

Taxpayer Compliance: The Self-Assessment System, E-Billing Implementation, Tax Sanctions

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Abstract

This study aims to analyze the influence of the self-assessment system, e-billing implementation, and tax sanctions on individual taxpayer compliance at KPP Pratama Palembang Ilir Timur, Indonesia. Employing a quantitative research design, this study used purposive sampling to select 100 individual taxpayers registered at KPP Ilir Timur, determined using the Slovin formula. Data were collected through questionnaires and analyzed using several statistical techniques, including validity and reliability testing, normality testing, classical assumption tests, multiple linear regression analysis, hypothesis testing, and the coefficient of determination, assisted by SPSS version 26. The findings reveal that the self-assessment system, e-billing implementation, and tax sanctions each have a positive and significant impact on individual taxpayer compliance. The research was limited to a single city (Palembang).

Keywords: Self-Assessment System, E-Billing, Tax Sanctions, Taxpayer Compliance

1. Introduction

Economic development and societal welfare are closely linked to the revenue-generating capacity of a nation. One of the most significant sources of state revenue is taxation, which plays a fundamental role in financing public programs such as infrastructure, healthcare, and education. Sustaining these expenditures requires consistent taxpayer compliance, ensuring that obligations are fulfilled transparently and responsibly. As defined by Mardiasmo (2016), tax is a compulsory contribution from citizens to the state, with no direct benefit in return, aimed at financing public expenditures.

In Indonesia, the growth of tax revenues is largely determined by the level of taxpayer compliance, referring to the extent to which individuals or entities accurately calculate, pay, and report their taxes on time. However, data from the Directorate General of Taxes (DGT) indicate that the taxpayer compliance ratio at KPP Pratama Ilir Timur between 2020 and 2024 has shown a fluctuating yet declining trend.

Table 1. Taxpayer Compliance Ratio in 2020-2024

Tahun Pajak	Jumlah Wajib Pajak	Jumlah WPOP Yang Membayar	Jumlah Wajib Pajak Yang Wajib Melaporkan SPT	Rasio Kepatuhan Wajib Pajak
2020	210,158	8,064	55,394	26,30%
2021	221,913	7,458	51,031	23%
2022	223,491	8,123	51,878	23,20%
2023	244,116	7,242	56,021	23%
2024	253,744	7,552	51,107	20,10%

Source: Secondary data processed by the author, 2024

Although the number of registered taxpayers has increased annually, the compliance ratio fell from 26.3% in 2020 to 20.1% in 2024. This suggests that growth in taxpayer numbers has not been matched by improvements in annual tax reporting compliance.

Several factors are believed to influence taxpayer compliance, including the self-assessment system, e-billing implementation, and tax sanctions. The **self-assessment system** represents one of the cornerstones of Indonesia's tax reform, where taxpayers are entrusted with the responsibility of calculating, paying, and reporting their own tax obligations. Since the enactment of Law No. 6 of 1983 on General Provisions and Tax Procedures (UU KUP), Indonesia has transitioned from an official assessment system to a self-assessment model.

Previous studies, such as Putri and Adi (2022), have demonstrated that the self-assessment system significantly enhances taxpayer compliance, indicating that greater autonomy and accuracy in self-assessment improve adherence to tax obligations. Conversely, Wibowo et al. (2022) and Dasuki (2022) found no significant relationship, suggesting that self-assessment alone may not guarantee compliance.

To improve tax administration efficiency, the DGT introduced an electronic tax payment system—**E-Billing**—regulated under PER-26/PJ/2014. This innovation enables taxpayers to make payments online via a billing code, accessible anytime and anywhere, thereby simplifying transactions and enhancing accuracy. Studies by Nisa and Prasetyani (2024), Novimilddwiningrum and Hidajat (2022), and Pradilatri and Djaelani (2021) confirmed that e-billing positively influences taxpayer compliance. However, opposing evidence from Fadilah and Sapari (2020) and Wahyudi (2020) suggests otherwise.

Another critical determinant is **tax sanctions**, which serve as a legal enforcement mechanism intended to foster compliance through deterrence. Sanctions are imposed on taxpayers who fail to report, delay payment, or provide inaccurate information. These may take the form of administrative penalties, fines, or criminal charges (Mardiasmo, 2016). Tax sanctions thus play both preventive and corrective roles, ensuring compliance with tax regulations (Kedang & Suryono, 2020).

Empirical studies by Amran (2018), Qomariyah and Riduwan (2023), and Erica (2021) have shown that tax sanctions exert a positive and significant impact on taxpayer compliance. In contrast, findings from Santhi et al. (2022) and Fadhillah and Surenggono (2024) reveal no significant effect.

