



The Effect of E-Commerce Tax Implementation, Taxpayers Knowledge and Tax Morale on MSME's Taxpayers Compliance

I Putu Adrian^{*}, Agus Fredy Maradona

Department of Economics and Business, Universitas Pendidikan Nasional (UNDIKNAS) Denpasar, Denpasar, Indonesia

ABSTRACT

In order to run and develop the government, surely the government requires lot of funds. The funds are obtained from all potential resources owned by a country and contributions from the public that are binding, one of them is in the form of tax. This research aimed to examine the effect of E-commerce tax implementation, tax payers knowledge and tax morale on MSME's taxpayers compliance. The sample used in this research was 75 respondents who were e-commerce based MSME business owners using the Ferdinand formula. This research uses quantitative research method that using questioner that distributes to respondents. The results of this research shows that E-commerce tax implementation has a significant effect on MSME's taxpayer compliance, taxpayer knowledge has a significant effect on MSME's taxpayer compliance and tax morale has a significant effect on effect on MSME's taxpayer compliance and E-commerce tax implementation, taxpayer knowledge and tax morale have a significant effect on effect on MSME's taxpayer compliance.

Keywords: E-commerce; Taxpayer knowledge; Tax morale; Taxpayer compliance

INTRODUCTION

Background

In order to carry out and develop the government, of course the government need not a little money. The funds are obtained from all potential resources owned by a country and community contributions that are binding, one of which is tax. As one of the elements in state revenue, tax has a large role in the framework of national development in all sectors in the education, health, infrastructure and other supporting sectors of the country's development. According to Undang-Undang Nomor 28 Tahun 2007 Tentang Ketentuan Umum dan Tata Cara Perpajakan, the definition of tax is a mandatory contribution to the state which is stipulated by an individual or entity that is compulsory under the law, by not receiving direct compensation and being used for the needs of the state for the greatest prosperity of the people [1].

Electronic commerce (E-commerce) is the sharing of business information, maintaining business relationships and conducting business transactions by means of telecommunications networks.

Along with the changing business model from conventional to modern, it is also needed how tax regulation regulates it. This is because in principle, E-commerce transactions with conventional business systems are almost the same, namely the existence of buying and selling activities in it, it's just the medium that distinguishes.

Business transaction activities through E-commerce are in great demand by business people because this way can be done easily, quickly, saves time and costs and can be done at any time. But as there is rapid progress in the business world, it is not always followed by the implementation of regulations that govern it.

But until now with the implementation of the E-commerce tax there are still not many E-commerce business people who are compliant to pay their tax payable. Tax payers compliance is also closely related to tax morale from the relevant taxpayers. Healthy taxation practices do not only rely on the strength of systems oriented to optimizing taxation, in which there are moral aspects that complement or even strengthen the existence of a taxation

Correspondence to: I Putu Adrian, Department of Economics and Business, Universitas Pendidikan Nasional (UNDIKNAS) Denpasar, Denpasar, Indonesia; E-mail: putuadrian25@gmail.com

Received: 20-Jan-2020, Manuscript No. IJAR-24-3152; **Editor assigned:** 23-Jan-2020, PreQC No. IJAR-24-3152 (PQ); **Reviewed:** 06-Feb-2020, QC No. IJAR-24-3152; **Revised:** 01-Jul-2024, Manuscript No. IJAR-24-3152 (R); **Published:** 29-Jul-2024, DOI: 10.35248/2472-114X.24.12.377

Citation: Adrian IP, Maradona AF (2024) The Effect of E-Commerce Tax Implementation, Taxpayers Knowledge and Tax Morale on MSME's Taxpayers Compliance. Int J Account Res. 12:377.

Copyright: © 2024 Adrian IP, et al. This is an open-access article distributed under the terms of the Creative Commons Attribution License, which permits unrestricted use, distribution, and reproduction in any medium, provided the original author and source are credited.

system, the taxation system must have a moral dimension so that the practice of taxation comes out of the impression of rigid, mechanistic and procedural. But until now, with the enactment of the E-commerce tax, there are still not many E-commerce business people who are obedient to paying their tax payable. This is of course motivated by their lack of understanding of regulations or understanding of taxes. No exception for online shop owners who feel less aware of the issuance of this regulation. Understanding of taxpayers is certainly one of the factors that cause this [2].

