

The Effectiveness of Tax Incentive Policy on Taxpayer Compliance Affected Msmes Covid-19 Pandemic

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ABSTRACT

The compliance of MSME taxpayers registered with KPP Pratama Tegal is an interesting concern during the Covid-19 pandemic. This study examines the effect of tax incentive variables, tax socialization, and account representative supervision mainly during the Covid-19 pandemic. This research is quantitative by using research instrument in the form of a questionnaire with Likert scale measurement. Hypothesis tested by multiple linear regression analysis. The results showed that there was an influence between Tax Incentives, Tax Socialization, and Account Representative Supervision on Tax Compliance for MSME Individual Taxpayers registered with the Tegal Tax Primary Office.

Keywords: Tax Incentive, MSMEs' Tax Compliance, Covid-19 Pandemic.

1. Introduction

The Economic of a country needs government regulation for a sustainable development, taxes are an important component that determines its success because tax could encourage the movement of the economy. Taxes are one of the biggest main sources of revenue. The government, as the executor of taxation, in this case the Directorate General of Taxes continues to optimize revenues from taxes so that they can allocate them for national development through the state budget (APBN).

Tax revenue in Indonesia as of December 23, 2020 was recorded by the Ministry of Finance at the amount of Rp. 1,019.56 trillion or only achieved 85.65% of the tax revenue target on the State Budget (kemenkeu.go.id, 2021). From this percentage, the tax has not been able to meet the government targets that have been set on a large scale. By not achieving the tax revenue target, the government continues to strive to increase taxpayer compliance. The following is information on tax revenue targets in the state budget:

Table 1
Tax Revenue Report in APBN 2016 - 2020

| Year | The Target of Tax Revenue (Trillion Rupiahs) | The Realization of Tax Revenue (Trillion Rupiahs) | Percentage of Tax Revenue |
|-------------|---|--|----------------------------------|
| 2016 | 1.355,20 | 1.105,73 | 81,59% |
| 2017 | 1.283,57 | 1.151,03 | 89,67% |
| 2018 | 1.424,00 | 1.315,51 | 92,24% |
| 2019 | 1.557,52 | 1.332,06 | 84,44% |
| 2020 | 1.198,80 | 1.019,56 | 85,65% |

Source: *kemenkeu.go.id*, 2021

Table 1 informed the total realization of tax revenues on a state budget in the last five years, where every year the targets have not been reached. One of the causes of tax revenue that is still below the target is the lack of public participation in fulfilling their tax obligations. After successfully improving in 2018, the government is again facing a down trend in the percentage of tax revenues in 2019 and 2020. It is also estimated that this situation will not improve soon because the world is facing the Covid-19 pandemic which has a significant impact on various sectors, including the economy of the entire country of the world.

Based on the official statistical news on the Central Bureau of Statistics Number 64/08/Th. XXIII states that national economic growth in Indonesia has contracted or decreased by 5.32% in 2020. Restrictions on people's activities outside the home and limiting the operating hours of trading centers to the termination of employment for some workers have reduced people's income in general. The decrease in people's income and business turnover of the entrepreneurs resulted in the possibility of efforts to avoid their tax obligations. During the Covid-19 pandemic, the compliance of individual and corporate taxpayers has decreased.

Based on the articles published on the official website of the Directorate General of Taxes, namely *pajak.go.id* as shown in Table 2, it appears that the largest reduction ratio in the number of annual tax returns was from individual taxpayers, namely on the 1770 Annual Tax Return (SPT) form of 19.41%. Taxpayer compliance until now remains a problem because it often shows a compliance ratio that has not reached 100% or in other words, the amount of tax revenue and SPT reporting that is realized has not been able to meet the target expected by the Directorate General of Taxes.

Table 2
Ratio of Decreasing Amount of Annual Tax Return (SPT) Reporting

| SPT 1770 | SPT 1770 S | SPT 1770 SS | SPT 1771 |
|-------------|---------------|----------------|-------------|
| 19,41% | 9,01% | 6,57% | 10,72% |

Source: *pajak.go.id*, 2021

The downturn in the number of SPT reports also occurred for individual and corporate taxpayers registered at the Tegal Primary Tax Office as a place that facilitates the public in carrying out their tax interests. Tegal Primary Tax Office pays full attention to the fact that tax revenue has not been realized in accordance with the tax revenue target. Efforts to realize tax revenues are inseparable from the role of the community in paying taxes. Factors such as income fluctuations, tax incentive policies, account representative supervision, and tax socialization can influence taxpayer compliance to pay taxes on their business income in an orderly manner.

