

Tax Incentive Policy, Single Login DJP Knowledge, and Taxpayer Compliance during Covid-19 Pandemic

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DOI - <http://doi.org/10.37502/IJSMR.2022.5705>

Abstract

This study aims to examine the effect of the tax incentive policy and knowledge of single login DJP on taxpayer compliance during the Covid-19 pandemic on corporate taxpayers registered at KPP Pratama Malang Utara. The sampling technique used was accidental sampling by determining the number of samples using the Slovin formula and obtained 99 samples. Data collection was carried out by distributing questionnaires to respondents. The analytical method used is descriptive statistical analysis and linear regression. Hypothesis testing was carried out using SPSS version 26 software. The results showed that the tax incentive policy had a significant positive effect on taxpayer compliance during the Covid-19 pandemic. Knowledge of single login DJP also has a significant positive effect on taxpayer compliance during the Covid-19 pandemic.

Keywords: Tax Incentive Policy, Knowledge of Single Login DJP, Taxpayer Compliance.

1. Introduction

When Covid-19 entered Indonesia, it spread very quickly and many Indonesian citizens were exposed to this virus. The government has imposed Large-Scale Social Restrictions (PSBB) to break the chain of spread, in which this policy limits people's activities and has an impact on the weakening of the country's economy. On the other hand, the government needs substantial funds, one of which is to deal with this pandemic, which can be obtained from the tax sector. Zaqeba et al. (2019) found that attitude, subjective norms, fairness, tax knowledge, trust, tax complexity, moral intensity are factors that influencing tax compliance. While Ma'ruf and Sri (2020) also found that tax rate perception, tax understanding had a positive effect on MSME taxpayer compliance in KPP Pratama Sukoharjo, Indonesia. Still related with tax compliance, Sania and Ivan (2018) investigate factors that influence tax compliance. The study found that taxpayer awareness, moral obligations, and the quality of tax service simultaneously influenced significantly to taxpayer compliance.

Based on the results of those studies above, this research investigate the impact of tax incentive policy and single login DJP knowledge on taxpayer compliance. In order to stabilize the economy, the government issued the policy of providing tax incentives by issuing the Minister of Finance Regulation Number 44/PMK.03/2020 concerning tax incentives for taxpayers affected by the 2019 Corona Virus Disease Pandemic which expands the Minister of Finance Regulation Number 23/PMK.03/2020 regarding the same matter (Pandyanoor, 2020).

Incentives are given to taxpayers throughout Indonesia by carrying out existing procedures through the Tax Service Office (KPP) where the taxpayer is registered. Likewise, the Regional Office of the Director General of Taxes East Java III (Kanwil DJP Jatim III) which is known that the level of taxpayer compliance as of September 2020 has only reached 70% of the target set at 82% (DDTC News, 2020). In addition, the follow-up policy issued by the government to break the chain of distribution is to apply the WFH (Work from Home) system. This also applies to the Tax Service Office, which in mid-March to mid-June imposed a cessation of face-to-face services which were replaced with online services. This has resulted in taxpayers having to know and understand how tax administration is online so that they can still fulfill their tax obligations even though face-to-face services are stopped. One form of online tax administration is the Single Login DJP which is an entry point in one login to get various services needed by taxpayers.

Several studies have been conducted related online system in taxation (Khasanah and Novi, 2016; Oktaviani et al., 2019; Purba et al., 2019; Anggraeni and Apollo, 2022). Khasanah and Novi (2016) states that tax knowledge and modernization of the tax administration system have a positive and significant effect on taxpayer compliance. Oktaviani et al. (2019) indicated that the application of e-Billing system did not affect the taxpayer compliance, while the application of e-Filing system has a positive and significant effect on the tax compliance. The study also stated that understanding the internet is proven to strengthen the positive relationship between the applications of e-Filing system to the taxpayer compliance. Purba et al. (2019) also found that application of the e-filing system partially significant effect on taxpayer compliance. Different with Oktaviani et al. (2019), the Internet understanding variable has no effect on taxpayer compliance. Internet understanding cannot moderate the effect of the E-Filing System Implementation on Taxpayer Compliance (Oktaviani et al., 2019). Anggraeni and Apollo (2022) found that subjective norms, financial conditions, and online tax applications have a significant positive effect on compliance. The study also found that tax incentives are not able to moderate subjective norms, financial conditions, and online tax applications on taxpayer compliance. This research uses collaboration or a combination of the two variables that have been discussed in the previous studies. The variables that investigate in this study are tax incentive policy and Single Login DJP.

