Table 2. Characteristics Respondents

No	Characteristics	Classification	Number of Respondents (people)	Percentage Respondents (%)
1	Age	20 - 30 Years	44	44
		31 - 40 Years	31	31
		> 40 Years	25	25
		Amount	100	100
2	Gender	Man	55	55
		Woman	45	45
		Amount	100	100
3	Last Educational Level	Senior High School	15	15
		Diploma	26	26
		Bachelor	49	49
		Postgraduate	10	10
		Amount	100	100
4	Work	Private sector employee	36	36
		Self-employed	49	49
		Government employees	15	15
		Amount	100	100

4.1.1 Test validity

Validity Test is a procedure to ensure the validity of the questionnaire that will be used to measure research variables. To find out if the statement item is valid by looking at the Corrected Item Total Correlation value. If the statement item has $r_{count} > r_{table}$ then it can be said to be valid. In this study, the number of samples $(n) = 100$ respondents and the amount of DF can be calculated as $100 - 2 = 98$ with $DF = 98$ and $\alpha = 0.05$, $r_{table} = 0.1654$. So, valid statement items have r_{count} greater than 0.1654. The results of the data validity test in this study can be seen in the following Table 3.

Table 3 shows that all statement items have positive correlation coefficient values and are greater than r_{table} . This means that the questionnaire statement items obtained are valid and further data testing can be carried out.

4.1.2 Test reliability

The reliability test was also carried out on valid questions. Reliability testing was carried out using the Cronbach's Alpha Technique, which is a technique for testing inter-item consistency of items whose answers may vary on an attitude scale. While the significance level used is 5%.

Reliability test results obtained that Cronbach Alpha on each respectively variable > 0.6 , so that can conclude that answers on results questionnaire from time to time stated reliable and testable and classic assumptions test hypothesis.

4.1.3 Test assumption classic

The results of the classical assumption test for normality, heteroscedasticity, and multicollinearity can be said to have passed the classical assumption test. In the normality test,

the Kolmogorov-Smirnov value indicated by the asymp sig (2 tailed) is above 0.05 or 5%, which is 0.098. The heteroscedasticity test in this study shows the output of the Glejser test results that there is no significant relationship between all independent variables on the residual absolute value which is indicated by a significance value of 0.129 for variable X1 (understanding of taxation) and 0.216 for variable X2 (socialization taxation) is greater than 0.05 which means this model is free from heteroscedasticity. The multicollinearity classic assumption test study showed a tolerance value of 0.509 and a VIF value of 1.966, which means that both show values greater than 0.10 and less than 10 which can be said with these results multicollinearity does not occur.

4.1.4 Test hypothesis

This study uses the Moderation Regression Analysis (MRA) technique to test the hypothesis. MRA is a special analysis of multiple linear regression where the regression equation contains an interaction (multiplication of two or more independent variables with the moderating variable in this case the moderating variable refers to tax socialization. The following Table 4 shows the results of the moderation regression

test: The simple linear regression test aims to analyse the effect of understanding the taxation of MSME taxpayer compliance in Badung Regency. Linear regression analysis is a statistical analysis that is parametric and uses data whose measurement scale is normally distributed. The following is a table of multiple linear regression results.

The test results in Table 5 show the coefficients of the influence of understanding of taxation, tax socialization and the interaction of socialization with understanding of taxation. Variable interaction is obtained by multiplying the value of understanding taxation with socialization. From the output of Table 5 it can be seen that the value of the tax understanding variable obtains a significance value of 0.003 <0.01 (H1 is accepted), a significance value; variable of tax socialization 0.08 <0.10 (H2 accepted) and interaction value X1.X2 (understanding <> socialization) obtained a significance value of 0.008 <0.05) which means it has a significant influence on Tax Compliance, meaning that tax socialization is able to strengthen the relationship between the influence of tax understanding and taxpayer compliance, so that it can be concluded that hypothesis 3 (H3) is accepted.

Table 3. Validity test results

Variable	Items	R Count	R Table	Information
Tax Understanding	X1.1	0.865	0.1654	Valid
	X1.2	0.874		Valid
	X1.3	0.767		Valid
	X1.4	0.705		Valid
	X1.5	0.517		Valid
Taxpayer Compliance	Y1.1	0.777	0.1654	Valid
	Y1.2	0.746		Valid
	Y1.3	0.682		Valid
	Y1.4	0.741		Valid
	Y1.5	0.739		Valid
	Y1.6	0.565		Valid
Tax Socialization	Z1.1	0.788	0.1654	Valid
	Z1.2	0.834		Valid
	Z1.3	0.793		Valid
	Z1.4	0.780		Valid
	Z1.5	0.793		Valid
	Z1.6	0.697		Valid
	Z1.7	0.689		Valid

Table 4. Reliability test

No	Variable	Cronbach's Alpha	Information
1	Tax Understanding	0.801	Reliable
2	Taxpayer Compliance	0.802	Reliable
3	Tax Socialization	0.884	Reliable

Table 5. Moderation Regression Analysis (MRA)

Model	Coefficient	Standard error	t	Probability value	Information	Hypothesis testing
Tax Understanding (H1)	0.059	0.020	3,021	0.003*	Significant	Accepted
Tax Socialization (H2)	0.44	0.357	1,772	0.080***	Significant	Accepted
X1<->X2 (H3)	1,373	0.503	2,728	0.008**	Significant	Accepted

Description: * = significant at $\alpha = 1\%$; ** = significant at $\alpha = 5\%$; *** = significant at $\alpha = 10\%$