Based on the news contained on the official website, *pajak.go.id*, Directorate General of Taxes has appealed to every Primary Tax Office to socialize the policies related to tax incentives during the Covid-19 pandemic. The government offers a solution through Minister of Finance Regulation Number 44/PMK.03/2020 regarding Tax Incentives for Taxpayers Affected by the Covid-19 Pandemic. In addition to widening the scope of taxpayers who can take advantage of incentives, the Minister of Finance Regulation introduces a new type of tax incentive that was not previously listed in PMK Number 23/PMK.03/2020.

The new tax incentive in question is Final Income Tax based on Government Regulation Number 23 of 2018 that related to MSME's final income tax incentive. Through the tax incentive, Micro, Small and Medium Enterprises (MSME) are freed to pay Final Income Tax until September 2020. Due to the ongoing Covid-19 Pandemic, the government has even extended the provision of tax incentives until December 2021 based on the official publication of PMK No 82/ PMK. 03/2021. The implementation of this policy is inseparable from the efforts of account representatives at each Primary Tax Office in disseminating it to the public.

Based on the Regulation of the Minister of Finance No.79/PMK.01/2015, the division of account representative tasks has been regulated into the service department and the supervisory department. In the midst of the Covid-19 pandemic, the Directorate General of Taxes continues to make efforts so that taxpayers can still carry out their obligations, such as conducting socialization on taxation either through counseling, webinars, placing banners, to maximize the performance of account representatives in carrying out oversight of the implementation of public tax obligations. One of the account representative's tasks is to emphasize to taxpayers to take advantage of tax incentives in helping to ease their tax burden even though the income received by MSME taxpayers

has been significantly affected due to the Covid-19 pandemic.

This incentive can be utilized by taxpayers who meet the criteria by continuing to carry out SPT reporting even though they are exempt from paying it. This is an effort to enforce tax compliance that can have a sustainable positive impact. MSME taxpayer compliance is a concern because it significantly contributes to meeting the state budget tax revenue target. The behavior of tax avoidance on a large scale can affect tax revenue for the state and the tax target is not realized as set by the Directorate General of Taxes.

2. Theoretical Background

2.1 Taxpayer Compliance

Compliance theory (compliance theory) describes a condition in which a person or group of people obey the orders or rules given. Compliance in terms of taxation is formed because of the awareness of taxpayers to fulfill their obligations and understand their rights as taxpayers. With the awareness of the rights received, and the benefits that are generated, the higher the commitment to comply with the tax regulations that apply in a country. Awareness is a form of motivation that arises from within and influences from outside an individual. Motivation from within or what can be called intrinsic motivation is a manifestation of beliefs and values that are in line with the goals of taxation. Meanwhile, motivation from outside or what is commonly termed external motivation is stimulation in the form of exposure to tax information as well as appeals from tax officials to be obedient and orderly in carrying out tax obligations in the country where the income is earned.

Taxpayer Compliance According to Minister of Finance Decree No. 544/KMK.04/2000 is a taxpayer's action in fulfilling tax obligations in accordance with the provisions of laws and regulations and tax implementation regulations that apply in a country (Syah & Krisdiyawati, 2017). Taxpayer compliance is divided into two, namely formal tax compliance and material tax compliance. Formal tax compliance is compliance regulated in accordance with the provisions of the tax law, while material tax compliance is a situation when the taxpayer substantively fulfills all material tax provisions (Ramdan, 2017).