2. Literature Review

Tax Incentive Policy

The tax incentives in question are the incentive policies regulated in the Minister of Finance Regulation Number 44/PMK.03/2020 concerning Tax Incentives for Taxpayers (WP) Affected by the 2019 Corona Virus Disease Pandemic. Covered by the Government, Article 22 Import Income Tax Exemption, Article 25 Income Tax Instalment Incentives, and Preliminary Return of Value Added Tax. This incentive is valid from the April - September 2020 tax period. This policy aims to help ease the social and economic burden of taxpayers affected by Covid-19 in order to increase and accelerate the flow of finance and goods in order to stabilize the country's economy.

Single Login DJP

Single Login DJP is the entrance for taxpayers to get various services needed by clicking the login button (yellow) in the upper right corner of the tax.go.id web page. Online tax services

can now be obtained easily by taxpayers because they have been integrated into one space in the Single Login DJP, so that only one login using the taxpayer ID (NPWP) and password owned by the taxpayer can access digital services that have been provided by the DJP, including: Reporting (e-filing, e-reporting, e-bupot, e-CBCR), Payments (e-billing), Taxpayer profiles, Information – Confirmation of Taxpayer Status (i-KSWP), and other administrative services .

Taxpayer Compliance

Obedient taxpayers are taxpayers who comply with and carry out tax obligations in accordance with applicable tax laws and regulations. Taxpayer Compliance according to Ginting, et al. (2017) are efforts to fulfil tax administration obligations by calculating taxes correctly, in accordance with tax provisions, compliance in paying and reporting on time according to the stipulated tax payment and reporting deadlines. The indicators that taxpayers are said to be compliant are (1) registering with the local KPP, (2) reporting the tax return (SPT) on time, (3) calculating and paying taxes owed, and (4) paying tax arrears before maturity.

Hypotheses Development

Figure 1 below is the conceptual model of this study that used to develop hypotheses.

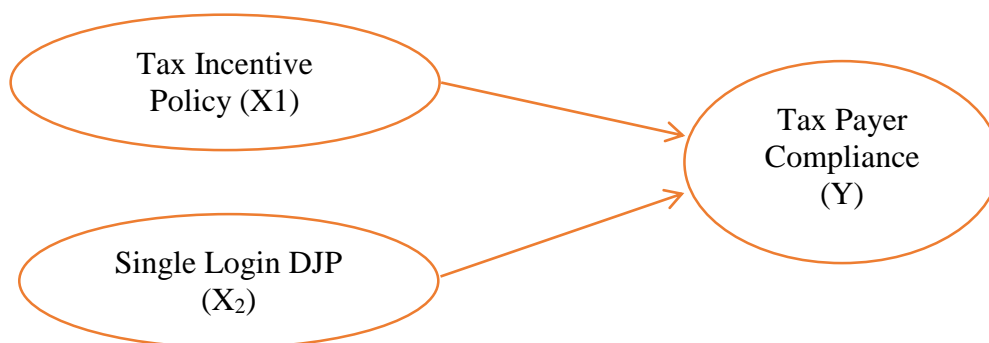


Figure 1. Conceptual Model

The Influence of Tax Incentive Policy on Taxpayer Compliance during the Covid-19 Pandemic

