

NATIONALISM IMPLEMENTATION MODERATES THE EFFECT OF DIGITAL TAXATION ON TAXPAYER COMPLIANCE

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Abstract

Taxes are the main element of the country's largest revenue. Tax revenue is a source of revenue that can be obtained continuously and can be developed optimally as needed. This of course must be directly proportional to the high level of public compliance in paying taxes. Taxpayer compliance to carry out tax obligations is one measure of WP performance under the supervision of the Directorate General of Taxes (DJP). This means that the high and low compliance of taxpayers will be the basis for DJP's consideration in conducting guidance, supervision, management, and follow-up of taxpayers. Digital taxation is one form of tax reform to increase tax compliance and have an impact on increasing tax revenue. There are many benefits obtained by taxpayers with the implementation of digital taxation, namely tax data processing becomes faster, more precise and accurate, can avoid wasting paper and is more efficient. In addition, taxpayers can submit their tax returns anytime and anywhere. The purpose of this study was to examine the moderating effect of nationalism on the relationship between digital taxation and taxpayer compliance. The research method used is quantitative method using moderated regression analysis (MRA) test for hypothesis testing.

Keywords: Nationalism; Digital Taxation; Taxpayer Compliance

INTRODUCTION

Taxes are a very important source of state revenue Taxes are the dominant source of revenue in the structure of the State Budget (APBN). Almost 70 percent of revenue comes from the tax sector. Therefore, to achieve the target of state revenue from the taxation sector, real efforts are needed, as well as implementing government policies (Wahidah, 2018), The contribution of tax revenue to state revenue is expected to increase from year to year, along with the decreasing role of oil and gas in state revenue. To increase tax revenue, efforts made by the government include extensification and intensification of tax revenue. Extensification is pursued by increasing the number of active taxpayers, while intensification can be pursued through increasing taxpayer compliance, improving the quality of the taxation apparatus, excellent service to taxpayers and guidance to taxpayers, administrative supervision, examination, passive and active investigation and collection, and law enforcement (Alfian, 2013).

To increase state revenue through the tax sector, it requires active participation from taxpayers (individuals or entities) to fulfill all tax obligations properly (Ummammy & Lubis, 2022). This means that the increase in state tax revenue is determined by the level of compliance of taxpayers as good citizens. Taxpayer compliance to want to pay their taxes can affect tax revenue. If a taxpayer does not comply with his tax obligations, it is likely to reduce the level of tax revenue, and vice versa. Taxpayer compliance is an important aspect considering that the taxation system adopted by Indonesia is a self-assessment system where in its implementation it absolutely gives trust to taxpayers to calculate, pay, and report their obligations (Inayah, 2019).

Digital taxation is useful to increase the tax ratio and encourage public compliance to pay taxes voluntarily, because digital taxation is considered a tax system that can provide tax services to be easier and simpler. Digitalization of the tax system makes the relationship between tax authorities and taxpayers unlimited. Digitalization of the tax system is not bound by space and time so that it can increase efficiency and compliance. The performance of the tax authority will increase with the support of tax data through digital platforms. Available tax data information can more easily respond to taxpayer compliance so as to increase tax

revenue (DDTC, 2017).

This research was developed from previous research related to the effect of digital taxation on taxpayer compliance. Tambun and Riandini's research (2022) uses nationalism as a moderating variable for the effect of digital taxation and tax planning on taxpayer compliance. Based on this research, the effect of nationalism will be tested to moderate the effect of digital taxation on taxpayer compliance. The purpose of this study is to examine the effect of digital taxation on taxpayer compliance moderated by nationalism variables. The contribution of the research is expected to contribute to the understanding of taxpayers that tax digitalization will be able to increase taxpayer compliance by strengthening the spirit of nationalism.

