

## THE EFFECT OF TAX SOCIALIZATION AND APPLICATION OF MSME PPH INCENTIVES FOR THE COVID PANDEMIC ON COMPLIANCE OF MSME TAXPAYERS AT KPP PRATA CIBINONG 2020

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### Abstract

Efforts to provide tax relief by the Government for economic recovery area tax incentive policies provided in several tax sectors, especially the MSME business sectors. The tax incentive received by MSME taxpayers is that the Government will bear the Final Income Tax with a rate of 0.5% in accordance with PP No.23 of 2018, that way MSME taxpayers do not need to make tax deposits and simply submit a realization report every month. In implementing this policy, it is necessary to socialize to make the government program a success that bears the 0.5% rate which is the Final Income Tax tax for MSME taxpayers. This study aims to test and explain the effect of tax socialization and the application of MSME income tax incentives on the Covid pandemic both partially and simultaneously on the compliance of MSME taxpayers at KPP Pratama Cibinong. This type of research is descriptive. The primary data source is in the form of obtaining answers given by respondents to the questionnaire and secondary in the form of recording historical data related to MSME Taxpayers at KPP Pratama Cibinong. The results of this study indicates that the variable of taxation socialization has a positive and significant influence on the compliance of taxpayers MSME at KPP Pratama Cibinong. Likewise, the variable application of MSME income tax incentives for the covid pandemic has a positive and significant impact on the compliance of MSME taxpayers at KPP Pratama Cibinong. Simultaneously, the variables of tax socialization and the application of MSME income tax incentives for the covid pandemic with the acquisition of a value of  $F_{count} 38.044 > F_{table} 3.09$  with a significance value of  $0.000 < 0.05$ , jointly affect the compliance of MSME taxpayers at KPP Pratama Cibinong.

**Keywords:** Tax Socialization, Application of MSME Income Tax Incentives for the Covid Pandemic, and Compliance of MSME Taxpayers.

## I. INTRODUCTION

Tax as the largest composition in the structure of state revenue is one of the largest contributions to state revenue, including revenues from the Micro, Small and Medium Enterprises (MSME) sector. The data shows that the contribution made to the Gross Domestic Product (GDP) from the MSME sector reached 60.34% in 2018 and was able to absorb the workforce with a percentage of 97% of the total workforce, which is inversely proportional to corporations which only able to absorb the number of workers with a percentage of 3% [18]. The large contribution of MSMEs to the Indonesian economy has made the government pay more attention to the MSME sector, which one day has the potential for tax revenue. However, efforts to increase tax revenue in the MSME sector are not easy because not all MSMEs contribute to their taxation. This indication can be seen from the imbalance in the contribution of MSMEs which is relatively low in carrying out their tax obligations [5].

To overcome this, the government's efforts to encourage MSME taxpayer compliance with the issuance of Government Regulation No. 46 of 2013 concerning income tax on business income received or obtained by taxpayers who have a certain gross turnover (turnover is less than or equal to Rp. 8 billion per year) is one of the government's efforts to make regulations so that taxpayers are more aware of tax compliance and are encouraged to carry out their tax obligations. The government's efforts in enacting Government Regulation No. 46 of 2013 were not simply warmly welcomed by MSME actors. According to [17], MSME actors feel that the rate stipulated in Government Regulation No. 46 of 2013 of 1% of a certain gross turnover is still high and burdensome for MSME actors who are just starting their business. The low compliance of MSME actors in carrying out their tax obligations can also be caused by policies that are considered too burdensome for taxpayers to be charged with PP No. Departing from the complaints of MSME actors to fulfill their tax obligations, the government then issued a new policy in tackling these complaints.

**Table 1 Total MSME Tax Revenue at KPP Pratama Cibinong**

2017: IDR 30,982,574,496

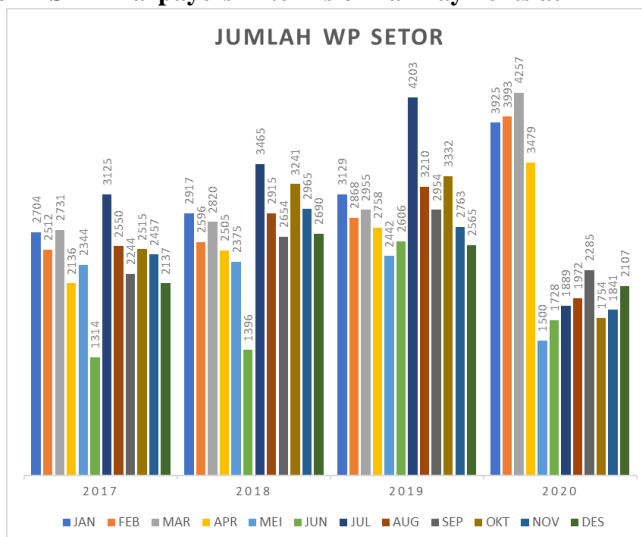
Year	Amount of Receipt	Percentage
2018	31,958,024,994	3.05%
2019	29,679,118,703	-7.68%

2020	21,185,574,698	-28.6%
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Source: KPP Pratama Cibinong .