MATERIALS AND METHODS

E-commerce tax

One application of technology and information in the field of commerce is electronic commerce (E-commerce). Electronic commerce or E-commerce, is the buying and selling of goods and services on the internet. E-commerce can be defined as the application and application of technology related to commercial transactions such as online product marketing, fund transfers, data transfers and others. The principles and objectives of E-commerce transactions are the same as other trades, but differ in terms of the way or tool used. E-commerce taxation regulations in Indonesia note that there are no new tax objects in E-commerce transactions and there is a need to realize uniformity in understanding aspects of ecommerce taxation that occur in Indonesia [3].

Tax

According to James and Nobes, a tax is a compulsory levy made by public authorities for which nothing is received in return. From the definition above it can be said that tax is an obligation that must be paid by Indonesian citizens, including taxpayers and business entities with the aim of the people's welfare in the form of infrastructure, community services and others.

Taxpayer

According to Liberti, in accordance with taxation provisions, those who carry out tax obligations to the state are called taxpayers. In Pasal 1 Undang-Undang Ketentuan Umum Perpajakan (KUP) stated "Taxpayers are individuals or entities, which include taxpayers, tax cutters and tax collectors, who have taxation rights and obligations in accordance with the provisions of tax legislation".

Taxpayers knowledge

Taxpayers are individuals or entities who have the obligation to pay taxes from income earned in accordance with applicable regulations. According to knowledge and understanding of taxation regulations is the process by which taxpayers know about taxation and apply that knowledge to pay taxes [4]. The intended understanding can be interpreted to understand and understand how the provisions and procedures for taxation in general such as how to pay taxes, report tax returns

(notification), know the requirements to become a taxpayer such as must have a tax ID and sanctions that will be imposed if not paying taxes accordingly with applicable provisions.

Tax moral

Tax morals, seen as intrinsic motivation to pay taxes. According to tax morale is an intrinsic motivation to obey and pay taxes so that it contributes voluntarily to the provision of public goods. This concept can aid in explaining why tax non-compliance deterrence based on the economic factors cannot clarify efficient high levels of tax compliance.

Taxpayers compliance

According to James and Alley, tax compliance refers to the willingness of individuals or legal entity to act in accordance with in both the 'spirit' and the 'letter' of the tax regulation and administration without the application of enforcement activity. Prior to that, defined tax compliance as filing all required tax returns at the proper time and that returns accurately report tax liability in related with the tax regulation applicable at the time the return is filed [5].

Research sites

This research was carried out in Bali by distributing questionnaires to small medium enterprise owners in Bali based online as a medium for running business.

Population and sample

The population in this study are the number of small medium enterprise owner in Bali. The population number is not yet known with certainly because the number of small medium enterprise in Bali can increase over time. In multivariate research the determination of the minimum number of samples is calculated based on the following formula gain the number of respondents are 75 samples.

Data collection technique

The technique of collecting data in this study is by distributing questionnaires. To determine the answer from the questionnaire score, the writer uses a rating scale. Rating scale (scale rating) is a tool to obtain data in the form of a list that contains the characteristics of the behavior to be studied that must be recorded in stages, using this rating scale, the author can obtain a more subjective answer from the sample. The rating scale that will be used in this study start from 0 until 10 [6].

RESULTS AND DISCUSSION

Characteristic of respondents

Data in this study were obtained from 75 respondents through questionnaires for three weeks. The following explanation covers the four criteria of respondents, namely based on sex, age, age and income.

Test results validity and reliability of research instruments

Validity test: Based on the results of the instrument test by distributing questionnaires to 75 respondents, all indicator variables in this study are E-commerce tax variables, taxpayer knowledge, tax morale and taxpayer compliance valid because they have a correlation coefficient of more than 0.30 [7].

Reliability test: Based on the results of the instrument reliability test, the variable instruments in this study, namely E-commerce tax variables, taxpayer knowledge, tax morale and taxpayer compliance are said to be reliable because each variable has an alpha value greater than 0.70 (Table 1).

Table 1: Reliability test.

No	Variable	Cronbach's alpha	Explanation
1	E-commerce tax	0.995	Reliable
2	Taxpayer knowledge	0.997	Reliable
3	Tax morale	0.993	Reliable
4	Taxpayer compliance	0.997	Reliable

Normality test: Based on the normality test shows that the value of asymp. sig. (2-tailed) is 0.241, which is greater than 0.05, which shows that the data are normally distributed, so it can be

concluded that the model meets the normality assumption (Table 2) [8].