2.2 Tax Incentives

Tax incentives can be obtained by the community if the government sees that this needs to be regulated in a policy with the goal of increasing tax compliance in the country. Some countries implement tax incentive policies with a permanent period that aim to create tax havens. Incentives in general have the definition of additional income in the form of money, goods and so on, which are used to increase enthusiasm for performance in the form of money or facilities as a stimulus. Meanwhile, tax incentives are policies that provide incentives for individuals and business entities

to fulfill their tax obligations. During the Covid-19 pandemic, tax incentives were offers from the government through tax benefits for businesses that arose as a response to a crisis situation to safeguard the Indonesian economy.

Tariffs in taxation are basic guidelines in determining how much individual or corporate tax debts are until there is justice in its administration. Based on PP No. 46 of 2013, MSMEs in Indonesia that have a turnover of less than 4.8 billion Rupiah in one year are subject to a final income tax of 1%. In July 2018 the government again issued PP No. 23 of 2013 concerning income tax on income from businesses received or earned by taxpayers who have a certain gross turnover. In this regulation, the government lowered the final income tax rate from 1% to 0.5% (Marasabessy, 2020). With this tax incentive MSMEs are freed to pay Final Income Tax until September 2020. Due to the ongoing Covid-19 Pandemic, the government has even extended the provision of tax incentives until December 2021 based on the official publication of PMK No 82/PMK.03/2021.

2.3 Tax Socialization

Putri and Suryaning (2015) explain that socialization is the process of a person acquiring knowledge, skills and attitudes that can be accepted or practiced in order to function as adults and at the same time as active actors in certain positions or roles in society. The process of socialization is a process of learning an individual adopts a way of life or the culture of society for him to survive as a social being. In the process of socialization, the individual learns a measure of compliance with behavior in the society where he lives with patterns of values, behavior, ideas, attitudes, and habits. The traits and skills learned in the process of socialization can be developed as a unitary individual attitude to achieve its goals and conform with the environment in which it is located.

Warouw (2015) states that the process of socialization and tax education is expected to have a positive impact on public taxation knowledge so that it can increase the number of people who are aware of taxes, are registered as taxpayers, and improve their tax compliance. The dissemination process which is expected to influence taxpayers to comply with carrying out their obligations will be more effective nowadays because there is easy access to social media which has expanded in various regions in Indonesia because it is not limited to activities that are only found in the Tax Office environment.

2.4 Supervision of the Account Representative

Account Representative (AR) is the designation of a tax officer who carries out the task of supervising the fulfillment of tax obligations by taxpayers, other duties are serving the fulfillment of taxpayer rights through consulting services and providing information or other matters related to the rights and obligations of fulfilling taxpayer obligations. The responsibilities of an account representative are stipulated in the Decree of the Minister of Finance Number 98/KMK.01/2006,

which include supervising taxpayer compliance, providing guidance or appeals and technical consulting on taxation to taxpayers, compiling taxpayer profiles, analyzing taxpayer performance and reconciliation of taxpayer data in the context of intensification, as well as evaluating the results of appeals based on applicable regulations.

Supervision in general ensures that the plans that have been set can be realized effectively in accordance with the objectives to be achieved. The oversight function in taxation is an important function that is a concern of the Directorate General of Taxes. The oversight function is also the actions taken to find out and test taxpayer compliance in implementing the applicable tax provisions. In the field of taxation, the oversight function is carried out through three categories of actions, namely tax audits, tax investigations, and tax collection. Supervision of the Directorate General of Taxes through account representatives is carried out both at close range and remotely. Remote supervision or what is known as monitoring or monitoring is carried out through communication facilities such as telephone, fax, and other communication media services to ensure that every account representative is responsible for taxpayers according to the scope of their region.

2.5 Hypothesis

2.5.1 The effectiveness of the tax incentive policy on the compliance of MSME taxpayers who are registered at the Tegal Tax Primary Office

The tax rate is a basic guideline in determining how much the tax debt of an individual or entity is, this is a means of justice in determining the tax debt. The government lowered the final income tax for micro, small and medium enterprises (MSMEs) from 1% to 0.5% starting July 1, 2018. Low tax rates will increase the utility of taxpayers, thereby initiating income reporting to the tax administration.

