

## The Influence of Tax Rates, Tax Knowledge, and Tax Sanctions on Tax Payment Compliance of Culinary MSMEs in South Lampung Regency

Chairian Tomy<sup>1\*</sup>, Susi Nofitasari<sup>2</sup>

<sup>1\*</sup> Universitas Indonesia Mandiri, Lampung, Indonesia. E-mail: [chairiantomy@uimandiri.ac.id](mailto:chairiantomy@uimandiri.ac.id)

<sup>2</sup> Universitas Indonesia Mandiri, Lampung, Indonesia. E-mail: [susinofitasari@uimandiri.ac.id](mailto:susinofitasari@uimandiri.ac.id)

\*Corresponding E-mail: [chairiantomy@uimandiri.ac.id](mailto:chairiantomy@uimandiri.ac.id)

Article	Abstract
<p><b>Keywords:</b> Tax Rates, Tax Knowledge, Tax Sanctions, Compliance MSME Tax Payment.</p> <p><b>History of Article</b> Received: January 2025 Reviewed: January 2025 Accepted: January 2025 Published: January 2025</p>	<p>This research was conducted to explain the effect of changes in tax rates, tax knowledge, and tax sanctions on tax payment compliance MSMEs. The population in this study is MSME actors in the culinary field who in Sleman Regency. The sampling technique is Simple Random Sampling with the calculation of the number of samples using the Slovin method. Total The sample in this study is 99 MSME actors. The results of this study show that tax knowledge and tax sanctions affect MSME tax payment compliance, Meanwhile, the tax rate has no effect on tax payment compliance MSMEs.</p>

©2025; This is an open access article under the [CC BY-SA](https://creativecommons.org/licenses/by-sa/4.0/) license, which permits unrestricted use, distribution, and reproduction in any medium, provided the original works is properly cited.

### 1. INTRODUCTION

Currently, many people are choosing to start businesses in the culinary sector. This trend can be observed from the high public interest in culinary products, encouraging new entrepreneurs to compete in establishing businesses and producing products that attract consumer interest. This phenomenon has a positive impact as it creates new job opportunities for others. However, many new entrepreneurs fail to register their businesses, resulting in negligence and non-compliance with their tax obligations.

The Head of Domestic Trade at the Department of Industry, Trade, Cooperatives, and MSMEs of DIY, Eko Wiyoto, stated that among existing industries, the food or culinary industry is still the easiest for the public to venture into compared to other industries. The food or culinary sector is highly favored as a business opportunity because it requires relatively low investment. Moreover, it can be operated using simple equipment technology.

The large number of MSME actors is not proportional to the tax revenue generated from them. Medium and large enterprises remain the largest contributors to tax revenue in Indonesia. Endrianto (2015) identified several causes, including the fact that the Directorate General of Taxes (DGT) focuses more on large taxpayers, while monitoring MSME actors has not been optimally conducted. Additionally, the tax compliance of MSME actors is still low. This study seeks to provide empirical evidence on whether tax rates, tax

knowledge, and tax sanctions influence MSME taxpayer compliance in paying taxes. Furthermore, this research combines variables from previous studies on tax rates, tax knowledge, and tax sanctions.

In recent years, MSMEs have made a significant contribution to Indonesia's economy. MSMEs contribute 61.41% to the country's Gross Domestic Product (GDP). Sleman Regency is the area in Yogyakarta with the highest number of MSMEs, totaling 27,381 or 29.09% of MSMEs in Yogyakarta. This number consists of 23,275 micro-enterprises, 3,681 small enterprises, and the remainder being medium enterprises (Tatik, 2018). Research conducted on MSMEs in Sleman used Government Regulation Number 46 of 2013, which imposed a tax rate of 1% on gross turnover. However, this regulation has been replaced by Government Regulation Number 23 of 2018, which sets a tax rate of 0.5%. This change is one reason why this study focuses on MSMEs in Sleman. Additionally, the difference in tax rates applied to MSME tax payments distinguishes this study from previous research.

Tax knowledge is a process of changing the attitudes and behavior of taxpayers or taxpayer groups to mature individuals through education and training efforts. The low level of knowledge and understanding of general provisions and tax procedures among the public is one of the inhibiting factors affecting taxpayer compliance. This issue is not without cause, as there is minimal socialization from tax authorities to provide taxpayers with knowledge about the regulations and tax systems currently in effect in Indonesia.