LITERATURE REVIEW

TAXPAYER COMPLIANCE

Tax compliance is very important, because if taxpayers do not carry out their tax obligations or do not comply with every tax regulation set by the government, especially in paying taxes, it will have an impact on reducing tax revenue. Compliance can be realized with the existence of counseling, services, and law enforcement in the form of examination, investigation, and collection by placing taxpayers as subjects who are respected for their rights and obligations. The form of taxpayer compliance is divided into two, namely: formal compliance and material compliance. Formal compliance is a situation where taxpayers fulfill tax obligations formally in accordance with the provisions of the tax law. Material compliance is a situation where the taxpayer substantively fulfills all material provisions of taxation. According to the Decree of the Minister of Finance number 544/KMK.04/2000 the criteria for compliant taxpayers are:

1. Accurate in submitting tax returns for all types of taxes in the last two years.
2. Do not have tax arrears for all types of taxes unless they have obtained permission to install or postpone tax payments.
3. Never been sentenced for committing a criminal offense in the field of taxation within the last 10 years.
4. In the last 2 years organizing bookkeeping and in the event that an audit has been carried out against the taxpayer, the correction in the last audit for each type of tax payable is a maximum of 5 percent.

5. Taxpayers whose financial statements for the last 2 years were audited by a public accountant with an unqualified opinion, or an opinion with exceptions as long as it does not affect the fiscal profit or loss.

Taxpayer non-compliance will also encourage taxpayers to commit acts of tax evasion and tax avoidance. Tax evasion is illegal evasion of tax objects carried out by individuals and corporations, while tax avoidance is an effort made to avoid taxes by utilizing tax loopholes in the provisions of tax legislation so that opportunities are found that can be utilized to save taxes or minimize taxes to be paid.

DIGITAL TAXATION

Widespread and rapid digital transformation can pose great challenges for public policy, including tax. The Directorate General of Taxes is carrying out information technology reforms by developing the core tax system of the DGT as well as other supporting systems. The digitization of tax administration developed by the Directorate General of Taxes includes the NPWP registration process, the payment process to the reporting of SPT and other tax documents (Yap and Mulyani, 2022). The form of tax digitalization carried out by the Directorate General of Taxes is to provide electronic-based facilities to improve services that assist taxpayers in carrying out tax obligations more easily, one of which is the implementation of the e-System program consisting of e-registration, e-SPT, and e-filing (Putra and Risti, 2021).

THE EFFECT OF DIGITAL TAXATION ON TAXPAYER COMPLIANCE

Digital taxation aims to improve or increase efficiency and institutions to be more efficient and economical. Taxpayers can use the tax directorate general's electronic invoice mechanism to make payments of taxes owed. The e-invoice is an electronic tax payment method with an invoice code. The payment invoice code is an identifier code issued from the payment system for several types of tax payments / deposits that will be made by taxpayers (Fadilah et al., 2021). An integral advantage of the electronic tax reporting system is the integration of all relevant processes, such as preparation of tax documents, submission of tax reporting and tax payment, at the same time via the web. Electronic tax reporting can improve the existing tax reporting system while reducing costs for taxpayers and the government (Akram et al., 2019). Tax compliance as a legal concept with four categories of obligations: registration, filing, reporting, and payment in carrying out tax obligations (Siglé

et al., 2018). In the research of Uyar et al., (2021) through digitalization, providing information and government services directly to the community allows citizens to continue to receive the latest information and report tax returns on time. According to research by Aini & Nurhayati (2022) the test results show that digital taxation has a significant positive effect on taxpayer compliance. Based on several previous studies, the first hypothesis is formulated as follows:

H1 : Digital taxation affects on taxpayer compliance

THE EFFECT OF NATIONALISM ON TAXPAYER COMPLIANCE

Based on Law of the Republic of Indonesia Number 23 of 2019 concerning National Resource Management, state defense is the determination, attitude, and behavior and actions of good citizens, both individually and collectively in maintaining state sovereignty, territorial integrity and safety of the nation and state which is imbued with love for the Unitary State of the Republic of Indonesia based on Pancasila and the 1945 Constitution in ensuring the survival of the Indonesian nation and state from various threats. State defense is carried out on the basis of citizen awareness and belief in their own strength which is developed through state defense efforts. National independence is needed to support fiscal resilience through tax collection from citizens. The Indonesian people must make taxes the main source of state revenue. Tax payment as a reflection of state defense efforts will make every citizen proud and raise awareness of having Indonesia and love for the homeland. In research by Hanifah and Yudianto (2019) shows that nationalism has a positive effect on taxpayer compliance, so that the higher the level of nationalism of citizens, the higher the level of taxpayer compliance, State defense has the same definition as nationalism in previous study. Based on the description above, the second hypothesis is formulated as follows:

H1 : Nationalism affects on taxpayer compliance

NATIONALISM MODERATES THE EFFECT OF DIGITAL TAXATION ON TAXPAYER COMPLIANCE

Based on attribution theory, nationalism is able to influence the views of taxpayers in decision making in terms of consistency in taxpayer behavior in completing their tax obligations (Satyawati & Yulianti, 2021). Currently, the government has provided

technology-based tax services that can facilitate public access to tax services anytime and anywhere. In Night & Bananuka's research (2019) The application of digital taxation affects tax compliance. In research by Satyawati & Yulianti (2021) shows the effect of nationalism and the application of e-spt on taxpayer compliance. Based on these several researchers, it shows that nationalism can be a moderating variable for the effect of tax digitalization on taxpayer compliance. Based on the description above, the third hypothesis is formulated as follows:

H3 : Nationalism moderates the effect of digital taxation on compliance taxpayer compliance

RESEARCH METHOD

The population in this study were employee individual taxpayers at UPN "Veteran" Yogyakarta. The sampling method in this study used convenience sampling method. The number of samples willing to fill out the questionnaire was 36 respondents. Taxpayer compliance is a situation where taxpayers fulfill all tax obligations and exercise their taxation rights. Indicators for measuring taxpayer compliance are compliance with registering; compliance with calculating and paying taxes owed; compliance with submitting tax returns. Indicators for measuring tax digitalization are ease of tax services; speed of tax services; service effectiveness. Indicators for measuring state defense are pride in being a nation; aware of the nation; willing to sacrifice for the country; love for the country. In this study, the state defense variable is a moderating variable that affects the relationship between tax digitalization variables and taxpayer compliance. Therefore, to test the research hypothesis using Moderated Regression Analysis (MRA).

RESULT AND DISCUSSION

Validity and Reliability Test

The validity test results obtained the results of all question items for all variables, namely the taxpayer compliance variable, tax digitalization and state defense, are declared valid with a significance value below 0.05. The reliability test results for all research variables were declared reliable with a Cronbach Alpha value > 0.70. The Cronbach Alpha value of the taxpayer compliance variable is 0.809, the tax digitalization variable is 0.911 and the state defense variable is 0.768.

Respondent Demographics

Demographics of respondents based on gender were 28 male respondents (49.1%) and 29 female respondents (50.9%). Based on age, 11 respondents were 30-35 years old (19.3%); 12 respondents were 36-40 years old (21.1%); 12 respondents were 41-45 years old (21.1%); 14 respondents were 46-50 years old (24.6%) and 8 respondents were over 50 years old (14%). The demographic results of respondents can be seen in table 1 below:

Table 1
Respondent Demographics

		Age				Gender					
		Frequen	Perce	Valid	Cumulati			Freque	Perce	Valid	Cumulati
		cy	nt	Percent	ve			ncy	nt	Perce	ve
					Percent					nt	Percent
Valid	30-35	11	19,3	19,3	19,3	Valid	28	49,1	49,1	49,1	49,1
	36-40	12	21,1	21,1	40,4		29	50,9	50,9	100,0	100,0
	41-45	12	21,1	21,1	61,4		57	100,0	100,0		
	46-50	14	24,6	24,6	86,0						
	>50	8	14,0	14,0	100,0						
	Total	57	100,0	100,0							

Source: Primary data processed

Descriptive Statistical Analysis

The results of descriptive statistical analysis show that the taxpayer compliance variable has a mean value of 3.535091, this shows that the average respondent's answer agrees for taxpayer compliance, which means that respondents obey tax-related regulations. The mean

value of the digital taxation variable is 3.611528, this shows that the average respondent's answer agrees, which means that the respondent supports a tax digitization system that facilitates tax services. The mean value of the nationalism variable is 3.775439, this shows that the average respondent's answer agrees that taxes are proof of nationalism from good Indonesian citizens. The results of descriptive statistical analysis can be seen in table 2 below:

Table 2
Deskriptive Statistic

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Taxpayer compliance	57	2,6667	4,3333	3,535091	,4927319
Digital Taxation	57	2,4286	4,5714	3,611528	,7023349
Nationalism	57	2,8000	4,4000	3,775439	,4489196
Valid N (listwise)	57				

Source: Primary data processed

Moderated Regression Analysis (MRA).