The new policy issued by the government is a reduction in the final PPh rate for MSME taxpayers from 1% to 0.5%, which is stated in PP No.23 of 2018 to provide tax relief for MSME actors in carrying out their tax obligations. The policy was enacted on July 1, 2018.

**Fig. 1 Number of MSME Taxpayers in terms of Tax Payments at KPP Pratama Cibinong**



Based on the data above, it shows that there has been an increase in the average number of taxpayers deposited by MSME taxpayers after the change in policy from PP No. 46 of 2013 to PP No. 23 of 2018 in which there was a decrease in the tax rate to 0.5%. in 2017, 2018 and 2019 with the average number of taxpayers making tax payments respectively, namely 2397, 2712, and 2982 taxpayers. However, with the increase in the average number of MSME taxpayers who make tax payments in the year period, there is an inconsistency in terms of tax payments in the month period made by MSME taxpayers. In 2019, there was a fairly high increase in tax payments made by MSME taxpayers in July 2019 with a total of 4203 taxpayers and gradually decreased in the following month. Then in 2020, there was a decrease in the average number of MSME taxpayers who made tax payments in the year period as much as 2561, in The decline in 2020 coincided with the emergence of Covid-19 .

According to [10] The health emergency due to Covid-19 has an impact on a fairly deep economic decline, especially in tax revenues which are estimated to fall by IDR 388.5 trillion. The decline in tax revenue does not mean that taxpayers do not carry out their tax obligations properly, but rather the existence of tax breaks provided. The tax incentive policy for MSMEs is contained in the Minister of Finance Regulation Number 9/PMK.03/2021 in lieu of the Minister of Finance Regulation Number 86/PMK.03/2020 concerning Tax Incentives for Taxpayers Affected by Covid-19 . The tax incentive received by MSME taxpayers is that the Government will bear Final PPh at a rate of 0.5%

according to PP No.23 of 2018, so MSME taxpayers do not need to make tax deposits and simply submit a monthly realization report (Ministry of Finance of the Republic of Indonesia). , 2020) .

In implementing this policy, there needs to be socialization to ensure the success of the government program that bears a 0.5% tariff which is the final PPh tax for MSME taxpayers. The Director General of Taxes through Sigit Priadi Pramudito that the government has not maximized tax revenue is not solely the fault of the community but is not optimal at work [13]. The functions and duties of the Directorate General of Taxes in conducting tax socialization activities properly and regularly make it very important in influencing public perception of taxes so that they better understand and understand that taxpayers are obliged to carry out their tax obligations. According to the tax.go.id page, optimizing the public through social media regarding tax provisions is the right thing to do during the pandemic to provide tax awareness so that with a good understanding of tax regulations and policies can increase the level of taxpayers' tax compliance [6]. Research conducted [16] which conducted a study of the impact of the application of 0.5% final PPh on MSMEs in achieving tax revenue targets showed that in order to achieve the effectiveness of the policies implemented, it was necessary to accompany the government's role in terms of strategy and strategy. socialization. In the study of [1]there is a positive and significant influence on the tax socialization variable on the variable level of compliance in paying MSME taxes. However, different results were shown in the research [11] which resulted

that the tax socialization variable had no effect on taxpayer compliance due to the less than optimal DGT in counseling related to tax information to taxpayers in the city of Semarang.

Several studies were conducted by previous researchers who examined the problem of changing MSME tax rates on compliance which was part of the application of MSME PPh incentives, such as research conducted [2] which showed there was a positive effect of lowering tax rates for MSMEs contained in the PP. No.23 of 2018 on tax compliance. In line with this research, research conducted by [1] has a positive and significant effect on government regulation no. 23 of 2018 on the level of compliance of MSME taxpayers in the city of Semarang. Another study conducted [14] in their research shows that there are positive differences in MSME compliance in the form of registering as taxpayers, paying taxes, and reporting SPT between before and after giving tax incentives in PP Number 23 of 2018.

Based on the above background, the authors are interested in conducting research on "**The Effect of Tax Socialization and Application of MSME PPh Incentives on the Covid Pandemic on MSME WP Compliance at KPP Pratama Cibinong in 2020**".

## II. THINKING FRAMEWORK AND HYPOTHESIS DEVELOPMENT

### **The Effect of Tax Socialization on MSME Taxpayer Compliance**

Socialization in taxation can be interpreted as a process that occurs as a result of the interaction between one person and another in obtaining information aimed at achieving awareness and understanding so as to encourage a person's attitude to better understand his role in carrying out his tax obligations and contribute to the development of the country. So that in the end, tax socialization is one of the factors that can affect taxpayer compliance. Taxpayers who have a better and correct understanding through socialization will have awareness and knowledge about the importance of carrying out tax obligations. Tax socialization can be carried out through various media, such as meeting media, namely through seminars or *webinars* which are currently commonplace and also electronic media or other mass media that can provide information to the public to have more awareness and compliance with taxation with their knowledge and applicable tax regulations. apply.