2. Literature review and hypothesis/es development

The self-assessment system, the implementation of e-billing, and tax sanctions demonstrate a synergistic relationship among these three factors, providing a more holistic approach to encouraging taxpayer compliance. The self-assessment system grants taxpayers the flexibility to independently calculate and report their taxes, thereby enhancing their sense of responsibility. The implementation of e-billing simplifies and accelerates the payment process, making it more efficient and easily accessible for taxpayers, which in turn increases compliance. Meanwhile, tax sanctions serve as an external deterrent, ensuring that consequences are imposed when tax obligations are not fulfilled, thereby strengthening taxpayers' intention to comply. Thus, these three factors do not operate independently; rather, they complement one another in creating a conducive environment for taxpayers to fulfill their obligations.

The Self-Assessment System is a tax collection system that empowers taxpayers to calculate, pay, and report their own taxes in accordance with applicable laws and regulations. Within the framework of the Theory of Planned Behavior, tax compliance is influenced by the taxpayer's intention to fulfill their tax obligations in accordance with the regulations. From a compliance theory perspective, the implementation of the self-assessment system is one of the government's efforts to create a sense of fairness in the tax system, which is expected to encourage taxpayers to be more compliant with applicable tax regulations.

E-Billing is an electronic tax payment system that makes it easy for taxpayers to create billing codes and pay taxes online quickly, easily, and accurately using payment media via ATMs or internet banking. Based on the Technology Acceptance Model (TAM), the implementation of E-Billing can be linked to two main constructs: perceived sincerity and perceived ease of use. E-billing is considered beneficial because it simplifies the tax payment process and increases the efficiency and speed in fulfilling tax obligations. In addition, the ease of use of this system strengthens the acceptance of technology by taxpayers, which is expected to encourage compliance in fulfilling their tax obligations. From a compliance theory perspective, the Directorate General of Taxes (DGT) is reforming the tax administration system by modernizing services based on the E-Billing system as a form of improving the quality of service for taxpayers.

Tax sanctions are measures imposed on taxpayers who fail to fulfill their tax obligations in accordance with the provisions of tax laws, with the aim of encouraging taxpayer compliance. Based on the Theory of Planned Behavior, tax sanctions can instill fear and then motivate taxpayers to make greater efforts to fulfill their tax obligations. According to compliance theory, taxpayers.

3. Methodology

This study adopts a quantitative approach, utilizing primary data collected through structured questionnaires. The population consists of 253,744 individual taxpayers registered at KPP Pratama Ilir Timur, Palembang. Using the Slovin formula (Sugiyono, 2016) with a 10% margin of error, a sample of 100 respondents was determined. The sampling technique employed was purposive sampling, with inclusion criteria requiring respondents to possess an active Taxpayer Identification Number (NPWP) and registration within the Ilir Timur jurisdiction.

Data collection instruments included questionnaires, relevant literature, and supporting academic journals. Data analysis was performed using SPSS version 26, encompassing validity and reliability tests, normality tests, classical assumption tests, multiple linear regression analysis, hypothesis testing (t-test and F-test), and the coefficient of determination (R^2).

This methodological framework was designed to ensure the accuracy, reliability, and validity of the findings while testing the proposed hypotheses on the relationships among the self-assessment system, e-billing implementation, and tax sanctions in influencing taxpayer compliance.

4. Results And Discussion

4.1. Results

Several tests were conducted, including descriptive statistical analysis and classical assumption tests. It was concluded that the data are normally distributed, and there are no issues of multicollinearity or heteroscedasticity in the regression model.

Tabel 2. Multiple Linear Regression Analysis Test

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1							
(Constant)	4.685	1.642		2.853	.005		
Self Assessment Sytem	.236	.023	.458	10.390	.000	.980	1.020
Penerapan E-Billing	.399	.023	.770	17.328	.000	.963	1.039
Sanksi Pajak	.264	.024	.484	10.935	.000	.972	1.029

a. Dependent Variable: Kepatuhan WPOP

Source: SPSS ver.26 Data Processing Results

From the calculation results in table 2 above, the multiple linear regression equation can be compiled as follows:

$$[Y = 4.685 + 0.236X_1 + 0.399X_2 + 0.264X_3 + e]$$

1. Based on the multiple linear regression results, a constant value of 4.685 indicates that if the self-assessment system (X1), e-billing implementation (X2), and tax sanctions (X3) are all set at 0, then taxpayer compliance (Y) will increase.
2. The multiple linear regression coefficient for the self-assessment system is 0.236, which is positive, meaning that an increase in the self-assessment system leads to increased taxpayer compliance.
3. The multiple linear regression coefficient for e-billing implementation is 0.399, which is positive, meaning that an increase in e-billing implementation leads to increased taxpayer compliance.
4. The multiple linear regression coefficient for the application of tax sanctions is 0.264, which is positive, meaning that an increase in tax sanctions leads to increased taxpayer compliance.