4.2 Discussion

The first hypothesis (H1) states that understanding of taxation has a significant positive effect on taxpayer compliance. Based on the t test results obtained a significance value of 0.000 with a regression coefficient value of 0.427 and a positive t count value of 3.021. Significance value $0.003 < 0.05$, it can be concluded that H1 is accepted. This result means that the better the understanding of taxation, the more it will increase the taxpayer compliance of MSME managers at K PP Badung. Understanding taxation is a process in which taxpayers learn and apply their knowledge to carry out and fulfil all their tax obligations [19]. An understanding of taxation is a basic thing that must be owned by every taxpayer, because without it, the taxpayer will find it difficult to fulfil all of his tax obligations. Taxpayers who have an understanding of taxation will know what obligations a taxpayer must carry out (Indiana, 2020). The higher the level of understanding of taxation owned by the taxpayer, the higher the level of taxpayer compliance in carrying out their tax obligations. Based on attribution theory, understanding of taxation is included in internal factors that can affect taxpayer compliance, where the behaviour shown by taxpayers is behaviour that is believed to be under the personal control of each individual without any coercion from outsiders [31]. The results of this study are in line with research conducted by Zahrani & Mildawati [21] and Cahyani and Noviyari [22] which state that understanding of taxation has a significant positive effect on taxpayer compliance.

The second hypothesis (H2) states that tax socialization has a significant positive effect on taxpayer compliance. Based on the t test results obtained a significance value of 0.080 with a regression coefficient value of 0.44 and a positive t count value of 1.772. Significance value $0.080 < 0.10$ it can be concluded that H2 is accepted. This result means that the better the tax socialization, the more it will increase the taxpayer compliance of MSME managers at K

PP Badung. Socialization can be interpreted as learning a person's norms, values, and behaviour in the hope of forming reforms so as to make an organization effective. If it is related to the tax sector, socialization means the efforts made by the government to help convey information to the public regarding the tax sector [23]. Socialization of taxation is an effort that can be carried out by the government so that it can provide an understanding regarding taxation to the public with the aim of providing an understanding both in terms of procedures or regulations regarding taxation with a predetermined method. In 2014 the Director General of Taxes updated the SPT reporting system and paid taxes online, namely by using the e-filing system. Therefore, the Director General of Taxes always tries to share this information through counselling and socialization so that people know and understand more about this matter. In order to achieve the goal, socialization must be carried out optimally. By holding optimal socialization it can increase one's knowledge related to taxes. The more knowledge received by the community can slowly also add to the awareness of the community to be more obedient in paying their taxes [32]. Taxpayers already have good awareness of paying, so that the level of compliance continues to increase. The results of this study support the findings of Purba [24] who succeeded in proving that the socialization variable Taxation has a positive effect on one's compliance, in this case MSME actors, to pay their taxes. This means that the level of socialization held by the local government has an influence on whether or not people obey to pay their taxes.

The third hypothesis (H3) proposed in the study proves that Tax Socialization moderates tax understanding of taxpayer compliance. The results of the analysis show that the significance level is 0.008 which is smaller than 0.05. This positive regression coefficient means that tax socialization strengthens the relationship between tax understanding variables and taxpayer compliance. Based on the results of the analysis, it shows that the interaction between tax socialization and understanding of taxation

affects taxpayer compliance. This means that the third hypothesis which states that risk preference moderates understanding of taxation on taxpayer compliance is accepted. Understanding is a process of passing one's knowledge. Even though the Directorate General of Taxes has tried to make it easy for taxpayers and the public to understand and carry out their tax obligations, in reality, some taxpayers do not/have not carried out their tax obligations properly voluntarily (voluntarily) because taxpayers do not understand the provisions/obligations in the tax sector? Taxation. Tax understanding is a very important factor in helping taxpayers carry out the level of taxpayer compliance, especially a basic understanding of taxation. Tax understanding is obtained from socialization carried out by the Tax Service Office (KPP). Good tax socialization will increase the taxpayer's knowledge of all applicable tax provisions. Taxpayers with adequate knowledge will have an impact on their compliance in fulfilling all tax obligations. The results of the statistical descriptive analysis prove that the actual value of the tax socialization variable is greater than its theoretical value. This proves that taxpayers feel that there is socialization with various media carried out by KPP Pratama which has an impact on increasing understanding or knowledge of taxpayers about tax provisions. With adequate knowledge, taxpayers can automatically calculate the tax owed, fill out SPT and even report their own taxes. This will have an impact on increasing taxpayer compliance.

5. CONCLUSION

Based on the results of the analysis above, it can be concluded that the taxpayer compliance of MSME actors in Badung Regency can be increased if the taxpayer understands well how knowledge of taxation aspects is in the business world, both from the effort to record transactions, calculate bills or tax burden to be paid and payment tax debt in a timely manner is directly affected by the intention to comply. However, this effort will not run optimally if there is no dissertation with the role of tax socialization. The existence of this socialization provides additional knowledge and understanding in the aspects of taxation. The results of this test indicate that tax socialization can be justified as a moderating variable for the effect of understanding taxation on taxpayer compliance of MSME actors in Badung Regency. To improve related research obedience must tax MSMEs with tax socialization as a variable moderation, researcher provide

suggestions for research, Furthermore as following: 1) Government can increase compliance must tax in making payments and reporting tax with expand socialization tax and use various media which easy reached by must tax especially MSMEs (such as: Facebook, Instagram, whatsapp, and etc.), so that taxpayers understand more right And obligation they as must tax. 2) Para MSME actors in a manner aware of the importance of following tax socialization which given by government and actively support government programs in increasing tax understanding MSMEs, especially tax incentives given for MSMEs. Future researchers can use variable other (like tax rate , penalty tax, date tax payment and reporting , E-Filing , and others other) to obedience must tax; as well as being able to use a more varied research framework model, such as using intervening variables or adding one moderating variable in further research.

COMPETING INTERESTS

Authors have declared that no competing interests exist.

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