This opinion is supported by research conducted [3] that there is a positive influence between the independent variables in the form of tax socialization on taxpayer compliance as the dependent variable. Similar results are also shown by research conducted [9] which states that partially socialization of taxation has a significant positive effect on taxpayer compliance with corporate taxpayers at KPP Pratama Sumedang.

Based on the description above, the following hypothesis can be made:

### **H 1 : Taxation socialization affects MSME taxpayer compliance at KPP Pratama Cibinong .**

### **The Influence of Application of MSME PPh Incentives on the Covid Pandemic Against MSME Taxpayer Compliance**

Tax incentives are instruments used by the state in increasing awareness of taxpayers in order to achieve state revenue goals in the form of reducing tax rates, tax exemptions or deferrals and reductions on the basis of taxation imposed on taxpayers. Taxpayer compliance can occur if there is a good awareness and understanding of the taxpayer. This awareness can be encouraged through the provision of tax incentives provided through applicable policies and regulations. The tax incentives applied cannot be separated from the tax rate. The high and low rates that are set can directly affect the level of taxpayer compliance, moreover, there are external factors that are currently happening, namely the *Covid-19* which is increasingly affecting taxpayer compliance in carrying out their tax obligations due to high economic pressure. Thus, it is necessary to adjust the applicable regulations or policies through the provision of tax incentives to taxpayers.

This theory is supported by the results of research conducted [2] which shows that there is a positive effect of lowering tax rates for MSMEs contained in the PP. No.23 of 2018 on tax compliance. In line with this research, research conducted [8] shows that there is an influence on the rate of taxpayer compliance after the implementation of PP No. 23 of 2018 on MSME actors in Singapadu Village reaching 85 percent.

Based on the description above, the following hypothesis can be made:

### **H 2 : The application of MSME PPh Incentives for the Covid pandemic affects MSME Taxpayer Compliance at KPP Pratama Cibinong .**

### **The Effect of Tax Socialization and Application of MSME PPh Incentives for the Covid Pandemic on MSME Taxpayer Compliance**

Tax socialization and MSME PPh incentives for the *Covid pandemic* affect taxpayer compliance in carrying out their tax obligations. The socialization held by the Directorate General of Taxes has the aim of providing understanding to taxpayers as well as encouraging and providing awareness to taxpayers to have compliance with their tax obligations. Socialization that has an impact can affect the knowledge possessed by taxpayers about the existence of these incentive policies as a means for taxpayers to take advantage of tax breaks where the government bears the MSME Final PPh tax based on Government Regulation no. 23 of 2018.

Thus, good tax socialization by providing appropriate directions by the Directorate General of Taxes through tax officers will create synergy between Tax Socialization and the Application of MSME PPh

Incentives for the *Covid Pandemic*. which leads to Taxpayer Compliance.

This is supported by research conducted by [1] that the variable application of PP 23 in 2018 and socialization of taxation both have a partial and simultaneous influence on the level of compliance in paying taxes for MSMEs that have a certain gross turnover in Tondano District. West.

Based on the description above, the following hypothesis can be made:

**H<sub>3</sub>: Socialization of Taxation and Application of MSME PPh Incentives for the *Covid pandemic* have a joint effect on MSME Taxpayer Compliance at KPP Pratama Cibinong .**

### III. RESEARCH METHOD

#### Types of research

The type of research used by the author in conducting this research uses descriptive research, namely the method of discussing a problem that is describing, describing, comparing a data or situation and explaining the actual situation so that a conclusion can be drawn. The research method uses a descriptive survey with inferential statistical research techniques, namely statistical techniques used to analyze sample data and the results are applied to the population [19].

#### Objects, Units of Analysis, and Research Sites

The object of this research is the Socialization of Taxation and Application of MSME PPh Incentives

$$n = \frac{N}{1 + (N \times e^2)}$$
$$n = \frac{4257}{1 + (4257 \times 0,1^2)}$$
$$n = 97,7 = 98$$

for the *Covid Pandemic* as the independent variable and MSME Taxpayer Compliance as the dependent variable.

The unit of analysis used in this study is the individual. In this study, the unit of analysis is the MSME Taxpayer at KPP Pratama Cibinong .

This research was conducted in one of the work units of the Directorate General of Taxes at KPP Pratama Cibinong which is located at Jalan Aman No. 1, Bogor Regency Government Office Complex, West Java 16914.

#### Types and Sources of Research Data

The type of data used by the author in this research is qualitative and quantitative data. Qualitative data needed in the study in the form of scores or scores on respondents' answers to each statement in the questionnaire and the results will be treated with a quantitative approach to test hypotheses with relevant statistical analysis.