The results of research conducted by Selvi and Alief (2020) show that the government provides tax incentives to help stabilize the situation due to the Covid-19 pandemic in the form of Article 21 Income Tax Incentives, PPh 22 Incentives on Imports, Article 25 Income Tax Installment Incentives, and Value Added Tax Incentives. Furthermore, research conducted by Pandyanoor (2020) shows that this incentive is expected to provide benefits to taxpayers and the state and does not have an impact in the form of economic distortion caused by declining tax revenues. Therefore, the research formulates hypotheses as follows:

H1: Tax Incentive Policy positively influences Taxpayer Compliance during the Covid-19 Pandemic

The influence of Single Login DJP Knowledge on Taxpayer Compliance during the Covid-19 Pandemic

The Single Login DJP was launched to provide automated services that make it easier for taxpayers to fulfill their tax obligations. So that taxpayers do not need to come to the KPP to

report their taxes conventionally but can already report online using one login. Khasanah and Novi (2016) found that tax knowledge and modernization of the tax administration system partially have a significant effect on taxpayer compliance. The more taxpayers know more about taxation and the more developed the tax system is, the more taxpayer compliance will increase. Knowledge of the Single Login DJP can be said to be a collaboration between the two variables above so that knowledge about the modernization of the system, namely the Single Login DJP is thought to be able to increase taxpayer compliance during the pandemic, the researchers formulated hypothesis as follows:

H2: Single Login DJP Knowledge positively influences taxpayer compliance during the Covid-19 Pandemic.

3. Research Method

This study is quantitative causality research because it was conducted to determine the cause and effect between the independent variable and the dependent variable. The data collection method used questionnaires that distributed to respondents and measured using a Likert Scale. The population used in this study were corporate taxpayers registered at KPP Pratama North Malang, which were 9,971 taxpayers. Sampling using the Accidental Sampling technique by determining the number of samples using the Slovin formula, as follows:

$$n = \frac{9.971}{1+(9.971 \times 0,1^2)} = 99 \text{ sample}$$

Measurements and operational variables used in this study can be seen in table 1 below.

Table 1. Operational Variables

No	Variable	Definition	Indicators
1	Tax Incentive Policy (X1)	The policy of providing tax incentives by the Government in dealing with the spread of the corona virus is regulated in Minister of Finance Regulation Number 44/PMK.03/2020 concerning Tax Incentives for Taxpayers Affected by the Covid-19 Pandemic	<ol style="list-style-type: none"> 1. Benefits of the policy of providing tax incentives for taxpayer operations 2. Benefits of the policy of providing tax incentives to encourage paying taxes 3. Benefits of Article 21 Income Tax incentives for DTP 4. Benefits of DTP Final PPh incentives 5. Benefits of Article 22 Import Income Tax exemption 6. Benefits of Article 25 Income Tax installment incentives 7. Benefits of VAT Preliminary Return incentives
2	Single Login DJP Knowledge (X2)	The ability to understand and run the services provided in the Single Login DJP which serves as an entry point to get many digital services with one login or login.	<ol style="list-style-type: none"> 1. Understand the general benefits of Single Login DJP 2. Knowing the e-filing reporting service in Single Login DJP 3. Knowing the e-CBCR reporting service in Single Login DJP 4. Knowing the e-bupot service (proof of deduction) in Single Login DJP

			5. Knowing the payment services in Single Login DJP 6. Knowing the information service-Confirmation of Taxpayer Status in Single Login DJP 7. Knowing other administrative services such as document confirmation in Single Login DJP
3	Taxpayer Compliance (Y)	Tax Compliance, in this case the obedient and obedient taxpayer, and carries out tax obligations in accordance with the applicable tax laws and regulations.	1. Register with KPP 2. Fill out the SPT correctly and completely 3. Reporting SPT in a timely manner 4. Calculate taxes correctly 5. Pay taxes on time 6. Paying tax arrears

The analytical method used in this research is descriptive statistical analysis, quality test (validity and reliability test), multiple linear regression analysis with model test using classical assumption test (normality test, multicollinearity test, and heteroscedasticity test), coefficient of determination test and hypothesis testing use t-test.

