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The Impact of Tax Service Digitalization on the Level of Individual Taxpayer Compliance at the West Makassar Tax Office

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ABSTRACT

This study aims to analyze the impact of digitalization of tax services on individual taxpayer compliance levels. This study employed a quantitative method with a descriptive analytical approach. Data were collected through a survey of 100 taxpayers at the West Makassar Tax Office (KPP Pratama) who have used digital tax services, such as efiling, e-billing, e-registration, and DJP Online. The data analysis technique used was simple linear regression with the aid of SPSS. The results of this study indicate that digitalization of tax services has a positive and significant impact on individual taxpayer compliance levels, with a regression coefficient of 0.834 and a coefficient of determination (R^2) of 55.5%. This demonstrates that the quality of digitalization of tax services can significantly improve taxpayer compliance. Digitalization of tax services provides ease of access, time efficiency, and increases accuracy and transparency in the tax reporting and payment process, thus encouraging taxpayers to fulfill their tax obligations in a timely manner and in accordance with applicable regulations.

A. INTORDUCTION

The government continues to strive to increase the state revenue target from the tax sector, which is the main source of state financing in Indonesia. Every year the tax revenue target continues to increase to meet the needs of the state budget, but it turns out that the increase in tax revenue is not proportional to the potential revenue (Khansa, 2023). State revenue performance can be improved by increasing taxpayer awareness and reporting obligations to the state, both individuals and entities about, tax payments and reporting obligations to the state. It is therefore important for governments to identify effective strategies in improving taxpayer compliance. In today's digital era, technological advances have brought great challenges as well as opportunities for tax authorities, especially in improving the efficiency and transparency of tax administration. Manual-based tax administration has now transformed to be more digital. With the implementation of e-filing and e-billing systems, which make it easier to report and pay taxes. The transformation of tax administration in Indonesia is more of a concrete step to meet the needs of an increasingly technologically literate society, but the main challenge faced is the low digital literacy among taxpayers to system changes (Azwad et al., 2024) With the digitalization of the tax system, this aims to improve services for taxpayers, including time-saving, easy, and of course accurate, So that this can increase taxpayer compliance. However, in addition to the digitization of tax services that is currently implemented by the Directorate General of Taxes, taxpayer compliance can also be influenced by internal factors of the taxpayer itself, namely the understanding of the use of technology (Dermawan, 2023). Relevant research from (Syadat & Irwansyah, 2024) shows that there is a digitalization of taxpayer compliance. Taxpayer digitalization makes it easy for the community to carry out tax activities in a fast, easy, and can be done anywhere. However, in the study (Pratiwi & Sofya, 2023) it is said that one way to increase taxpayer compliance is to increase awareness among taxpayers.

At KPP Pratama West Makassar, it has also implemented various forms of digital services to taxpayers, especially individual taxpayers. The service is expected to be able to provide easy access, reduce queues at service offices, and increase convenience in fulfilling its tax obligations. However, in its implementation, the implementation of digital services at KPP Pratama Makassar Barat still faces various obstacles. Based on initial observations and information reports from officers and taxpayers, there are still many people who experience difficulties in accessing digital services, both due to limited understanding, technical obstacles, and lack of assistance from tax employees. Not a few taxpayers still come directly to the tax office to ask for help in filling out or reporting taxes, even though the service is already available online. Some of the factors that are challenges in the implementation of digitalization at KPP Pratama Makassar Barat include low digital literacy among taxpayers, limited information technology infrastructure, lack of adequate socialization and training, and the complexity of digital systems that are considered less user-friendly. This proves that the community still needs tax education so that people have a sense of responsibility to carry out their tax obligations. The wider the information about taxation through the socialization provided, the greater the level of taxpayer compliance (Nelly & Wangdra, 2024)

B. METHODS

This study employed a quantitative method with a descriptive-analytical approach. Data were collected through questionnaires distributed to 100 individual taxpayers at KPP Pratama Makassar Barat who had used digital tax services, such as e-Filing, e-Billing, e-Registration, and DJP Online. The research variables consisted of tax service digitalization (X) as the independent variable and individual taxpayer compliance (Y) as the dependent variable. The data were analyzed using SPSS through validity, reliability, and normality tests, followed by simple linear regression analysis. Hypothesis testing was conducted using the t-test, while the coefficient of determination (R^2) was used to determine the contribution of tax service digitalization to individual taxpayer compliance.