Table 2: Normality test.

Variables		Unstandardized residual
N		75
Normal parameters ^{a,b}	Mean	0E-7
	Std. deviation	10.27815019
Most extreme differences	Absolute	0.119
	Positive	0.051
	Negative	-0.119
Kolmogorov-Smirnov Z		1.028
Asymp. Sig. (2-tailed)		0.241

Multicollinearity test: Based on multicollinearity test, it is shown that all independent variables have a tolerance value >0.10, as well as the results of the calculation of VIF values, all

variables have a VIF value <10. This means that the regression model made there are no symptoms of multicollinearity (Table 3).

Table 3: Multicollinearity test.

Model		Collinearity statistics	
		Tolerance	VIF
1	(Constant)		
	E-commerce tax	0.287	3.483
	Taxpayer knowledge	0.247	4.043
	Tax morale	0.315	3.176

Heteroscedasticity test: Based on heteroscedasticity test, it is shown that each model has a significance value greater than 0.05. Means that in this regression model there is no similarity

in variance from residuals of one observation to another or heteroscedasticity does not occur (Tables 4 and 5).

Table 4: Heteroscedasticity test.

Model		Unstandardized coefficients		Standardized coefficients	T	Sig.
		B	Std. error	Beta		
1	(Constant)	0.681	2.817	-	0.242	0.81
	E-commerce tax	-0.022	0.09	-0.052	-0.247	0.806
	Taxpayer knowledge	0.037	0.06	0.14	0.614	0.541
	Tax morale	0.105	0.096	0.221	1.097	0.276

Table 5: Descriptive statistics analysis.

Descriptive statistics					
Variables	N	Minimum	Maximum	Mean	Std. deviation
E-commerce tax	75	24	72	48.7467	15.69825
Taxpayer knowledge	75	31	117	79.12	25.47174
Tax morale	75	24	72	49.8133	14.1762
MSME's taxpayer compliance	75	39	108	71.72	24.25404

From the table above, the description of each variable can be described as follows:

E-commerce tax: Based on descriptive statistics analysis, the minimum value of E-commerce tax is 24.00 while the maximum value is 72.00. The average value of E-commerce tax is 48.7467 and the standard deviation is 15.69825 [9].

Taxpayer knowledge: Based on descriptive statistics analysis, the minimum value of taxpayer knowledge is 31.00 while the maximum value is 117.00. The average value of taxpayer knowledge is 79.1200 and the standard deviation is 25.47174.

Taxpayer morale: Based on descriptive statistics analysis, the minimum value of tax morale is 24.00 while the maximum value is 72.00. The average value of the tax morale is 49.8133 and the standard deviation is 14.17620.

MSME's taxpayer compliance: Based on descriptive statistics analysis, the minimum value of MSME's taxpayer compliance is 39.00 while the maximum value is 108.00. The average value of the tax morale is 71.7200 and the standard deviation is 24.250404.

Multiple linear regression analysis

From the test results shows the magnitude (R²) is 0.813, this means that 81.3% variation of taxpayer compliance variables can

be explained by variations of the three E-commerce tax variables, taxpayer knowledge and tax morale. While the rest (100%-81.3%=18.7%) is explained by other causes outside the research model [10].

The effect of taxpayer knowledge (X₂) partially on MSME's taxpayer compliance (Y)

Testing the significance of the influence of taxpayer knowledge (X₂) on taxpayer compliance (Y), partially carried out by conducting a t test, namely by comparing the value of t calculated with the value of t table and the significance of t with α (0.05). The significance value of the taxpayer knowledge is $0.000 < \alpha$ (0.05) and the t-test value is 4.261 which is greater than the t table value of 1.993 which means the rejection of H₀ so that H₂ can be accepted, so that taxpayer knowledge has a significant positive effect on taxpayer compliance. From the results of this study it can be interpreted that the better the taxpayer's knowledge of taxes will increase the SME taxpayer compliance in Bali [11].

The effect of tax morale (X₃) partially on MSME's taxpayer compliance (Y)

Testing the significance of the influence of tax morale (X₃) on taxpayer compliance (Y) partially carried out by conducting a t

test, that is by comparing the calculated t value with t table value and the significance of t with α (0.05). Based on table 4.14 the significance value of tax morale $0.002 < \alpha$ (0.05) and the value of t count 3.256 which is greater than the t table value of 1.993 means rejection of H_0 so that H_3 can be accepted, so that tax morale has a significant positive effect on taxpayer compliance. From the results of this study it can be interpreted that the better the tax morale will increase the UMKM taxpayer compliance in Bali.