4. Results and Discussions

Results

This study has three variables that consists of two variable independents (Tax Incentive Policy and Single Login DJP Knowledge) and one variable dependent (Taxpayer Compliance). Results of statistical descriptive for the three variables based on the responds of 99 respondents can be explained in the table 2 below.

Table 2. Descriptive Variables

Variables	N	Maximum	Minimum	Mean	Std. Deviation
Tax Incentive Policy (X1)	99	25	33	28,88	2,282
Single Login DJP Knowledge (X2)	99	23	33	27,86	2,330
Taxpayer Compliance (Y)	99	22	30	25,92	2,160

Source: Output SPSS

Based on statistical results in table 2, it can be explained that (1) The Tax Incentive Policy Variable (X1) has a minimum value of 25, a maximum value of 33, an average value (mean) of 28.88, and a standard deviation of 2.282; (2) Single Login DJP Knowledge Variable (X2) has a minimum value of 22, a maximum value of 33, an average value (mean) of 27.86, and a standard deviation of 2.330; and (3) The Taxpayer Compliance Variable in the Covid-19 Pandemic Period (Y) has a minimum value of 22, a maximum value of 30, an average value (mean) of 25.92, and a standard deviation of 2.160.

Classical Assumptions

This study used normality test, multicollinearity test, and heteroscedasticity test for classical assumptions. Normality test conducted by using Kolmogorov-smirnov test. Result of Kolmogorof-smirnov test can be seen in the table 3 below.

Table 3. Kolmogorov-Smirnov Test

		Unstandardized Residual
N		99
Normal Parameters ^{a,b}	Mean	.0000000
	Std. Deviation	1.57120937
Most Extreme Differences	Absolute	.056
	Positive	.056
	Negative	-.038
Test Statistic		.056
Asymp. Sig. (2-tailed)		.200 ^{c,d}

Source: Output SPSS

Based on Table 3, the results of the normality test show that the significance value obtained is 0.200, which means it is greater than 0.05, so it can be concluded that the regression model in this study is normally distributed. Table 4 below shows the result of multicollinearity test.

Table 4. Multikolinieritas Test Coefficients^a

	Tolerance	VIF
Tax Incentive Policy (X ₁)	.643	1.555
Single Loan DJP Knowledge	.643	1.555

Source: Output SPSS

Table 4 shows that the tolerance value generated is $0.643 > 0.10$ and the VIF value is smaller than 10, namely 1.555, so it can be concluded that there is no multicollinearity or there is no correlation between the independent variables used. Result of heteroscedasticity can be seen in the figure 2 below.

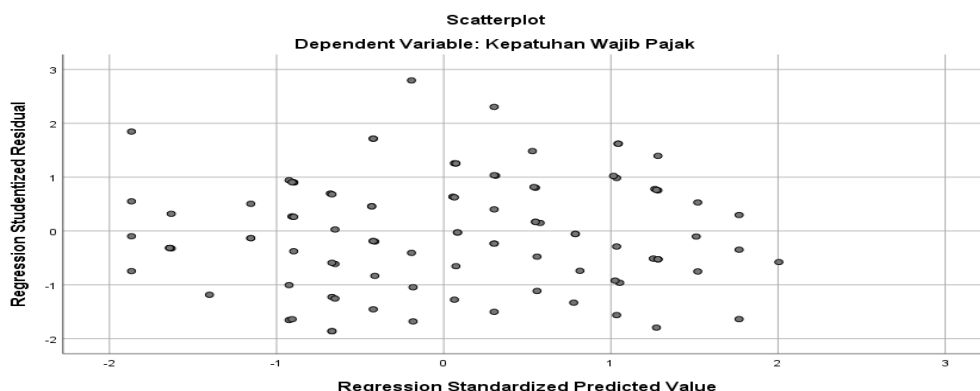


Figure 2. Heteroscedasticity Test

Based on Figure 2, it can be seen that the points spread above and below the number 0 on the Y axis and do not form a certain pattern so that it can be concluded that the regression model used is free of heteroscedasticity.