With the tax incentives provided by the government in the context of economic recovery due to the Covid-19 pandemic, Micro, Small and Medium Enterprises (MSMEs) are freed to pay Final Income Tax until September 2020. Because the conditions of the Covid-19 Pandemic are still ongoing, the government has even extended the provision of tax incentives until with December 2021 based on the official issue of PMK No 82/PMK.03/2021. Expenditure that should have been for paying taxes can be used by business actors in recovering their economy during the Covid-19 pandemic. The impact of this MSME tax incentive is expected to increase the awareness of MSME taxpayers in paying taxes so that they can contribute to increasing tax revenue for the State through increased tax compliance.

Ramdan (2017) states that changes in tax rates have a positive effect on MSME taxpayer compliance. Incentives related to tax rates have a positive effect on taxpayer perceptions regarding MSME taxpayer compliance (Nadhori, 2019). This indicates that with changes in tax rates that decrease, taxpayer compliance will improve. Based on the description above, the

research hypothesis can be formulated as follows:

H1: The Tax Incentive Policy has a positive effect on MSME taxpayer compliance during the Covid19 pandemic at Tegal Tax Primary Office

2.5.2 The Effectiveness of Tax Dissemination on Compliance with MSME Taxpayers Registered at Tegal Tax Primary Office

Tax socialization can provide encouragement to MSME taxpayers in carrying out their tax obligations. Tax socialization is a meaningful learning process by making contact with other people regarding mindsets, feelings and actions in creating the effectiveness of social participation (Wurianti, et al. 2015). Based on the theory of socialization obedience is one of the factors driving a person in increasing obedient or obedient behavior towards an obligation. The implementation of tax socialization was also identified as still uneven, which was caused by the pandemic situation in the form of restrictions on crowds of people and limited supporting infrastructure for taxpayers in participating in socialization, for example, the lack of adequate internet signal coverage in several regions made taxpayers unable to participate in the implementation of socialization from the Directorate General Tax or Tegal Tax Primary Office through online media.

2020 was the year when the Covid-19 pandemic occurred, at that time Tegal Tax Primary Office also tried to pay attention to its taxpayers by providing regular socialization and improving its implementation even in the midst of a pandemic. Based on data from Tegal Tax Primary Office, in 2020 the implementation of socialization at Tegal Tax Primary Office was carried out more routinely than in previous years, where the implementation of socialization in 2020 was carried out 73 times with the highest attendance of participants reaching 603 participants in one socialization implementation. The socialization implementation is given to taxpayers and the public via online, namely whatsapp groups and zoom as well as via offline. Apart from that, Tegal Tax Primary Office also put up various banners at certain locations containing information about SPT reporting, the use of e-filing, and so on. This indicates that tax socialization has an impact on tax compliance by taxpayers at Tegal Tax Primary Office in 2020.

Tax socialization is very important considering that the lack of knowledge of taxpayers results in the payment or reporting of tax returns that are not timely. With the implementation of equitable socialization, it can provide information to taxpayers broadly related to taxation policies so that the information obtained by taxpayers from this socialization will provide knowledge in the form of information so that they can raise awareness to comply and comply in carrying out their obligations as taxpayers. The better the implementation of tax socialization, the more information the community will receive as taxpayers so that taxpayer compliance will

increase (Burhan & Pratiwi, 2015).

H2: Tax socialization has a positive effect on taxpayer compliance MSMEs during the Covid-19 pandemic at Tegal Tax Primary Office

2.5.3 Account Representative Effectiveness on Compliance of MSME Taxpayers Registered at Tegal Tax Primary Office

Account representative supervision can also provide encouragement to MSME taxpayers to carry out their tax obligations. The Account Representative is responsible for being responsive, effective and personal in serving taxpayers, including supervising the implementation of taxation by taxpayers. In the theory of compliance, someone's obedient act of something is influenced by supervision. Oversight in this case is account representative supervision, where the account representative is a party related to the DJP and is expected to be able to direct taxpayers in carrying out tax compliance.

In addition, the account representative is a connecting party between the KPP and the public as a taxpayer so that if the account representative works well it will create good relations between the KPP and the taxpayer so that payment and reporting of SPT from the taxpayer will be carried out in a timely manner and receipts in the taxation sector will be increase. 2020, which is the year the Covid-19 pandemic occurred, made taxpayers unable to visit the tax office to submit their SPT reports. So, based on information from employees of the general and internal compliance sub-section at Tegal Tax Primary Office it states that it refers to the regulation 79/PMK.01/2015 related to the functions and duties of an Account Representative which is divided into two functions, namely the function of supervision and service, Tegal Tax Primary Office also improving the internal performance in terms of account representative supervision which in the midst of a pandemic situation has made the office conditions empty of taxpayers.