The effect of E-commerce tax (X1), taxpayer knowledge (X2) and tax morale (X3) simultaneously on MSME's taxpayer compliance (Y)

Testing the significance of the effect of E-commerce tax (X1), taxpayer knowledge (X2) and tax morale (X3) on taxpayer compliance (Y), simultaneously carried out by conducting the F test, namely by comparing the significance value of F with α (0.05). The significance value of F calculates the e-commerce tax variable, taxpayer knowledge and tax morale with a sig value of $0.000 < \alpha$ (0.05), which means E-commerce tax, taxpayer knowledge and tax morale have a significant effect on taxpayer compliance. From the results of this study it can be interpreted that the better E-commerce tax, taxpayer knowledge and tax morale will increase MSME taxpayer compliance in Bali [12].

CONCLUSION

Based on the discussion that has been described in the previous chapter, the following conclusions are obtained:

E-commerce tax has a significant positive effect on MSME's taxpayer compliance. It's shows that the better implementation of E-commerce tax will increase the SMEs compliance taxpayer in Bali. From this conclusion it is expected that with the implementation of e-commerce tax which is supported by the government's role in socializing the regulation, it is expected that the level of tax compliance can increase.

Taxpayer knowledge has a significant positive effect on MSME's taxpayer compliance. Its shows that the better the taxpayer's knowledge about taxes, the higher the taxpayer compliance of SMEs in Bali. From this conclusion it is expected with the increasing understanding of taxpayers both through the socialization of the importance of taxes for the development of a country can further increase taxpayer compliance.

Tax morale has a significant positive effect on MSME's taxpayer compliance.

This means that the better the tax morale will increase the MSME compliance taxpayer in Bali. From this conclusion it is expected that if the public morals on the importance of paying high taxes will indirectly increase the level of compliance of taxpayers themselves.

E-commerce tax, taxpayer knowledge and tax morale together have a significant positive effect on MSME's taxpayer compliance. This means that the better E-commerce tax, taxpayer knowledge and tax morale will increase MSME taxpayer compliance in Bali.

REFERENCES

- Han W. The analysis on Chinese E-commerce tax losses based on the perspective of information asymmetry. *Electron Commer Res.* 2020;20:651-677.
- Panle RA, Okpara AJ. The Nigerian tax policy on E-commerce on social media: A study of e-informal sector. *Open J Bus Manag.* 2021;9(5):2223-2239.
- Tofan M, Bostan I. Some implications of the development of E-commerce on EU tax regulations. *Laws.* 2022;11(1):13.
- Li A. Research on tax collection and management system of e-commerce. *Am J Indus Bus Manag.* 2018;8(11):2256-2266.
- Chang IC, Li YC, Hung WF, Hwang HG. An empirical study on the impact of quality antecedents on tax payers' acceptance of internet tax-filing systems. *Gov Inf Q.* 2005;22(3):389-410.
- Ahmad AB, Udin NB, Rahman RB. Mediating effect of the E-commerce entrepreneur voluntary tax compliance behaviour: Spss process macro. *Russ Law J.* 2023;11(4S):129-149.
- Yang LM, Li X, Liang J. The establishment of the tax system under the e-commerce environment. *Int Semin Future Inf Technol Manag Eng.* 2008:128-132.
- Fridenskold E. VAT and the internet: The application of consumption taxes to E-commerce transactions. *Inf Commun Technol La.* 2004;13(2):175-203.
- Probowulan D, Tjaraka H. Does tax uncertainty affect tax avoidance E-commerce?. *Calitatea.* 2024;25(199):147-154.
- Aquino PG, Jalagat RC, Le DH, Thanh Ha HT. Factors affecting the satisfaction of importers and exporters on E-tax payment procedures at Ho Chi Minh City's customs department. *Cont Admin.* 2021;66(1).
- Yuniarta GA, Purnamawati IG. Spiritual, psychological and social dimensions of taxpayers compliance. *J Financ Crime.* 2020;27(3): 995-1007.
- Horodnic IA. Tax morale and institutional theory: A systematic review. *Int J Soc Soc Pol.* 2018;38(9/10):868-886.