The source of data used in this research is primary data, in the form of responses obtained directly from respondents and secondary data obtained from data sources in the form of recording historical data related to MSME Taxpayers at KPP Pratama Cibinong .

#### Sampling Method

The research was conducted using a population in the form of taxpayers who made tax payments by taking the highest number of paid taxpayers, namely 4203 taxpayers at KPP Pratama Cibinong . Sampling in this study used a *non- probability sampling* technique with an *accidental technique Sampling* is a sampling technique that is based on anyone who happens to meet with a researcher to be used as a suitable sample as a data source (Sugiyono, 2019) . The sample size in this study was determined using the *Slovin formula* as follows:

#### Method of collecting data

The method used in data collection is a survey method.

The survey method is in the form of data collection by distributing questionnaires containing open or closed questions or statements directly or online to respondents according to the criteria in the research sample.

#### Data Processing/Analysis Method

Collecting all the data needed and then analyzed with the help of SPSS *software* version 25. The data from the questionnaire in this study was then tested for data quality using validity and reliability tests to measure the feasibility and consistency of the questionnaire. Then a descriptive statistical test is carried out which aims to describe or describe the collected data whose data is presented through the calculation of the average and standard deviation. Furthermore, there is a classical assumption test measured using the *Kolmogorov-Smirnov test* . In the hypothesis test, which is carried out to temporarily answer a problem formulation that has not been verified, the analysis model uses the t-test, F-test and the Coefficient of Determination Test or R<sup>2</sup> .

### IV. RESEARCH RESULTS

#### Data Quality Test

##### Validity test

The test is carried out by calculating the *bivariate correlation value* between each indicator score and the total construct score ( *correlated items total correlation* ) . Knowing whether the statement item is valid or not if  $r_{\text{count}} > r_{\text{table}}$  for degrees of freedom or *degree of freedom* (  $df$  ) =  $n-2$  with a two-sided significance level at the 0.05 level. The number of samples in this study is (  $n$  ) = 98, so the value of  $df$  obtained is (  $df$  ) =  $98-2 = 96$  with a two-sided significance level of 0.05, then the value of  $r_{\text{table}}$  obtained is 0.186 with rounding to 0.199. The results of the validity test can be seen in the following table:



**Table 2 Validity Test Results for Tax Socialization Variables (X1)**

Variabel	Indikator	Butir Soal	r <sub>hitung</sub>	r <sub>tabel</sub>	Keterangan
Sosialisasi Perpajakan	Penyuluhan Pajak Oleh Fiskus Pajak	1	0.476	0.199	Valid
		2	0.532	0.199	Valid
		3	0.600	0.199	Valid
	Informasi Langsung Dari Petugas Ke Wajib Pajak	4	0.408	0.199	Valid
		5	0.716	0.199	Valid
		6	0.673	0.199	Valid
	Informasi Melalui Media Konvensional	7	0.635	0.199	Valid
		8	0.678	0.199	Valid
		9	0.713	0.199	Valid

Based on the results of the validity test in table 2, it shows that 9 (nine) items in the questionnaire have no invalid items. The  $r_{count}$  score on the X1 variable as a whole exceeds the  $r_{table}$ , which is 0.199. Thus, all items in the X1 variable can reveal data from the variables studied to be used as further test data.

**Table 3 Results of Validity Test Variables for Application of MSME Income Tax Incentives for the Covid Pandemic (X2)**

Variabel	Indikator	Butir Soal	r <sub>hitung</sub>	r <sub>tabel</sub>	Keterangan
Penerapan Insentif PPh UMKM Atas Pandemi Covid	Tarif Pajak 0,5% Yang Ditanggung Pemerintah	1	0.564	0.199	Valid
		2	0.678	0.199	Valid
		3	0.529	0.199	Valid
	Omzet	4	0.301	0.199	Valid
		5	0.573	0.199	Valid
	Perhitungan Pajak	6	0.788	0.199	Valid
		7	0.724	0.199	Valid

Statistics				
		Sosialisasi Perpajakan	Penerapan Insentif PPh UMKM atas Pandemi Covid	Kepatuhan WP UMKM
N	Valid	98	98	98
	Missing	0	0	0
Mean		29.74	21.23	29.23
Median		29.00	21.00	28.00
Std. Deviation		3.585	3.086	4.341
Variance		12.852	9.522	18.841
Range		15	13	18
Minimum		21	15	18
Maximum		36	28	36

Based on the results of the validity test in table 3, it shows that 7 (seven) items on the questionnaire do not contain invalid items. The  $r_{arithmetic}$  score on the X2 variable as a whole exceeds the  $r_{table}$ , which is 0.199. Thus, all items in the X2 variable can reveal data from the variables studied to be used as further test data.

