

THE INFLUENCE OF TAX SYSTEM AND TAX JUSTICE ON TAXPAYER PERCEPTIONS OF TAX EVASION DURING THE COVID 19 PANDEMIC

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ABSTRACT

This research examines the effect of the taxation system and tax justice on the perception of taxpayers regarding tax evasion during the Covid-19 pandemic, a case study at the Pratama Tax Service Office in Tigaraksa. The population in this research is an individual taxpayer who is registered at the Pratama Tax Service Office in Tigaraksa and the sampling in this research uses the slovin formula, thus obtaining 100 respondents as the research sample. This research uses quantitative methods. The sampling technique used in this research was determined through the accidental sampling method, i.e. data collection was collected by distributing questionnaires by chance. The data analysis technique used is multiple linear regression. Based on the analysis results show that the taxation system has a significant effect on the perception of taxpayers regarding tax evasion, which means that the better the taxation system, the less tax evasion can be minimized. In addition, tax justice has a significant effect on the perception of taxpayers regarding tax evasion, which means that the better tax justice, the less tax evasion tends to be. In this research, the most dominant variable influencing is the taxation system because it has a coefficient value of 0.463.

Keywords: Taxation System, Tax Justice, Tax Evasion

INTRODUCTION

The general amount of government in the state budget that must be prepared every year is not supported by government revenue from other sectors besides taxes. This is triggered by the government to be able to collect as much tax as possible. However, the tax revenue target set by the government is still not optimal in its achievement, because there are still many people who do not pay their taxes intentionally or people who are reluctant to deposit their outstanding taxes in accordance with established regulations. Indonesia experienced the Covid-19 Pandemic which caused various sectors to be affected. At the beginning of the pandemic, the death rate and transmission due to Covid-19 continued to rise, causing the country's economy to be affected due to the large amount of state spending. The taxation sector was also affected by the Covid-19 pandemic which resulted in state revenues experiencing a drastic decline from previous years.

Tax evasion is the cause of the factor where the realization of the tax revenue target is not realized. The main reason why taxpayers prefer to commit tax evasion over tax avoidance is because of the consequences. Tax avoidance requires a competent understanding and knowledge of their industry, where they are familiar with the ins and outs of the rules and regulations that affect taxpayers and can identify loopholes that can be utilized to lower the cost of existing restrictions. This is usually done by tax consultants, so it can be considered forced tax evasion. So, it can be concluded that it is easier to commit tax evasion, even if it is illegal.

One indication of tax evasion committed by tax officials themselves, for example the case of tax evasion and money laundering amounting to 25 billion committed by tax officials. This can lead to

negative thoughts about taxes. Finance Minister Sri Mulyani Indrawati revealed that public trust in the Ministry of Finance's Directorate General of Taxes had faded, after the tax evasion case committed by the tax officials themselves. Furthermore, it is difficult for responsible officials to collect taxes from the public. She revealed that because of this case individuals have a bad perception of the Directorate General of Taxes. but more regrettably, they present a defense of the reasons for not fulfilling the obligation to pay taxes (sidonews.com, 2016).

Taxpayers' perceptions in terms of tax evasion can be formed due to the existing reality of officials who are responsible for committing fraud, so they view tax evasion as a moral thing to do given the facts that the cash they pay is not used to support state costs. Taxpayer perceptions of tax evasion can be influenced by several factors, namely tax rates, norms, compliance, discrimination, tax justice and the tax system. then the authors chose 2 variables that might affect taxpayer perceptions of tax evasion, namely the tax system and tax justice.

In addition to tax evasion, it is easy to do other factors that cause taxpayers to carry out tax evasion during the covid 19 pandemic, namely the absence of tax justice, taxpayers feel injustice because they must continue to deposit the tax due not in accordance with the income they get during the covid 19 pandemic because many heads of families were laid off and the government's efforts to prevent the rate of transmission by closing the area and regional quarantine. With the efforts made in preventing Covid-19, the economic income of the community has also been affected.

Based on the background of the research above, due to the broad scope of the discussion on tax evasion. Therefore, the authors only focus on the taxation system and tax justice on taxpayer perceptions of tax evasion during the covid 19 pandemic. The objectives of this research are as follows:

1. To determine the effect of the taxation system on taxpayer perceptions of tax evasion at KPP Pratama Tigaraksa.
2. To determine the effect of tax justice on taxpayer perceptions of tax evasion at KPP Pratama Tigaraksa.
3. To determine the effect of the taxation system and tax justice on taxpayer perceptions of tax evasion at KPP Pratama Tigaraksa.

At the beginning of the article the background and the literature are presented, followed by the method and the discussion and findings. At the end, the conclusion and implication also recommendation are available to complete it.