The better the implementation of supervision carried out by account representatives by carrying out supervision and reminding the public as taxpayers of their obligations, it will be able to provide satisfaction and comfort to taxpayers so that it will have an impact on taxpayer tax compliance. Kusuma (2018) also states that there is a positive and significant influence from the role of the account representative in supervising taxpayers on tax compliance. Based on the literature review and previous research that has been described, the hypothesis is formulated as follows:

H3: Account Representative Supervision has a positive effect on MSME Taxpayer compliance during the Covid-19 pandemic at Tegal Primary Tax Office

3. Research Methodology

The method used in this research is a quantitative method. Data collection uses research instruments and data analysis is quantitative or statistical in nature in order to test the hypotheses that have been determined. The quantitative data collected is a primary data source which includes the number of MSME taxpayers and the scoring results from the questionnaire. The population in this study are MSME taxpayers who are registered at the Tegal Primary Tax Office which covers the area, Tegal City, Tegal Regency, and Brebes Regency.

The selection of a group of subjects in purposive addition is based on certain criteria which are considered to have a close relationship with previously known population characteristics. Thus the sample units that become respondents will be adjusted to certain criteria that are applied based on the research objectives or research problems. These criteria include businesses that can be defined as micro, small, medium enterprises affected by the Covid-19 pandemic which are classified as recipients of tax incentives so that these criteria can assist in taking samples to achieve the objectives of this research.

The data collection technique used was a survey activity with a research instrument in the form of a questionnaire. The questionnaire is a set of written statements to respondents, in this case, individual taxpayers who run MSMEs and are registered at the Tegal Tax Primary Office in order to measure respondents' opinions using the likert scale. Measuring instruments in research are usually called research instruments. In preparing good research instruments, valid and reliable conditions must be met. In this study instrument tests were used to test the variables Tax Compliance (Y), Tax Incentive Policy (X1), Tax Socialization (X2), and Account Representative Supervision (X3). Question items are said to be reliable or reliable if a person's answer to the question is consistent.

Multiple linear regression analysis aims to determine the magnitude of the influence of the independent variable (X) on the related variable (Y). If the independent variable (X) is more than one, then the analysis is used with multiple linear regression methods. Multiple linear regression equation, as follows:

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3$$

Definition:

| | | | |
|------------------------------------|--------------------------|----|-----------------------------------|
| Y | = Taxpayer Compliance | X1 | = Tax Incentive |
| a | = Constant | X2 | = Tax Socialization |
| b ₁ ,...,b ₃ | = Coefficient Regression | X3 | = Acc. Representative Supervision |
| e | = error | | |

4. Results and Discussion

Data collection was carried out by distributing questionnaires to respondents. Respondents in this study are MSME taxpayers who are registered at the Tegal Primary Tax Office. Because the Covid-19 pandemic had not ended, the questionnaires were presented and distributed to respondents online.

The validity test was carried out to measure the validity or validity of a questionnaire (Ghozali, 2018). The results of the validity test of each variable showed a significance level smaller than 0.05 or 5% so that the question indicators for each variable in this study were valid. According to Ghozali (2018) the reliability test measures the reliability or consistency of a questionnaire which is an indicator of a variable. Based on the reliability test in the research questionnaire, it shows that all Cronbach's alpha values are greater than 0.70.

The classical assumption test is a statistical requirement that must be met in multiple linear regression analysis, according to Imam Ghozali (2018) the classical assumption test on research data is carried out using four test modes, namely the Normality Test, Multicollinearity Test, Autocorrelation Test, and Heteroscedasticity Test and the results are lolos on all aspects.