Determination Coefficient Test (Model R²)

Table 5 below describes the result of determinant coefficient.

Table 5. Determinant Coefficient

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.686 ^a	.471	.460	1.587

Source: Output SPSS

Based on table 5, it can be seen that the value of Adjusted R Square is 0.460, which means that the independent variable can explain the dependent variable by 46% while the remaining 54% is influenced by other independent variables not examined in this study.

Hypotheses Test

The results of hypotheses test can be seen in the table 5 below.

Table 6. Hypotheses Test

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	5.501	2.217		2.481	.015
	Tax Incentive Policy	.367	.088	.387	4.185	.000
	Single Login DJP Knowledge	.353	.086	.381	4.112	.000

Source: Output SPSS

Based on Table 6, it can be seen that X1 has a significance value of $0.00 < 0.05$ and the t value is greater than t table ($4.185 > 1.9849$), so it can be concluded that the policy of providing tax incentives has an effect on taxpayer compliance in the Covid-19 pandemic. Furthermore, the significance value of X2 is $0.000 < 0.05$ and t count $4.112 > t$ table 1.9849 so it can also be concluded that single login DJP knowledge affects taxpayer compliance during the Covid-19 pandemic.

Discussions

The influence of tax incentive policy on taxpayer compliance during Covid-19 Pandemic

The results of hypothesis testing 1 show the t arithmetic value $4.185 > t$ table 1.9849 and a significance value of $0.000 < 0.05$ with a regression coefficient (B) of 0.367 (positive), so it can be concluded that hypothesis 1 is accepted because of the variable Tax Incentive Policy (X1).) has a significant positive effect on Taxpayer Compliance during the Covid-19 Pandemic (Y). This shows that with the policy of providing tax incentives, taxpayer compliance during

the Covid-19 pandemic has not decreased or it can be said that taxpayers remain obedient to fulfill their tax obligations.

These results are in accordance with research conducted by Pandyanoor (2020), Selvi and Alief (2020) which state that the Government provides tax incentives to help stabilize the situation due to the Covid-19 pandemic and also this incentive is expected to provide benefits for both taxpayers and the government, so that tax revenue does not experience a decrease which can cause economic distortion.

The influence of Single Login DJP on taxpayer compliance in the Covid-19 Pandemic

The results of hypothesis testing 2 show the t arithmetic value of $4.112 > t$ table 1.9849 and the significance value of the Single Login DJP Knowledge variable is $0.000 < 0.05$ with a regression coefficient (B) of 0.353 (positive), so it can be concluded that hypothesis 2 is accepted because the variable Single Login DJP Knowledge (X2) has a significant positive effect on taxpayer compliance during the Covid-19 Pandemic (Y). This shows that single login DJP knowledge can also encourage taxpayer compliance levels during the Covid-19 pandemic. By knowing the single login DJP that has been provided, taxpayers can fulfill their tax obligations online during the Covid-19 pandemic.

These results are in line with previous research conducted by Khasanah and Novi (2016) the results show that tax knowledge and modernization of the tax administration system each have a significant effect on taxpayer compliance. The variable used in this study is a collaboration of the two variables, namely knowledge about the modernization of the tax system, namely the Single Login DJP. Therefore, it can be concluded that Single Login DJP knowledge can encourage taxpayers to comply with their tax obligations during the Covid-19 pandemic.

5. Conclusion

Based on the description of the research results and discussion, it can be concluded from this research as follows; (1) the results of testing the first hypothesis show that the policy of providing tax incentives has a significant positive effect on taxpayer compliance during the Covid-19 pandemic; (2) the results of testing the second hypothesis indicate that the knowledge of the single login DJP has a significant positive effect on taxpayer compliance during the Covid-19 pandemic.

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