**Table 4 Results of Validity Test of MSME Taxpayer Compliance Variables (Y)**

Based on the results of the validity test in table 4, it shows that 9 (nine) items in the questionnaire

Variabel	Indikator	Butir Soal	r <sub>hitung</sub>	r <sub>tabel</sub>	Keterangan
Kepatuhan Wajib Pajak UMKM	Kepatuhan Mendaftarkan Diri	1	0.722	0.199	Valid
		2	0.692	0.199	Valid
		3	0.814	0.199	Valid
	Kepatuhan Melaporkan Pajak	4	0.812	0.199	Valid
		5	0.833	0.199	Valid
		6	0.755	0.199	Valid
	Kepatuhan Dalam Menghitung Pajak Terutang	7	0.74	0.199	Valid
		8	0.516	0.199	Valid
		9	0.597	0.199	Valid

Variabel	Cronbach's Alpha	Nilai Cronbach's Alpha	N of Item	Keterangan
Sosialisasi Perpajakan	0.782	0.60	9	Reliabel
Penerapan Insentif PPh UMKM Atas Pandemi Covid	0.665	0.60	7	Reliabel
Kepatuhan Wajib Pajak UMKM	0.873	0.60	9	Reliabel

have no invalid items. The  $r_{arithmetic}$  score on the Y variable as a whole exceeds the  $r_{table}$ , which is 0.199. Thus, all items in the Y variable can reveal data from the variables studied to be used as further test data.

**Reliability Test**

Testing using *cronbach's alpha*, which can be said to be reliable if the score or *Cronbach's alpha* > 0.60. The results of reliability testing can be seen in the following table:

**Table 5 Reliability Test Results**

Based on the results of the reliability test in table 5, it shows that all items in the Tax Socialization variable (X1), Application of MSME PPh Incentives for the Covid Pandemic (X2), and MSME Taxpayer Compliance (Y) can be said to be reliable because it produces *Cronbach's value Alpha* > 0.60. With these results, it can be shown that all existing statements have high reliability values in each of the variables studied to be used as further test data.

**Descriptive Statistics Test**

The following table shows the results of statistical tests obtained from the responses collected to the questionnaires given by the respondents as follows:

**Table 6 Descriptive Statistical Test Results**

**Tax Socialization**

The results of the descriptive statistical test show that from the number of respondents as many as 98 respondents, it can be seen that the lowest (*minimum*) value on this variable is 21 and the highest (*maximum*) value is 36. The average value (*mean*) is 29.74. The standard deviation value is 3.585.

The average value obtained shows results that are greater than the standard deviation, thus that the average of all data on the tax socialization variable (X1) is able to describe the variables well. Meanwhile, the standard deviation value of the tax socialization variable (X1) is away from 0 so it can be said that the data distribution is quite diverse.

**Application of MSME PPh Incentives for the Covid Pandemic**

The results of the descriptive statistical test show that from the number of respondents as many as 98 respondents, it can be seen that the lowest (*minimum*) value on the variable is 15 and the highest value (*maximum*) is 28. The average value (*mean*) is 21.23. The standard deviation value is 3.086.

The average value obtained shows results that are greater than the standard deviation, thus that the average of all data on the MSME PPh Incentive Application variable for the Covid Pandemic (X2) is able to describe the variables well. Meanwhile, the standard deviation value of the UMKM PPh Incentive Application variable for the Covid Pandemic (X2) is away from the number 0 so it can be said that the data distribution is quite diverse.

**MSME WP Compliance**

The results of the descriptive statistical test show that from the number of respondents as many as 98 respondents, it can be seen that the lowest (*minimum*) value on this variable is 18 and the highest (*maximum*) value is 36. The average value (*mean*) is 29.23. The standard deviation value is 4.341.

The average value obtained shows results that are greater than the standard deviation, thus that the average of all data on the MSME WP Compliance variable (Y) is able to describe the variables well. Meanwhile, the standard deviation value of the MSME WP Compliance variable (Y) is away from 0 so it can be said that the data distribution is quite diverse.

**Classic assumption test**

**Normality Test**

The normality test was used to determine whether the data obtained were normally distributed or not. The Kolmogorov-Smirnov test is the normality test used in this study. There is a basis for making decisions from the Kolmogorov-Smirnov test by comparing the Asymp value. Sig (2-Tailed) and an alpha value of 0.05, then the data is declared normally distributed if the test results show a significance value > 0.05. The results of the normality test can be seen in the following table:

**Table 7 Normality Test Results With Kolmogorov-Smirnov**

normality test in table 7, it shows that the results of Asymp. Sig (2-Tailed) is 0.200 which means 0.200 >

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		98
Normal Parameters <sup>a,b</sup>	Mean	.0000000
	Std. Deviation	3.23449057
Most Extreme Differences	Absolute	.073
	Positive	.071
	Negative	-.073
Test Statistic		.073
Asymp. Sig. (2-tailed)		.200 <sup>c,d</sup>
a. Test distribution is Normal.		
b. Calculated from data.		
c. Lilliefors Significance Correction.		
d. This is a lower bound of the true significance.		