Regression analysis aims to determine the influence of the independent variable (X) on the related variable (Y). This study uses the multiple linear regression analysis method with the help of the SPSS 22 with the test results presented in the following table:

Table 3
Coefficient Regression Test

| Model | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|---------------------|-----------------------------|------------|---------------------------|-------|-------|
| | B | Std. Error | Beta | | |
| 1 (Constant) | 10,040 | 2,165 | | 4,638 | 0,064 |
| Tax Incentive | 0,881 | 0,206 | 0,476 | 0,427 | 0,027 |
| Tax Socialization | 0,574 | 0,264 | 0,098 | 0,554 | 0,042 |
| AR Supervision | 0,509 | 0,341 | 0,133 | 1,973 | 0,038 |
| Taxpayer Compliance | 0,789 | 0,342 | 0,424 | 2,306 | 0,025 |

Source: Processed data, 2022

The table above shows that the value of the beta coefficient on Unstandardized Coefficients, then the multiple linear regression equation is as follows:

$$Y = 10,040 + 0,881X_1 + 0,574X_2 + 0,509 X_3 + e$$

Based on the results of the equation above, the results of the regression coefficient can be interpreted that the constant value (a) = 10.040 means that if all independent variables are equal to zero, then tax compliance on WP UMKM registered at the KPP Kota Tegal is 10.040.

Coefficient value $b_1 = 0.881$ means that the Tax Incentive Policy variable has a coefficient value that is positive. This indicates that any increase in the Tax Incentive Policy will cause an increase in the level of Tax Compliance by 0.881 assuming the other independent variables are constant. Coefficient $b_2 = 0.574$, meaning that the Coefficient of Tax Socialization variable has a positive sign. This indicates that each increase in tax socialization will lead to an increase in the level of influence on tax compliance by 0.574 assuming the other independent variables are constant. Coefficient value $b_3 = 0.509$ means that the account representative monitoring variable has a coefficient value that is positive. This shows that each increase in account representative supervision causes an increase in the level of influence on compliance by 0.509 assuming the other independent variables are constant.

The goodness of fit test or model feasibility test is used to measure the accuracy of the sample regression function in estimating the actual value. This test is basically to find out how much influence the independent variable has on the dependent variable. To find out, this is done using significance at the 0.05 level ($\alpha = 5\%$). The results of the Goodness of Fit test can be seen in the table below:

Table 4
Godness of Fit Test

| Model | Sum of Squares | Df | Mean Square | F | Sig. |
|--------------|----------------|----|-------------|--------|--------------------|
| 1 Regression | 672,093 | 7 | 96,013 | 18,291 | 0.000 ^b |
| Residual | 236,209 | 55 | 5,249 | | |
| Total | 908,302 | 62 | | | |

Source: Processed Data, 2022

The table above shows that the significance value is 0.000, which is smaller than 0.05. It can be concluded that the variables of Tax Incentive Policy, Tax Socialization, and Account Representative Supervision simultaneously have a significant effect on the Tax Compliance of MSME Taxpayers Registered at KPP Pratama Tegal.

Test the coefficient of determination to measure how far the ability of the model is in explaining the variation of the dependent variable (Ghozali, 2018). The results of the test for the coefficient of determination can be shown in the following table:

Table 5
Coefficient Determination Test

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|--------------------|----------|-------------------|----------------------------|
| 1 | 0,860 ^a | 0,740 | 0,699 | 2,291 |

Source: Processed Data, 2022

In the table above, the adjusted R square column shows a coefficient of determination of 0.699 or 69.9%. And it can be interpreted that Tax Compliance of MSME Taxpayers Registered at KPP Pratama Tegal is influenced by the variables of Tax Incentive Policy, Tax Socialization, and Account Representative Supervision by 69.9% while the remaining 30.1% is influenced by other variables outside of this study.

Multiple regression analysis can be the basis of a hypothesis that has been formulated in this study, which has accepted or rejected results. The following table is a hypothesis test which shows the following results:

Table 6
Hypothesis Test

| | Model | t | Sig. |
|---|---------------------|-------|-------|
| 1 | (Constant) | 4,638 | 0,064 |
| | Tax Incentive | 0,427 | 0,027 |
| | Tax Socialization | 0,554 | 0,042 |
| | AR Supervision | 1,973 | 0,038 |
| | Taxpayer Compliance | 2,306 | 0,025 |

Source: Processed Data, 2022

4.1 Effect of Tax Incentive Policy on Tax Compliance

According to Raharja and Sandra (2013) Tax incentives are an incentive offered to taxpayers, with the hope that taxpayers are motivated to comply with tax provisions. Tax incentives can be in the form of tax exemptions, tax exemptions, certain tax deductions or credits, special rates or deferred tax obligations.