Taxpayer compliance refers to the fulfillment of tax obligations carried out by taxpayers as a contribution to ongoing development efforts. It is expected to be performed voluntarily. Taxpayer compliance is a crucial aspect, given that Indonesia's tax system adopts a self-assessment system, entrusting taxpayers to calculate, pay, and report their tax obligations independently.

Sanctions are actions in the form of punishments given to individuals who violate regulations. Regulations or laws serve as guidelines for individuals on what should and should not be done. Tax sanctions need to be enforced maximally, not just as a discourse, to ensure that MSME owners pay their taxes diligently. If tax sanctions are enforced, MSME taxpayers will regularly fulfill their tax obligations out of fear of penalties for non-compliance.

Regulations on MSME business actors' tax payments are stipulated in Government Regulation Number 23 of 2018 concerning Income Tax on Income from Businesses Received or Obtained by Taxpayers with Certain Gross Turnover. Before Government Regulation Number 23 of 2018 was implemented, Government Regulation Number 46 of 2013 was used, which required MSME taxpayers to pay a final income tax of 1% of their monthly turnover.

The tax rate is the percentage used to determine the tax obligation that taxpayers must pay. The rate is a percentage or amount paid by taxpayers based on their generated income. Government Regulation of the Republic of Indonesia Number 23 of 2018 concerning Income Tax on Income from Businesses Received or Obtained by Taxpayers with Cer-

tain Gross Turnover specifies the rate in Article 2, paragraph (2): "The final income tax rate as referred to in paragraph (1) is 0.5% (zero point five percent)."

## 2. METHODS

The type of research used is quantitative research. The object of this study is MSME taxpayers in the culinary sector in South Lampung Regency. The sample used consists of MSME taxpayers in the culinary sector in South Lampung Regency. The sampling method employed is Simple Random Sampling, calculated using the Slovin formula. Simple Random Sampling is a technique of selecting samples from population members randomly without considering the strata within the population.

There are two types of data collection methods: primary data and secondary data. Primary data are collected through questionnaires, which is a data collection technique using surveys with written statements directed at research subjects (Indriantoro and Supomo, 1999:152). Secondary data are required in the research as supporting materials for writing, with sources obtained from various published information or institutional data (Jatmiko, 2006).

## 3. ANALYSIS AND DISCUSSION

### A. Changes in Tax Rates Affect Tax Payment Compliance

The results of the first hypothesis test (H1) indicate that the analysis regression with a significance value of  $(0.311) > 0.05$  means that the tax rate set by the government has no effect (rejected) on the compliance of MSME taxpayers. Therefore, the high or low tax rate imposed does not affect the compliance of MSME taxpayers. Additionally, the low awareness of taxpayers to pay taxes is one of the factors that renders tax rates insignificant in influencing MSME tax payment compliance. Without taxpayer awareness to pay taxes, no matter how much the rate is set, it will not affect the level of tax payment compliance.

This finding is supported by previous studies by Septarini (2015) and Siregar (2018), which state that taxpayer awareness has a positive effect on tax payment compliance. This study also aligns with the research conducted by Yusro and Kiswanto (2014), which states that tax rates do not affect the compliance of MSME taxpayers. This suggests that compliance in paying MSME taxes in Sleman Regency is not influenced by the prevailing tax rates.

### B. Knowledge of Taxation Affects MSME Tax Payment Compliance

The results of the second hypothesis test (H2) show that the analysis regression with a significance value of  $0.000 < 0.05$  indicates that the variable of knowledge about taxation has a significant effect (accepted) on MSME tax payment compliance. This means that knowledge and understanding of taxation significantly affect MSME tax payment compliance in Sleman Regency.

These results support previous research conducted by Rosi (2018), which found that knowledge of taxation significantly affects MSME tax payment compliance. Therefore, if the level of taxpayer knowledge and understanding regarding prevailing tax regulations is high, the level of taxpayer compliance in fulfilling their tax obligations will also increase.

### C. Tax Sanctions Affect MSME Tax Payment Compliance

The results of the third hypothesis test (H3) show that there is an effect of tax sanctions on MSME tax payment compliance. This is evidenced by the analysis regression with a significance value of  $(0.048) < 0.05$ , which means that the variable of tax sanctions has a significant effect (accepted) on MSME tax payment compliance.