THEORY, LITERATURE REVIEW, AND HYPOTHESIS

According to Lubis (2017) perception is a human view in explaining events, objects, and people. humans do things based on their perceptions regardless of whether these perceptions reflect real facts or not. In fact, everyone has their own personal perception of an event. A description of a man or woman's reality can be very unique from another person's description. According to Stanton (Nugroho, 2013) It is possible to define perception as the significance we give to events based on prior knowledge and sensory input.

According to Harmi (2017) the taxation system is a methodical technique to control how tax payments are collected so that they are sent to the state treasury. According to Mesiono & Rahmat (2021) the taxation system is a mechanism that regulates how the tax rights and obligations of a taxpayer are carried out. The taxpayer himself is defined as a private person or entity, including taxpayers, tax with holders and tax collectors who have tax rights and obligations in accordance with the provisions of tax laws and regulations.

According to Andri (2021) the taxation system is a component of tax collection with a self-assessment system which includes the realization and role of taxpayers directly in carrying out the fulfillment of taxation rights and obligations.

According to Rahayu (2017) The taxation system is a system that together with the elements of Tax Policy, Tax Law and Tax Administration, so that they can be connected to one another, run together jointly to achieve the goal of obtaining tax revenue for the state optimally. Good tax management is an important factor because of first-class tax regulations and good tax regulations.

According to Enggar (2019) Tax justice can be seen from the government's behavior towards the community which will affect people's behavior and can commit tax evasion. According to Sinambela (2016) justice is very relative. The principle of justice must be held consistently in the principles of implementation and tax regulations.

According to Ricard A Musgrave and Peggy B Musgrave in the book Public Finance in Theory and Practice, the fairness of tax collection is divided into two types of principles of justice, namely: 1) Ability Principle. The tax imposed on the taxpayer should be commensurate with the ability to pay taxes. 2) Benefit Principle, The tax system must be fair for all taxpayers in paying their taxes in accordance with the benefits received from the government.

In tax collection, there are differences in justice issues, namely: 1) Vertical Justice, this justice is intended for taxpayers who have the same economic level, so the tax burden must be equalized. 2) Horizontal Justice, this justice is intended for taxpayers who earn the same income and number of dependents, so the tax burden must be equalized.

Tax evasion occurs before the Tax Assessment Letter (SKP) is issued. This is a violation of the law with the intention of escaping tax or reducing the basis for tax determination by hiding part of the income. Tax evasion is a despicable act committed by the taxpayer or his expert advisor with the aim of intentionally or unintentionally violating the provisions of the applicable tax laws and regulations.

According to Sumarsan (2017) tax evasion is an illegal act with the aim of escaping from the party / lowering the basis of the tax assessment by covering half of his income.

According to Rahayu (2017) tax evasion is an energetic action carried out by taxpayers when eliminating or removing the tax burden owed illegally because it is against the law of tax law guidelines and regulations. According to Kautsar and Heru (2019) Tax evasion is an attempt to reduce the amount of tax with the help of violating regulations. Tax evasion is carried out in advance of the Tax Assessment Letter (SKP) being issued this is against the law with the aim of avoiding tax responsibility.

RESEARCH METHODS

This research took place at the Tax Service Office (KPP) Pratama Tigaraksa. this research uses quantitative methods. Quantitative methods are used as research techniques that prioritize the philosophy of positivism, used to look at populations or positive samples of a series of facts using research tools, quantitative or statistical analysis of information, with the aim of checking predetermined hypotheses (Sugiyono, 2021). The quantitative method intends to recognize the effect of the taxation system and tax justice on taxpayers' perceptions of tax evasion.

In this research, the variables used are 2 variables, namely the dependent variable, namely the taxation system and tax justice. And one independent variable, namely tax evasion. In obtaining the information needed to complete this research method, primary facts are used through questionnaires that come from the object of research directly and secondary facts are obtained from various statistical sources, especially books, journals, internet media and the number of taxpayers registered at the Tigaraksa Pratama Tax Service Office, Tangerang Regency. The data collection technique for this study used a questionnaire. The questionnaire is one way of collecting information from respondents by providing written information (Sugiyono, 2021) The questionnaire response was measured using a Likert scale. The Likert scale is used to estimate individual or group views on social issues.

The first independent variable is the taxation system (x_1). The tax system can be said to have a

unity including tax laws, tax coverage and tax administration that are interrelated to achieve the goals and objectives of obtaining tax revenue. The second independent variable is tax justice (X2). Fairness in taxation indicates the right of taxpayers to challenge their tax claims fairly. The dependent variable in this study is tax evasion Tax evasion is an attempt to manipulate taxes, a strategy to save tax payable by violating the tax regulations payable.

