

THE INFLUENCE OF FAIRNESS AND SELF-ASSESSMENT SYSTEM ON TAX EVASION ON KPP PRATAMA WEST MAKASSAR

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Abstract

This study aims to analyze the effect of justice and self assessment system on the action of tax evasion. Respondents in this study were individual taxpayers registered at the Primary Makassar Tax Service Office. The number of individual taxpayers who are the sample of this study is 100 taxpayers. The sample determination method used in the study is incidental sampling method. Data collection method through questionnaire, while data processing method used is multiple regression analysis. The results showed that the simultaneous justice and self assessment system had a positive and significant effect on the tax evasion action, justice partially had a negative and significant effect on the tax evasion action, the partial self-assessment system had a negative and significant effect on the tax evasion action.

Keywords: *Justice, Self assessment system, Tax evasion action.*

INTRODUCTION

One of the pillars of national income is derived from tax revenue which accounts for around 70% of all state revenues. Taxes have a very vital role in a country, without taxes the country's life would not be able to run well. Infrastructure development, education costs, health costs, fuel subsidies, payment of state employees and construction of public facilities are all financed from taxes. The more taxes collected, the more facilities and infrastructure are built. Therefore, taxes are the spearhead of a country's development. Tax payment is a manifestation of state obligations and the participation of taxpayers to directly and jointly carry out tax obligations for state financing and national development.

According to Mardiasmo (2013: 1) taxes are contributions from the people to the state treasury based on laws (which can be imposed) without getting a reward (counter-achievement), which can be directly shown and which are used to pay for public expenditures. Meanwhile, according to Law Number 6 of 1983 concerning General Provisions and Tax Procedures as last amended by Law Number 16 of 2009 in article 1 reads that taxes are mandatory contributions to the state owed by individuals or entities that are compelling based on the Law by not getting a direct reward and are used for state purposes for the greatest prosperity of the people.

The use of tax money ranges from personnel expenditure to financing various development projects. Tax money is also used for financing in order to provide a sense of security for all levels of society. Every citizen, from the moment he is born until he dies, enjoys facilities or services from the government, all of which are financed with money derived from taxes. Thus it is clear that the role of tax revenue for a country is very dominant in supporting the running of the wheels of government and financing development.

The phenomenon that occurs at PT Coca Cola Indonesia is generally not much different from what happens in several other regions in Indonesia. There is the potential for taxpayers who do not register themselves, taxpayers who do not submit tax returns or submit them incorrectly, do not deposit the tax that should be and attempt to conspire with tax officials.

One of these phenomena, namely in 2014 PT Coca-Cola Indonesia was suspected of tax irregularities resulting in a tax underpayment of Rp. 49.24 billion. The results of the Directorate General of Taxes' investigation, that the company has taken tax avoidance actions that cause tax deposits to decrease, found that the swelling of taxable income is reduced, so that the tax deposit is smaller. The expenses included advertising from 2002-2006 totaling Rp. 566.84 billion. As a result, there was a decrease in taxable income.

There are two types of efforts taken by taxpayers to minimize the tax burden, namely tax avoidance and tax evasion. According to Mardiasmo (2013: 9) tax avoidance is an effort to reduce the tax burden by not violating the law. Meanwhile, tax evasion is an attempt to reduce the tax burden by violating the law (embezzling taxes).

Tax evasion is a criminal act because it is an engineering of tax subjects (actors) and objects (transactions) to obtain tax savings unlawfully. The act of tax evasion can be seen from several criteria, namely the taxpayer does not report the actual assets, pays the tax burden payable not according to what has been charged, and the worse is not reporting the SPT.

Justice is one of the principles of tax collection. The Directorate General of Taxes in terms of making policies related to tax imposition and collection must pay attention to the fairness aspect. Taxpayers who feel treated unfairly in terms of tax imposition and collection will tend to commit fraudulent acts such as tax evasion.

Research conducted by Rahman (2013) shows that justice has a positive effect on tax evasion. Similar research was also conducted by Handyani and Cahyonowati (2014) which showed that justice has a positive effect on tax evasion. However, research conducted by Friskianti (2014) shows that justice has a negative effect on tax evasion. It can be concluded that the higher the justice in tax imposition and collection, the lower the taxpayer will take tax evasion.

Research that examines the effect of the self-assessment system on tax evasion has been conducted by Ayu (2013) which shows that the self-assessment system has a negative effect on tax evasion. The same research was also conducted by Friskianti (2014) which showed that the self-assessment system has a negative effect on tax evasion. Research conducted by Permita, Yulistia and Fauziati shows that the self-assessment system has a negative effect on tax evasion. The better the implementation of the self-assessment system, the more taxpayers will increase in paying their tax obligations so that the tendency to commit tax evasion decreases and vice versa.

This study builds on a previous study by Permita, Yulistia, and Fauziati from 2015 titled "The Effect of Individual Taxpayers' Perceptions on the Implementation of the Self Assessment System on Tax Evasion Actions in Padang City." The variables and research objects in this study differ significantly from those in other studies. As an independent variable (X1), "Justice" is the variable under investigation in this study, which focuses on the West Makassar Primary Tax Service Office as the study's subject.