These results support previous research conducted by Cahyani (2019), which found that tax sanctions significantly affect MSME tax payment compliance. This concludes that the stricter the sanctions imposed, the higher the compliance of MSME taxpayers.

## 4. CONCLUSION

Based on the results of the research conducted, it can be concluded as follows:

### 1. Changes in Tax Rates Do Not Affect MSME Tax Payment Compliance

The research findings indicate that the high or low tax rates set by the government do not influence MSME taxpayer compliance. This result suggests that tax compliance is not determined solely by the rates applied but rather by other factors, such as taxpayer awareness. Without sufficient awareness and willingness to fulfill tax obligations, changes in tax rates, whether increased or decreased, will not effectively encourage compliance among MSME taxpayers.

### 2. Knowledge of Taxation Affects MSME Tax Payment Compliance

Knowledge and understanding of taxation play a crucial role in improving tax compliance among MSMEs. The research shows that MSME taxpayers with better knowledge of tax regulations, including procedures, obligations, and rights, tend to be more compliant in fulfilling their tax duties. This emphasizes the importance of providing education and socialization to taxpayers to increase their understanding of the current tax system and encourage voluntary compliance.

### 3. Tax Sanctions Affect MSME Tax Payment Compliance

The findings demonstrate that the imposition of firm and consistent tax sanctions significantly influences MSME tax compliance. Strict penalties for non-compliance act as a deterrent, encouraging taxpayers to fulfill their obligations on time to avoid legal consequences. This underscores the importance of implementing and enforcing tax sanctions effectively to promote a culture of compliance among MSME taxpayers.

## REFERENCES

- Abubakar, A. and Wibowo (2004), *Accounting for Small and Medium Enterprises*, PT. Grasindo, Jakarta.
- Arum, H.P. (2012), "The Influence of Taxpayer Awareness, Tax Officer Services, and Tax Sanctions on Individual Taxpayer Compliance Engaged in Business Activities and Independent Work (Study at KPP Pratama Cilacap)", Undergraduate Thesis, Diponegoro University, Semarang.
- Cahyani, L.P.G. and Noviari, N. (2019), "The Effect of Tax Rates, Tax Understanding, and Tax Sanctions on MSME Taxpayer Compliance", *E-Journal of Accounting*, Udayana University, Vol. 26 No. 3, pp. 1885-1911.