The population consists of individual taxpayers registered at KPP Pratama Tigaraksa as of July 29, 2022 totaling 638,904 individual taxpayers. The sample taken is included in the non-probability sampling category with the accidental sampling method. The number of samples using is 100.

The research instrument test is divided into two tests. The first test is by conducting a validity test and the second test is by conducting a reliability test. The validity measure uses convergent validity of the underlying structure formation indicators. The validation test is carried out by comparing the calculated r value for a significance level of 5% (5%) degrees of freedom (df) = n - 2 with the r table, where n is the number of samples. If the number on r count > r table, then the statement or pointer is said to be valid. Conversely, if r count < r table, then the statement or pointer is declared invalid (Ghozali, 2018). According to Ghozali (2013) reliability is a tool used in assessing the questionnaire as an indication, and the variables and structure can determine whether the respondent's answer survey is reliable or not credible if over time the data in the questionnaire is consistent or stable. Indicators if Cronbach Alpha is used it is a reliability test. This tool is used Cronbach Alpha greater than 0.6 can be used reliable.

The next test is the classical assumption test which is divided into three tests. The first test is by doing a normality test, the first test is by doing a multicollinearity test, and the first test is by doing a heteroscedasticity test. Normality test A more reliable method is to look at the normal probability plot which compares the cumulative distribution of the actual data with the cumulative distribution of the normal distribution. The multicollinearity test is carried out with the intention of seeing whether there is no correlation between the independent variables in the regression model, because this is a requirement so that the test can be declared good. The benchmark for a data to be free of multicollinearity is if the tolerance value is greater than 0.10 and VIF is less than 10. The heteroscedasticity test is carried out with the intention of seeing whether in the regression model there is an inequality of variance between one observation and another. The presence of heteroscedasticity cases can be detected by performing the Glacier Test. The benchmark for a regression model to be free of heteroscedasticity is if the significance value is greater than 0.05.

The last analysis carried out is multiple linear regression analysis. Multiple linear regression analysis is performed with the intention of obtaining an overview of how the independent variables can affect the dependent variable. A significance level of 0.05 was used as the test technique and the multiple linear regression model is formulated in the equation below.

$$Y = a + b_1X_1 + b_2X_2 + e$$

Description:

Y = Tax evasion,

a = Constant,

b1 = Regression Coefficient X1,

b2 = Regression Coefficient X2,

X1 = Tax system,

X2 = Tax justice

The results of the multiple linear regression analysis will show three results. First, the coefficient of determination (Adjusted R²), second, the results of the model feasibility test (F test), and third, the results of the hypothesis test (t test).

RESULTS AND DISCUSSION

The research results from the instrument test are two tests. The first test is by conducting a validity test and the second is by conducting a reliability test. The conclusion obtained from the results of the validity test calculation is that the question items as a whole are declared valid. This is in accordance with the validity test benchmark which shows that each question item has a calculated r value greater than r table (0.1966).

The second research instrument test is the reliability test. The conclusion obtained from the calculation of the reliability test is that the question items as a whole are declared reliable. This is in accordance with the reliability test benchmark which shows that each question item has a Cronbach's Alpha value greater than 0.60.

Test results of the Reliability Test

Reliability Statistic		
	Cronbach's Alpha	N of Items
Taxation System (x1)	0,910	8
Tax Justice (x2)	0,891	6
Tax Evasion (Y)	0,909	6

Data Source: Primary data, SPSS 25

The third research result is the classical assumption test which is divided into three tests. The first test is by conducting a normality test, second by conducting a multicollinearity test, and third by conducting a heteroscedasticity test.

The conclusion of the normality test is that the results generated by the data spread around the diagonal line and follow the direction of the diagonal line, so it is said to be normally distributed, fulfilling the assumption of normality.



The second classic assumption test is the multicollinearity test. The conclusion obtained from the results of the multicollinearity test calculation is that the tax system, justice, and tax technology variables do not experience a multicollinearity relationship. This is in accordance with the multicollinearity test benchmark which shows that all independent variables have a tolerance value greater than 0.10 and have a VIF value smaller than 10.

Multicollinearity Test Results

Variables	Tolerance	VIF	Description
Taxation System	0,693	1.442	Not happening multicollinearity
Tax Justice	0,693	1.442	Not happening multicollinear

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Data Source: Primary data, SPSS 25

The third classic assumption test is the heteroscedasticity test. The conclusion obtained from the results of the heteroscedasticity test calculation is that the regression model used is free from heteroscedasticity. This is in accordance with the heteroscedasticity test benchmark which shows that all independent variables have a sig value greater than 0.05.