The "Fairness" variable was chosen for this study because researchers think that the degree of compliance with tax obligations among taxpayers might be influenced by their perceptions of fairness in tax imposition and collection. Taxpayers are more likely to be compliant in paying taxes if they believe that the tax system is implemented equitably. They might, nevertheless, tend to engage in tax evasion if they believe they have been treated unfairly.

Because the researcher feels that the data and information needed may be easily collected there and is pertinent to the research subject, the study was carried out at the West Makassar Primary Tax Service Office.

METHOD

To provide a thorough picture of the impact of justice and the self-assessment system on tax evasion, this research employs both a quantitative technique and a descriptive approach. Location and Timing: From June to July 2018, the study was carried out at the West Makassar Primary Tax Service Office. Based on the availability of information pertinent to the research problem, the research site is chosen.

Individuals and Sample: Individual taxpayers enrolled at the West Makassar Primary Tax Service Office, which totaled about 84,461 in 2015, made up the population in this study. In accidental sampling, anyone who occurs to come into contact with the researcher can be considered a sample. Data Gathering Technique: Data Type: Quantitative information in the form of numbers is used in the study. Techniques for statistical or mathematical analysis can be used to examine this data. a data source Primary data from respondents, specifically individual taxpayers registered at the West Makassar, are the primary data source.

Data collection method: Researchers gather information from a sample of taxpayers registered with KPP Pratama Makassar Barat through written responses.

This research methodology uses quantitative data gathered using appropriate data collection procedures to examine the impact of fairness and the self-assessment system on tax evasion in the region.

Method: describes the method used to solve the problem. Examples of methods: a) Community Education, for example counseling aimed at increasing understanding and awareness, b) Science and technology diffusion, for example activities that produce products for target groups, c) Training, for example activities accompanied by demonstrations or demonstrations to produce certain skills, d) Mediation, for example activities that show PkM implementers as mediators in solving problems that exist in the community, e) Advocacy, for example activities in the form of assistance to target groups

RESULTS AND DISCUSSION

a) Description of data on research variables

Variabel yang digunakan dalam penelitian ini adalah keadilan (X1), self assessment system (X2), dan tindakan tax evasion (Y). Berikut adalah deskripsi data untuk setiap variabel:

Table 3. Distribution of respondents' answers to the justice variable instrument (X1)

Items	Frekuensi dan Presentase					Total Skors
	STS	TS	N	S	SS	
Skors	1	2	3	4	5	
K1		1	14	54	31	100%
K2			23	52	25	100%
K3			16	64	20	100%
K4			13	59	28	100%

Source: Research questionnaire (Data processed 2018)

This variable is used to gauge how respondents feel about justice in relation to the levy and collection of taxes. The distribution of respondents' responses to the assertions about fairness (K1, K2, K3, K4) is shown in Table 3. According to the analysis, most respondents believe they have been treated fairly in terms of taxes.

Table 4. Distribution of respondents' answers on the variable instrument self assessment system (X2)

Item	Frekuensi dan Presentase					Total Skor
	STS	TS	N	S	SS	
Skor	1	2	3	4	5	
SAS1			7	60	33	100%
SAS2			8	57	35	100%
SAS3			6	58	36	100%
SAS4		1	11	55	33	100%
SAS5			9	50	41	100%
SAS6			8	56	36	100%

Source: Research questionnaire (Data processed 2018)

This variable is used to gauge how much respondents believe the self-assessment system influences their tax behavior. The distribution of respondents' responses to the statements from the self-assessment system (SAS1, SAS2, SAS3, SAS4, SAS5, SAS6) is shown in Table 4. According to the data, the vast majority of respondents firmly concur that they successfully applied the self-assessment method.

Table 5. Distribution of respondents' answers to the variable instrument of tax evasion (Y).

Item	Frekuensi dan Presentase					Total Skors
	STS	TS	N	S	SS	
Skors	1	2	3	4	5	
TE1	38	49	13			100%
TE2	40	52	8			100%
TE3	44	50	6			100%
TE4	44	52	4			100%
TE5	42	57	1			100%
TE6	63	37				100%

Source: Research questionnaire (Data processed 2018)

This variable is used to indicate whether or not the respondent engaged in tax evasion.

The distribution of respondents' responses to the statements about tax evasion (TE1, TE2, TE3, TE4, TE5, TE6) is shown in Table 5. According to the analysis, the majority of respondents deny engaging in tax evasion.

b) Data Validity and Reability Test Results

The research questionnaire's ability to measure the variables under consideration was examined using a validity test. When a questionnaire is put through a validity test using Pearson correlation, it is deemed legitimate if its positive correlation value surpasses 0.30 at a significance level of 0.05. The outcomes of each variable's validity test are as follows:

1) Justice Variable (X1)

Each statement item on the justice variable indicator (K1, K2, K3, K4) has a Pearson correlation value larger than 0.30, according to the validity test results. As a result, the justice variable (X1) is approved for use in this research.