Acceptance of Hypothesis 1 which states that the Tax Incentive Policy has a positive effect on Tax Compliance of individual MSME taxpayers registered at Tegal Tax Primary Office indicates the significance of decision-making by individual taxpayers implementing MSME who have no objection to complying with the Annual Tax Return Reporting Schedule and reporting their taxes because they can looking at this matter from the perspective of justice which he feels gives motivation to comply with carrying out his tax obligations. Latief (2020) in his research explains that the incentives provided by the government can provide motivation, encourage business survivability, and create space for state awareness for taxpayers so that compliance is realized in fulfilling their tax obligations. Tax incentives must pay attention to fairness and perceived benefits while still taking into account the ability of state revenues, and must be carried out in a transparent manner and must be supervised by the Director General of Taxes.

4.2.2 The Influence of Tax Socialization on Tax Compliance

Tax socialization is one of the efforts made by the tax authorities in this research, namely the Tegal Tax Primary Office to inform and train taxpayers so that they are exposed to the latest tax

policies and increase awareness in the long term. Acceptance of Hypothesis 2 which states that Tax Socialization has a positive effect on Tax Compliance of individual MSME taxpayers registered at Tegal Tax Primary Office indicates the significance of decision making by taxpayers who are well informed of the applicable tax regulations and procedures. The higher the tax socialization that is carried out, the higher the compliance of individual MSMEs taxpayers who are registered at KPP Pratama Tegal.

The socialization provided to the community is intended to provide an understanding to the community of the importance of paying taxes so that the community understands the benefits of paying taxes and does not maintain apathy. Thus, tax socialization can affect tax compliance (Sudrajat and Parulian 2015). Socialization is something that is usually done by the tax authorities in this case, the Tegal Tax Primary Office and is routinely carried out to increase awareness of taxpayers to comply with applicable tax regulations.

4.2.3 Effect of Account Representative Supervision on Tax Compliance

Supervision is one of the keys emphasized by the Directorate General of Taxes to increase taxpayer compliance. The higher the supervisory function is emphasized, the higher the taxpayer compliance that will be realized. Acceptance of Hypothesis 3 which states that Account Representative Supervision has a positive effect on Tax Compliance for MSME Individual Taxpayers registered at Tegal Tax Primary Office indicates that the Account Representative has carried out its supervisory function properly.

The results of this research are in line with Kusuma's research (2018). Account Representatives provide oversight to taxpayers by supervising the actions of taxpayers in terms of fulfilling their tax obligations whether they are in accordance with applicable laws or regulations. An account representative should be able to understand the conditions of the taxpayers, provide consultations and recommendations in order to provide the best service so that satisfaction and comfort arise for taxpayers in fulfilling their tax obligations. Supervision is one of the keys emphasized by the Directorate General of Taxes to increase taxpayer compliance. The higher the supervisory function carried out by the Account Representative, the higher the level of taxpayer compliance.

5. Conclusion

Based on the results and discussion of the research that has been conducted regarding the Tax Compliance of MSME Taxpayers registered at the Tegal Tax Primary Office it can be concluded that Tax Incentive Policies, Tax Socialization, and Account Representative Supervision have a positive influence on Tax Compliance of registered MSME Taxpayers at the Tegal Tax Primary

Office. MSME organizers can increase tax participation so that tax compliance that has been targeted by the government can be achieved.

The Covid-19 pandemic situation is temporary and tax incentives will not be given forever, so tax socialization needs to always be carried out broadly as well as the role of Account Representatives at every Tax Primary Office in every region. Further researchers can always review and evaluate the policies of the Directorate General of Taxation, especially tax incentives that can increase tax compliance so that state goals can be achieved and can be used as widely as possible for the welfare and prosperity of Indonesian citizens.

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