Hypothesis Testing

F-Test(Simultaneous Test)

The F-test results show a significance value of 0.000 (< 0.05) with an F-statistic of 143.271, exceeding the critical F-value of 2.699. This indicates that the self-assessment system, e-billing implementation, and tax sanctions simultaneously exert a significant influence on taxpayer compliance.

The t-test results for each independent variable are as follows:

- **Self-assessment system (X₁):** $t = 10.390, p = 0.000 (< 0.05)$
- **E-billing implementation (X₂):** $t = 17.328, p = 0.000 (< 0.05)$
- **Tax sanctions (X₃):** $t = 10.935, p = 0.000 (< 0.05)$

All variables have a significant positive impact on taxpayer compliance, supporting all proposed hypotheses (H₁–H₃).

Coefficient of Determination (R²)

The coefficient of determination (R²) is 0.817, meaning that 81.7% of the variance in taxpayer compliance is explained collectively by the three independent variables. The remaining 18.3% is attributable to other factors not included in the model, such as taxpayer awareness, income level, or tax service quality.

4.2. Discussion

The Effect of the Self-Assessment System on Taxpayer Compliance

The results of this study indicate that the Self-Assessment System has a positive and significant effect on Individual Taxpayer Compliance. This indicates that the higher the taxpayer's self-assessment system, the higher the level of taxpayer compliance.

A related theory is the theory of planned behavior, which focuses on control beliefs, the perception of whether the self-assessment system will support or hinder taxpayer behavior. The self-assessment system, created by the Directorate General of Taxes, aims to facilitate taxpayers in fulfilling their tax obligations. The self-assessment system is expected to provide convenience and satisfaction to taxpayers in fulfilling their tax obligations. Therefore, the implementation of the self-assessment system can improve personal taxpayer compliance.

The Effect of E-Billing Implementation on Taxpayer Compliance

E-billing implementation also exhibits a positive and significant relationship with taxpayer compliance. The system's convenience and efficiency streamline payment procedures, minimize human error, and save time.

This finding supports the Technology Acceptance Model (TAM), emphasizing that taxpayers' perception of *usefulness* and *ease of use* determines technology adoption. As e-billing is perceived as both practical and beneficial, it enhances taxpayers' willingness to comply.

The Effect of Tax Sanctions on Taxpayer Compliance

Tax sanctions significantly and positively affect taxpayer compliance. The presence of sanctions creates a deterrent effect, motivating taxpayers to avoid penalties by fulfilling their obligations on time. According to TPB, sanctions serve as an external control mechanism influencing behavioral intention. Awareness of potential penalties promotes disciplined behavior, ensuring greater adherence to tax laws.

Integrated Effect of All Variables

The results of this study indicate that the Self-Assessment System, the Implementation of E-Billing, and Tax Sanctions have a positive and significant impact on Individual Taxpayer Compliance at the Palembang Ilir Timur Pratama Tax Office (KPP Pratama). This indicates that the Self-Assessment System, the Implementation of E-Billing, and Tax Sanctions are important factors in improving Individual Taxpayer Compliance in fulfilling their tax obligations at the Palembang Ilir Timur Pratama Tax Office.

The relationship between the self-assessment system, e-billing, and tax sanctions on individual taxpayer compliance can be explained through the Theory of Planned Behavior (TPB) and the Technology Acceptance Model (TAM). The self-assessment system fosters positive attitudes and increases perceived behavioral control by instilling trust and responsibility in taxpayers. The implementation of e-billing supports convenience and usability, as outlined in the TAM, thereby accelerating service delivery and reducing errors. Tax sanctions act as behavioral controls within the TPB by providing a deterrent effect on non-compliant taxpayers.

5. CONCLUSION AND RECOMMENDATIONS

5.1 Conclusions

Based on the analysis results, the following conclusions are drawn:

1. The self-assessment system, e-billing implementation, and tax sanctions collectively have a positive and significant influence on individual taxpayer compliance at KPP Pratama Palembang Ilir Timur.
2. Each independent variable—self-assessment system, e-billing implementation, and tax sanctions—individually exerts a positive and significant effect on taxpayer compliance.
3. Among the three, e-billing implementation demonstrates the strongest standardized coefficient, indicating that digital transformation plays a critical role in promoting taxpayer compliance.

5.2. Limitation

This research was limited to a single city, Palembang, Indonesia.

5.2 Recommendations

- **For the Directorate General of Taxes (DGT):** Increase outreach and training programs to enhance taxpayer understanding of the self-assessment system. Improve e-billing features for greater accessibility, and apply tax sanctions consistently but constructively.
- **For Taxpayers:** Strengthen awareness of tax obligations, utilize digital payment systems effectively, and recognize that tax compliance contributes directly to national development.
- **For Future Researchers:** Future studies should incorporate additional variables such as taxpayer awareness, perception of fairness, or the quality of tax services, and employ comparative analyses across multiple regions or business sectors.

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