0.05. So it can be concluded that the data is normally distributed and can be used as the next test data.

**Hypothesis testing**

**t test**

The t test is used to test how the influence of each independent variable individually (partial) on the dependent variable. The basis for decision making is based on the t-count value with the t-table as follows:

1. If the significance level value is < 0.05 or t-count > t-table, then H<sub>1</sub> is accepted and H<sub>0</sub> is rejected. That is, the independent variable partially affects the dependent variable.
2. If the significance level value is > 0.05 or t-count < t-table, then H<sub>1</sub> is rejected and H<sub>0</sub> is accepted. That is, the independent variable partially has no effect on the dependent variable.

**Table 8 t test results**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
	(Constant)	5.409	2.875		
Sosialisasi Perpajakan (X1)	.348	.117	.287	2.972	.004
Penerapan Insentif PPh UMKM Atas Pandemi Covid (X2)	.635	.136	.452	4.674	.000

a. Dependent Variable: Y

Knowing whether or not a variable has a partial effect if t-count > t-table, with the t value for t-table =

(Alpha /2; nk-1) with a two-sided significance level at the 0.05 level. The number of samples in this study is (n) = 98, so the value of  $t_{table}$  obtained is  $t_{table} = (0.05/2; 98-2-1)$ , then the value of  $t_{table}$  obtained is  $t_{table} = (0.025; 95)$  namely 1.98525 with a rounding to 1.985 and a two-sided significance level of 0.05. The results of hypothesis testing of each independent variable on the dependent variable are as follows:

**1. The Effect of Tax Socialization on MSME Taxpayer Compliance**

Based on table 8, the  $t_{value}$  for the tax socialization variable is 2,972 with a significance value of 0.004. In this case the acquisition of the  $t_{arithmetic}$  value of 2,972 >  $t_{table}$  of 1,985 with a significance value of 0.004 < 0.05, then  $H_0$  is rejected and  $H_1$  is accepted. It can be concluded that the tax socialization variable partially influences the compliance of MSME taxpayers at KPP Pratama Cibinong .

**2. The Influence of Application of MSME Income Tax Incentives for the Covid Pandemic on MSME Taxpayer Compliance**

Based on table 8, it is obtained that the  $t_{count}$  value for the variable application of MSME PPh incentives for the covid pandemic is 4,674 with a significance value of 0.004. In this case the acquisition of the  $t_{arithmetic}$  value is 4.674 >  $t_{table}$  1.985 with a significance value of 0.000 < 0.05, then  $H_0$  is rejected and  $H_1$  is accepted. It can be concluded that the variable application of MSME PPh incentives for the covid pandemic partially affects MSME taxpayer compliance at KPP Pratama Cibinong .

**F Uji test**

The F test is used to determine whether the independent variables jointly affect the dependent variable using a significance level of 5% or 0.05. The basis for decision making is based on  $F_{calculated}$  with  $F_{table}$  as follows:

- If the significance level value is < 0.05 or  $F_{count} > F_{table}$ , then  $H_1$  is accepted and  $H_0$  is rejected. That is, the independent variables simultaneously affect the dependent variable.
- If the significance level value is > 0.05 or  $F_{count} < F_{table}$ , then  $H_1$  is rejected and  $H_0$  is accepted. That is, the independent variables simultaneously have no effect on the dependent variable.

**Table 9 F . Test Results**

Knowing whether or not a variable has a simultaneous effect if  $F_{count} > F_{table}$ , with the F value for  $F_{table} = (k; nk)$  with a two-sided significance level at the 0.05 level. The number of samples in this study is (n) = 98, so the value of the  $F_{table}$  obtained is  $F_{table} = (2; 98-$

2), then the  $F_{table}$  value obtained is  $F_{table} = (2; 96)$  which is

ANOVA <sup>a</sup>					
Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	812.795	2	406.397	38.044	.000 <sup>b</sup>
Residual	1014.807	95	10.682		
Total	1827.602	97			

a. Dependent Variable: Y  
b. Predictors: (Constant), X2, X1

3.09 with a two-sided significance level of 0.05.

Based on table 9 obtained the  $F_{calculated}$  value of 38,044 with a significance value of 0.000. In this case the acquisition of the  $F_{calculated}$  value 38.044 >  $F_{table}$  3.09 with a significance value of 0.000 < 0.05, then  $H_0$  is rejected and  $H_1$  is accepted. It can be concluded that the variables of tax socialization and the application of MSME PPh incentives for the covid pandemic jointly affect the compliance of MSME taxpayers at KPP Pratama Cibinong .