Heteroscedasticity Test Results

Variables	TCount	Sig.	Description
Taxation System	-0.034	0,730	Not happening Heteroscedasticity
Tax Justice	-0,712	0,478	Not happening Heteroscedasticity

Data Source: Primary data, SPSS 25

Fourth research results The fourth research result is multiple linear regression analysis, where there are results of the coefficient of determination and hypothesis testing.

Multiple linear analysis test results

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients			
	B	Std. Error	Beta	T	Sig.	
1	(Constant)	.770	2.413	.319	.750	
	Taxation System	.388	.089	.372	4.361	.000
	Tax Justice	.469	.092	.437	5.112	.000

a. Dependent Variable: Tax Evasion Source of Data: Primary data, SPSS 25

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	634.495	2	317.24750	3.370	.000 ^b
	Residuals	610.945	97	6.298		
	Total	1245.440	99			

a. Dependent Variable: Tax Evasion

b. Predictors: (Constant), Tax Justice, Tax System

The first test result is the coefficient of determination. The coefficient of determination is shown in

the Adjusted R Square value. The effect of tax system variables and tax justice simultaneously on tax avoidance is known to be 50.9 percent or R Square of 0.509 (50.9percent).

The second result is hypothesis testing. The first hypothesis test is Given the t value of $4.361 > t$ table 1.985 and the sig value of the effect of the tax system on tax evasion of $0.000 < 0.05$, it can be said that H1 is accepted which shows that there is an effect of the tax system on tax evasion. it can be seen that taxpayer perceptions of tax evasion are partially and significantly influenced by the tax system. This happens because the t-count value of 4.361 is higher than the t-table value of 1.985 so it can be concluded that there is a significant relationship between the tax system and tax evasion. The research is strengthened or in accordance with the results of research by Sekar Akrom Faradiza (2018), Harmi Putri (2017) and Muzainah Mansor (2016) which state that the tax system affects taxpayer perceptions of tax evasion.

The second hypothesis test is tax justice. that the tax justice variable affects taxpayer perceptions of tax evasion. It can be concluded that tax justice affects taxpayer perceptions of tax evasion and has a strong relationship because the calculated t value of 5.112 is greater than the t table value of 1.985, and the most dominant tax justice variable affects taxpayer perceptions of tax avoidance because it has a coefficient value of 0.643. The results of this study are strengthened or in accordance with Enggar Pratiwi and Ronny Prabowo (2019), Sekar Akrom Faradiza (2018) and Orin Ndari Ervana (2019) which state that tax justice affects taxpayer perceptions of tax evasion.

The third hypothesis test, namely the taxation system and tax justice simultaneously affect tax evasion is $0.000 < 0.05$ and F count $50,370 > F$ table 3,089, there is an effect of the Taxation System and Tax Justice simultaneously on tax evasion and has a strong relationship.

FINDINGS AND CONCLUSION

Based on the results of the research and hypothesis testing that has been carried out, the following are some of the conclusions obtained by the author.

- 1) The taxation system has a partial and significant effect on taxpayer perceptions of tax evasion as seen from the results of the effective contribution test, the tax system has an effect of 23.8% on taxpayer perceptions of tax evasion at the Tigaraksa Primary Tax Service Office. While the remaining 76.2% is influenced by other variables not examined in this study.
- 2) Tax Justice has a partial and significant effect on taxpayer perceptions of tax evasion. seen from the results of the effective contribution of tax justice has an effect of 30.1% on taxpayer perceptions of tax evasion at the Tigaraksa Primary Tax Service Office. While the remaining 69.9% is influenced by other variables not examined in this study.
- 3) Based on the results of the coefficient of determination test (R^2), the taxation system and tax justice have a simultaneous and significant effect on taxpayer perceptions of tax evasion. taxation system and tax justice can explain taxpayer perceptions of tax evasion at KPP Pratama Tigaraksa by 50.9%, the remaining 49.1% of taxpayer perceptions of tax evasion are influenced by factors other than the tax system and tax justice.

IMPLICATIONS, LIMITATIONS AND SUGGESTIONS

Based on the results of the research above, there are several things that the researcher wants to convey as follows, First, In further research, it is hoped that it will add a greater number of variables that can affect taxpayer perceptions of tax evasion such as tax understanding, information technology, and compliance and assessment costs. Second, increase the number of respondents and research samples, such as not only individual taxpayers at the Pratama Tigaraksa tax office but can expand the research area so as to add a better research. Third, for tax authorities or the directorate general of taxation, it is recommended that they be more fair in implementing the tax system and increase fairness in

implementing tax provisions.

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