The results of the moderating regression analysis can be seen in table 3 below:

Table 3
Uji Moderated Regression Analysis (MRA)

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,790 ^a	,625	,604	,3102426

a. Predictors: (Constant), Digital Taxation.Nationalism, Digital Taxatio, Nationalism

b. Dependent Variable: Taxpayer Compliance

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	8,495	3	2,832	29,419	,000 ^b
	Residual	5,101	53	,096		
	Total	13,596	56			

a. Dependent Variable: Taxpayer Compliance

b. Predictors: (Constant), Digital Taxation.Nationalism, Digital Taxatio, Nationalism

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-2,879	1,882		-1,529	,132
	Digital Taxation	1,626	,557	2,318	2,918	,005
	Nationalism	1,303	,514	1,187	2,535	,014
	Digital.Nationalism	-,316	,147	-2,443	-2,154	,036

a. Dependent Variable: Taxpayer Complianec

Based on table 3 of the moderation regression analysis results, the regression equation can be stated as follows:

$$Y = -2.879 + 1.626X_1 + 1.303X_2 - 0.316X_1X_2$$

The F sig value of 0.000 is smaller than 0.05, which means it can be concluded that the regression model is feasible or fit. The coefficient of determination is 0.604, which means that 60.4% of the taxpayer compliance variable is explained by the tax digitalization variable, state defense, and the interaction of tax digitalization and state defense while the remaining 39.6% is explained by other variables outside the variables studied.

Hypothesis Test And Discussion

The results of hypothesis testing can be seen in table 4 below:

Table 4
Hypothesis Test Results

Hipotesis	Nilai signifikansi	Kesimpulan
Digital Taxation affects taxpayer compliance	0.005	Hypothesis accepted
Nationalism affects taxpayer compliance	0.014	Hypothesis accepted
Nationalism moderates the effect of digital taxation on taxpayer compliance	0.036	Hypothesis accepted

Based on table 4, the results of hypothesis testing can be seen that the significance value of all variables, both digital taxation and nationalism, is below 0.05, this means that the variables of digital taxation and nationalism have an effect on taxpayer compliance. In the third hypothesis it is proven that nationalism moderates the effect of digital taxation on taxpayer compliance.

Digital taxation based on the results of testing the first hypothesis is proven to affect taxpayer compliance. This shows that the application of digital taxation increases taxpayer compliance. The existence of digital taxation makes it easier for taxpayers in the tax return reporting process (e-filing), makes it easier for taxpayers to make tax payments (e-billing) and makes it easier for taxpayers to make invoices (e-invoicing). The convenience felt by taxpayers will increase taxpayer compliance. The results of this study support previous research by Night & Bananuka (2019), Wulandari (2021), and Aini & Nurhayati (2022) and Tambun and Riandini (2022).

Nationalism in the results of testing the second hypothesis is also proven to affect taxpayer compliance. Tax payments can support state sovereignty. State sovereignty can be interpreted globally, as a manifestation of the state's ability to manage its country without interference from any party. Tax payment as a reflection of the country's defense efforts will make every citizen proud and raise awareness of having Indonesia and love for the homeland.

This shows that the increase in taxpayer compliance is due to the awareness of citizens in paying taxes as a form of love for the homeland. The results of this study support previous research Purnamasari et al., (2018), Hanifah & Yudianto (2019), and Tambun & Haryati (2022).

In the third hypothesis, it is proven that the high love of citizens for the country can increase the effect of digital taxation on taxpayer compliance. Increased taxpayer compliance is driven by high love for the country and ease of tax services through tax digitalization. The results of this study support previous research by Night & Bananuka (2019), Satyawati & Yulianti (2021), and Tambun & Handayani (2022).

CONCLUSIONS AND SUGGESTIONS

The results of this study find empirical evidence that digital taxation and nationalism affect taxpayer compliance. Other results prove that state defense moderates the effect of digital taxation on taxpayer compliance. One form of state defense is citizen compliance in paying taxes. Therefore, the love of citizens for their homeland can strengthen the influence of digital taxation on increasing taxpayer compliance. The results of this study recommend the importance of digital taxation and nationalism on increasing taxpayer compliance. Suggestions for future researchers are to develop a digital taxation research model with technology acceptance model (TAM) variables to increase taxpayer compliance.

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