**R<sup>2</sup> (Coefficient of Determination)**

The coefficient of determination test is a number that states or is used to determine the contribution given by one or more independent variables to the dependent variable. A small value of R2 means that the ability of each independent variable in explaining the dependent variable is very limited. The results of testing the coefficient of determination can be seen in the following table:

**Table 10 Results of the Coefficient of Determination ( R2)**

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.667 <sup>a</sup>	.445	.433	3.268

a. Predictors: (Constant), X2, X1

Based on table 10 above, it can be seen that the value of the coefficient of determination or R Square is 0.445 or worth 44.5%. This shows that the independent variable (Tax Socialization and Application of MSME PPh Incentives for the Covid Pandemic ) affects the dependent variable (MSME Taxpayer Compliance) by 44.5%. While the remaining 54.5% is influenced by other variables not examined in this study.

**Discussion & Interpretation of Research Results**

### The Effect of Tax Socialization on MSME Taxpayer Compliance at KPP Pratama Cibinong .

Based on the results and data analysis carried out, it can be concluded that there is an influence between Tax Socialization (X1) on MSME Taxpayer Compliance (Y) at KPP Pratama Cibinong . This is based on the results of testing the questionnaire answer data obtained from a sample of 98 MSME respondents at KPP Pratama Cibinong that socialization of taxation, either directly or indirectly, is very necessary to do. This is due to the knowledge possessed by WP MSMEs at KPP Pratama Cibinong regarding the latest tax regulations and those imposed on socialization activities carried out by KPP Pratama Cibinong .

Knowledge of MSME Taxpayers regarding applicable regulations and policies related to tax socialization in the context of providing tax incentives for the *COVID-19 pandemic* encouraged by socialization which is carried out directly through information provided directly to Taxpayers. The indirect socialization carried out in conveying tax information to taxpayers, such as through the internet and various social media used by KPP Pratama Cibinong as a medium of information to taxpayers, one of which is through an *Instagram account*. @pajakcibinong. The social media account contains various information needed by taxpayers, several forms of tax socialization carried out are in the form of understanding of each tax that is applied, notification of the enactment of the latest policies, as well as discussions through radio talk shows and *online tax classes* .

This condition shows that tax socialization is one of the factors that can affect the compliance of MSME taxpayers at KPP Pratama Cibinong with the assumption that taxpayers who have a better and correct understanding through socialization will have awareness and knowledge about the importance of carrying out tax obligations.

According to [4] through the circular letter of the Director General of Taxes Number 98 of 2011 which reveals that tax counseling is an effort and process of providing tax information to produce changes in knowledge, skills, and attitudes of the community, business world, apparatus, and government and non-government institutions in order to create an incentive to be able to understand, be aware, care and have a role in carrying out tax obligations. In addition, according to [17] through tax counseling and socialization can be a medium for transferring information and knowledge for taxpayers.

The results of this study are in line with research conducted [1] which state that there is a positive and significant influence between tax socialization on taxpayer compliance. Tax socialization has a positive effect on increasing taxpayer compliance due to tax socialization so that taxpayers can understand their rights and obligations which will encourage

taxpayers to increase tax compliance (Wijayanto, 2016) .

### The Influence of Application of MSME Income Tax Incentives for the Covid Pandemic on MSME Taxpayer Compliance at KPP Pratama Cibinong .

Based on the results and data analysis carried out, it can be concluded that there is an influence between the application of MSME PPh Incentives on the *Covid Pandemic* (X2) towards MSME Taxpayer Compliance (Y) at KPP Pratama Cibinong . This is based on the results of testing the questionnaire answer data obtained from MSME respondents at KPP Pratama Cibinong with a sample of 98 respondents that the application of MSME PPh incentives for the *covid pandemic* effect on MSME taxpayer compliance at KPP Pratama Cibinong .

of the application of the MSME PPh incentives for the *covid pandemic* on the compliance of MSME taxpayers at KPP Pratama Cibinong on the basis of knowledge and understanding of information by taxpayers regarding the implementation of MSME tax incentive policies for the *covid pandemic* as well as the mechanism for implementing the MSME tax incentive policy.

The application of tax incentives for the *covid pandemic* This is not only used by taxpayers who have become registered taxpayers on the information obtained when distributing questionnaires to a sample of respondents, but also for new registered taxpayers to directly take advantage of tax breaks based on the regulation of the minister of finance which was initiated through PMK 44 Year 2020 with taxes borne by the government based on PP 23 of 2018.

This condition shows the application of MSME PPh incentives for the *covid pandemic* By bearing a tax rate based on PP 23 of 2018 of 0.5% by the government, the government can encourage awareness and understanding of MSME taxpayers at KPP Pratama Cibinong due to the high and low tax rates that can affect the level of taxpayer compliance, especially the impact of *Covid-19* which suppresses the economy so high which affect the compliance of taxpayers in carrying out their tax obligations. The high and low tax rates that can affect taxpayer compliance are related to the statement that taxpayers are obliged to calculate the tax payable. It can be concluded, the taxes borne by the government encourage taxpayers, especially MSMEs to have awareness of the obligation to calculate the tax payable.

According to [22] tax incentives are facilities provided and given by the government to individuals or entities as taxpayers that aim to be able to encourage an increase in economic activity. In addition, [15] argues that one of the factors that influence taxpayer compliance is the high and low tax rates set.