- Deni (2018), "New MSME Tax Rules 0.5% of Turnover", available at: <https://www.starjogja.com/2018/08/01/aturan-baru-pajak-umkm-05-dari-omzet/> (accessed 1 August 2018).
- Endrianto, W. (2015), "Principles of Justice in MSME Taxation", *Binus Business Review*, Vol. 6 No. 2, August, pp. xx-xx.
- Ghozali, I. (2011), *Application of Multivariate Analysis with SPSS*, Diponegoro University Press, Semarang.
- Government Regulation No. 23 of 2018 concerning Income Tax from Business Income Received or Earned by Taxpayers with Specific Gross Circulation.
- Hair, J.F., et al. (1998), *Multivariate Data Analysis*, 5th ed., Prentice-Hall International, Inc., Upper Saddle River, NJ.
- Indriantoro, N. and Supomo, B. (1999), *Business Research Methodology*, BPFE UGM, Yogyakarta.
- Jatmiko, A.N. (2006), "The Influence of Taxpayer Attitude on the Implementation of Fines, Tax Officer Services, and Tax Awareness on Taxpayer Compliance", Master's Thesis, Diponegoro University, Semarang.
- Kerlinger, F.N. (1986), *Foundations of Behavioral Research*, available at: [https://www.academia.edu/6475118/Pengertian\\_metodologi\\_penelitian](https://www.academia.edu/6475118/Pengertian_metodologi_penelitian) (accessed 13 April 2019).
- Law No. 16 of 2009 on General Provisions and Tax Procedures.
- Law of the Republic of Indonesia No. 20 of 2008 on MSMEs Chapter IV Article 16, Jakarta.
- Law No. 28 of 2007 Article 1 Paragraph 1 on the Third Amendment to Law No. 6 of 1983 on General Provisions and Tax Procedures.
- Lazuardini, E.R., et al. (2018), "The Effect of Tax Regulation Understanding, Tax Rates, and Tax Sanctions on MSME Taxpayer Compliance", Undergraduate Thesis, Islamic University of Malang, Malang.
- Mardiasmo (2011), *Taxation*, Revised ed., Andi Offset, Yogyakarta.
- Mardiasmo (2013), *Taxation*, Revised ed., Andi Offset, Yogyakarta.
- Muchid, A. (2015), "Preparation of Financial Statements Based on Financial Accounting Standards Entities Without Public Accountability (SAK-ETAP): A Case Study on UD. Mebel Novel'l in Banyuwangi", Undergraduate Thesis, University of Jember, Jember.
- Ningtyas, R.P.D.C. (2012), "The Effect of Taxation Understanding, Tax Rates, Sanctions, and Payment Services on MSME Taxpayer Compliance in Malang City", Undergraduate Thesis, Brawijaya University, Malang.
- Rosi, R.A. (2018), "Analysis of Factors Influencing MSME Taxpayer Compliance in Performing Tax Obligations (Case Study on MSME Taxpayers Registered at KPP Pratama Karanganyar)", Undergraduate Thesis, Muhammadiyah University, Surakarta.
- Salam, F.N. (2015), "The Influence of Taxpayer Attitude, Taxpayer Morality, and Tax System on Individual Taxpayer Compliance", Undergraduate Thesis, Widyatama University, Bandung.
- Sekaran, U. (2011), *Research Methodology for Business (Translated-Book 2)*, 4th ed., Salemba Empat, Jakarta.
- Septarini, D.F. (2015), "The Influence of Service, Sanctions, and Taxpayer Awareness on Individual Taxpayer Compliance at KPP Pratama Merauke", *Journal of Economic and Social Sciences*, Vol. VI No. 1, April, pp. xx-xx.

- Siregar, D.L. (2017), "The Influence of Taxpayer Awareness and Tax Sanctions on Individual Taxpayer Compliance at KPP Pratama Batam", *Journal of Accounting & Management Innovation*, Vol. 1 No. 2, July, pp. 119-128.
- Statistikian (2012), "Explanation of Research Design (Introduction)", available at: <http://www.statistikian.com> (accessed 26 March 2019).
- Sugiyono (2001), *Administrative Research Methods*, Alfabeta, Bandung.
- Sugiyono (2005), *Research Methodology*, available at: [http://www.academia.edu/6475118/Pengertian\\_metodologi\\_penelitian](http://www.academia.edu/6475118/Pengertian_metodologi_penelitian) (accessed 13 April 2019).
- Sugiyono (2013), *Educational Research Methods: Quantitative, Qualitative, and R&D Approaches*, Alfabeta, Bandung.
- Sujarweni, V.W. (2016), *Complete Accounting Research with SPSS*, Pustaka Baru Press, Yogyakarta.
- Tatik, S.E.M.Ak.Ak.CA.1 (2018), "Potential for Tax Payment Compliance Among MSME Entrepreneurs After the Issuance of Government Regulation No. 23 of 2018 (Case Study on MSMEs in Sleman-Yogyakarta)", *Proceedings of the National Seminar on Sustainable Competitive Advantage (SCA)*, Islamic University of Indonesia, Yogyakarta.
- Wahjudi, D. and Himawan, A. (2014), "Analysis of Income Tax Payment Records in Micro, Small, and Medium Enterprises in Semarang City", *Journal of Faculty of Economics and Business, Stikubank University, Semarang*.
- Wulandari, A.D. (2018), "The Influence of Tax Payment Mechanism Understanding, Tax Rates, Tax Sanctions, and Tax Socialization on MSME Taxpayer Compliance (Empirical Study on MSME Taxpayers Registered at KPP Pratama Surakarta)", *Undergraduate Thesis, Faculty of Economics and Islamic Business, State Islamic Institute of Surakarta*.
- Yusro, H.W. and Kiswanto (2014), "The Effect of Tax Rates, Tax Payment Mechanisms, and Tax Awareness on MSME Taxpayer Compliance in Jepara", *Journal of Accounting, Faculty of Economics, State University of Semarang, Indonesia*