2) (X2) Variable Self Assessment System

Each statement item on the self-assessment system variable indicator (SAS1, SAS2, SAS3, SAS4, SAS5, SAS6) has a Pearson correlation value more than 0.30, according to the validity test results.

As a result, it is believed that the self evaluation system variable (X2) can be used in this study.

3) Tax Evasion Action Variable (Y):

The findings of the validity test indicate that the Pearson correlation value for each statement item on the variable indicator of tax evasion action (TE1, TE2, TE3, TE4, TE5, TE6) is greater than 0.30.

The tax evasion action variable (Y) is therefore approved for use in this research.

The findings of this validity test show that the research questionnaire employed in this study is accurate in determining the three factors under consideration: fairness (X1), self-assessment system (X2), and tax evasion (Y).

c) Reliability Test

The reliability test is used to gauge how trustworthy and dependable the measurement results are. The Cronbach's Alpha value is employed in this reliability test as a measure of reliability, with a value of more than 0.60 being considered dependable. The findings of each variable's reliability test are as follows:

- 1) Justice Variable (X1)
For the justice variable (X1), the Cronbach's Alpha value is 0.772. The justice variable (X1) is regarded as credible because this value surpasses the correlation limit value, which is set at 0.60.
- 2) Variable Self Assessment System (X2): The variable self assessment system's (X2) Cronbach's Alpha value is 0.758. This number exceeds the correlation limit value of 0.60, indicating the reliability of the self-assessment system variable (X2).
- 3) Action Variable for Tax Evasion (Y):
For the tax evasion action variable (Y), the Cronbach's Alpha value is 0.811.
The tax evasion action variable (Y) is regarded as dependable because this value surpasses the correlation limit value, which is set at 0.60.
The outcomes of this reliability test show that all of the study's variables have a high degree of reliability. The questionnaire used to gather study data is dependable and trustworthy when evaluating the variables of justice, self-assessment system, and tax evasion actions.
- d) Classical Assumption Test
Kolmogorov-Smirnov test for normality: The asymp. sig (significant) value is 0.200, which is greater than the significance level of 0.05, according to the results of the normality test. These findings suggest that the residual data has a normal distribution and that the regression model satisfies the standard regression model requirements.
Multicollinearity Test: The Variance Inflation Factor (VIF) value is used to perform the multicollinearity test. The test findings show that the VIF value is 1.188, and the Tolerance values for the justice (X1) and self-assessment system (X2) variables are 0.842 and 0.842, respectively.
The VIF number is less than 10,000, while the Tolerance value is more than 0.10. Therefore, it may be said that the regression model does not exhibit multicollinearity.
Heteroscedasticity Test: To regress the absolute residual value against the dependent variable, the heteroscedasticity test is carried out using the Glejser test.
According to the test results, the fairness variable's (X1) significance value (sig) is 0.129 and the self-assessment system variable's (X2) significance value is 0.323. The significance level of 0.05 is not met by either of the significance values. This shows that the variables (X1) and (X2) exhibit heteroscedasticity, and the data does not conform to the traditional assumptions of the heteroscedasticity test.
According to the findings of the traditional assumption test, the regression model's assumptions of normality and multicollinearity are met, but its assumptions of heteroscedasticity are not. Therefore, it is necessary to conduct further analysis or select a more suitable regression model to overcome the problem of heteroscedasticity.

Discussion

With a standard deviation of 2.46959, the average value of the Tax Evasion Action variable (Y) is 9.6100. Justice variable (X1) has an average value of 16.3600 and a standard deviation of 2.01770. With a standard deviation of 2.47270, the Self Assessment System (X2) variable has an average value of 25.6300. The fact that the average value is higher than the standard deviation indicates that the data distribution for all research variables is favorable.

According to the constant (27.498), the value of the dependent variable (Y) is equal to 27.498% if all independent variables (X1 and X2) have a value of 0 (zero). The Justice variable's (X1) regression coefficient is -0.489, indicating that there is a bad correlation between justice and

tax evasion. Tax evasion will decrease by -0.489% for every 1% improvement in justice. According to the findings of the regression analysis, Tax Evasion is negatively impacted by both independent variables, namely Justice and the Self Assessment System. This implies that the amount of tax evasion decreases in direct proportion to the degree of justice and the Self Assessment System's adoption.

CONCLUSION

Based on the background, problem formulation, results of data analysis, and discussion that have been stated, the following conclusions can be drawn:

- 1) Justice and self assessment system simultaneously have a positive and significant effect on tax evasion in the tax service office (KPP) Pratama Makassar Barat.
- 2) Justice has a negative and significant effect partially on tax evasion at the West Makassar Primary Tax Service Office (KPP).
- 3) Self-assessment system has a negative and partially significant effect on tax evasion at the West Makassar Primary Tax Service Office (KPP).

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