The results of this study are in line with research conducted by [2] which showed that there was a positive effect of lowering tax rates for MSMEs contained in the PP. No.23 of 2018 on tax compliance.



In line with this research, research conducted by [1], [12] shows that there is an effect on taxpayer compliance after the implementation of PP No.23 of 2018.

### **The Effect of Tax Socialization and Application of MSME PPh Incentives for the Covid Pandemic on MSME Taxpayer Compliance at KPP Pratama Cibinong**

Based on the results and data analysis carried out, it is known that there is an influence between Tax Socialization (X1) and the Application of MSME PPh Incentives for the Covid Pandemic (X2) on MSME Taxpayer Compliance (Y) at KPP Pratama Cibinong . This is based on data obtained from a questionnaire with a sample of 98 respondents, by carrying out statistical tests on the results of the F (simultaneous) test that has been carried out, showing the results of the calculated F value.  $38.044 > F_{table} 3.09$  with a significance value of  $0.000 < 0.05$  which is lower than 5%. This means that  $H_3$  is accepted, so that simultaneously the variables of Tax Socialization and Application of MSME PPh Incentives for the Covid Pandemic together affect MSME Taxpayer Compliance at KPP Pratama Cibinong .

The coefficient of determination ( $R^2$ ) obtained has a value of 0.445 or 44.5% which indicates that the Socialization of Taxation and Application of MSME PPh Incentives for the Covid Pandemic has an effect on MSME Taxpayer Compliance at KPP Pratama Cibinong by 44.5% of the total 100%, the remaining 54.5% is influenced by other variables not examined in this study.

This condition shows that the socialization of taxation and MSME PPh Incentives for the Covid Pandemic affects the compliance of MSME taxpayers at KPP Pratama Cibinong in carrying out their tax obligations. Good tax socialization by providing appropriate directions by the Directorate General of Taxes through tax officers will create synergy between Tax Socialization and Application of MSME PPh Incentives for the Covid Pandemic which leads to Taxpayer Compliance. As a first step, the tax socialization conducted by the Director General of Taxes aims to provide understanding to taxpayers as well as to encourage and provide awareness to taxpayers to comply with their tax obligations. Socialization that has an impact can affect the knowledge possessed by taxpayers about the existence of these incentive policies as a means for taxpayers to take advantage of tax breaks where the government bears the MSME Final PPh tax based on Government Regulation no. 23 of 2018. Tax dissemination is important because it really helps taxpayers in understanding the latest tax regulations that are enforced.

The results of this study are in line with those of [1] that the variables of implementing PP 23 in 2018 and socialization of taxation both have a partial and simultaneous influence on the level of compliance in paying taxes for MSMEs that have a certain gross turnover.

### **Closing**

Based on the data that has been done and the data has been tested on the problems from the results of the analysis that have been discussed previously, the following conclusions can be drawn:

1. Tax socialization partially and significantly influences the compliance of MSME taxpayers at KPP Pratama Cibinong . This is because the socialization provided and carried out by the tax authorities as an important role in socializing to taxpayers can provide information needed by MSME taxpayers at KPP Pratama Cibinong to find out the latest regulations and help understand the applicable tax regulations. With the socialization of taxation, it can affect taxpayer compliance with the assumption that taxpayers who have a better and correct understanding through socialization will have awareness and knowledge about the importance of carrying out tax obligations, as well as being the right thing to do.
2. MSME PPh incentives for the covid pandemic partially and significantly influence the compliance of MSME taxpayers at KPP Pratama Cibinong . This can be due to the understanding that MSME taxpayers have at KPP Pratama Cibinong , both registered taxpayers and newly registered taxpayers by directly utilizing policies related to the application of tax incentives for the covid pandemic. which can ease the burden of taxes owed during the pandemic. Through policies issued as a measure to counter the economy due to the pressure caused by COVID-19 by bearing the MSME tax rate based on PP 23 of 2018 of 0.5% by the government, the government can encourage awareness and understanding of taxpayers that affect taxpayer compliance in carrying out their tax obligations.
3. There is a positive and significant influence between tax socialization and the application of MSME PPh incentives for the COVID-19 pandemic together towards the compliance of MSME taxpayers at KPP Pratama Cibinong . This is evidenced by the value of  $sig 0.000 < 0.05$  which is lower than 5% with calculated F value  $38.044 > F_{table} 3.09$ . The coefficient of determination ( $R^2$ ) obtained has a value of 0.445 or 44.5% which indicates that the Socialization of Taxation and Application of MSME PPh Incentives for the Covid Pandemic effect on MSME Taxpayer Compliance at KPP Pratama Cibinong by 44.5%. while the remaining 54.5% is influenced by other variables not examined in this study. The importance of tax socialization that is carried out properly can provide an understanding of taxpayers in knowing and utilizing the issued tax incentive policies so as to encourage taxpayer awareness to comply with their tax obligations.

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