C. RESULT AND DISCUSSION

Descriptive Statistics Test

Table 1. Descriptive Statistics Test

Descriptive Statistics

N		Minimum	Maximum	Mean	Std. Deviation
TotalX	100	20	40	32.45	**3.991**
TotalY	100	28	50	41.23	**4.467**

Valid (listwise)	**N**	100

Source: SPSS Processed Results

Based on the results of the analysis of data from 100 respondents. This study shows that the variable of digitization of tax services (X) has an average of 32.45 with a range value of 20 with a fairly low perception of variation between respondents as shown by the standard deviation of 3.991. The variable of the taxpayer compliance level (Y) has an average of 41.23 with a standard deviation of 4.467 which shows that there is a significant variation in respondents' perception of the level of taxpayer compliance.

Validity Test

Tabel 2. Validity Test

Variabel	Indikator	r-count	r-table	Remarks
Digitization of Tax Services	Item 1	0,694	0.197	Valid
	Item 2	0,678	0.197	Valid
	Item 3	0,639	0.197	Valid
	Item 4	0,611	0.197	Valid
	Item 5	0,604	0.197	Valid
	Item 6	0,648	0.197	Valid
	Item 7	0,586	0.197	Valid
	Item 8	0,596	0.197	Valid
Variabel	**Indikator**	**R-count**	**R-table**	**Remarks**
Taxpayer Compliance	Item 1	0,675	0.197	Valid
	Item 2	0,725	0.197	Valid
	Item 3	0,540	0.197	Valid
	Item 4	0,668	0.197	Valid
	Item 5	0,673	0.197	Valid
	Item 6	0,692	0.197	Valid
	Item 7	0,628	0.197	Valid
	Item 8	0,584	0.197	Valid
	Item 9	0,639	0.197	Valid
	Item 10	0,558	0.197	Valid

Source: SPSS Processed Results

The validity test is performed by looking at the correlation between each item and the total variable score. The test results showed that all items in Variable X (8 items) had a calculated r value of > 0.197 (r table) and were significant at the level of 0.05. Variable Y (10 items) also has a calculated r > 0.197, as well as significant. Thus, all items in both variables are declared valid and suitable for use in the analysis.

Reability Test

Table 3. Reability Test

	Hasil Cronbach's Alpha	N of Items	Koefisien Cronbach's Alpha	Keterangan
Digitization of Tax Services	0,784	8	0,60	Reliabel
Taxpayer Compliance	0,837	10	0,60	Reliabel

Source: SPSS Processed Results

Based on the results of the Reliability Test of variables X (Digitization of Tax Services) and Variable Y (Compliance Level of Individual Taxpayers), it can be concluded that all instruments are declared reliable because variable X has a Cronbach's Alpha value of 0.784 and variable Y has a value of 0.837 which indicates a number greater than the provisions ($\alpha > 0.60$).

NORMALITY TEST

Table 4. Normality Test
One-Sample Kolmogorov-Smirnov Test
Unstandardized Residual

N			**100**
Normal Parametersa,b	Mean		**.0000000**
	Std. Deviation		**2.98073213**
Most Extreme	Absolute		**.075**
Differences	Positive		**.062**
	Negative		**-.075**
Test Statistic			**.075**
Asymp. Sig. (2-tailed)			**.187c**
Monte Carlo Sig. (2-	Sig.		**.608d**
tailed)	99% Confidence Interval	Lower Bound	**.595**
		Upper Bound	**.620**

Source: SPSS Processed Results

Based on the results of the normality test in the table above, it shows that the sig value is 0.187 > 0.05. Thus it can be concluded that the variable X to Y is distributed normally, and the assumption of normality in the regression has been fulfilled.

Multikolinearitas Test

Table 5. Multikolinearitas Test

Coefficients[a]			
		Collinearity Statistics	
Model		Tolerance	**VIF**
1	TotalX	1.000	**1.000**
a. Dependent Variable: TotalY			

Source: SPSS Processed Results

From the table above, it can be seen that the independent variable of total X has a Tolerance value of 1,000 and VIF of 1,000. Tolerance values are greater than 0.10 and VIF is less than 10. Thus, it can be concluded that there are no symptoms of multicollinearity in the regression model used. This means that the Tax Service Digitization Variable (Total X) does not have a strong linear relationship with other independent variables, so this regression model is suitable to test the influence of tax service digitization on the level of compliance of individual taxpayers at KPP Pratama Makassar Barat.

SIMPLE REGRESSION ANALYSIS & T test

Table 6. T Test

Coefficients[a]

Model		Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	14.174	2.467		5.747	**.000**
	totalx	**.834**	**.075**	**.745**	**11.051**	**.000**

a. Dependent Variable: Efektivitas

Source: SPSS Processed Results

Based on the test in the table above, it was found that the digitization of tax services had a positive effect on the level of compliance of individual taxpayers as seen from the standard Beta value of the coefficient of 0.745. Judging from the significant value obtained is 0.000 < 0.05, which means that the effect is significant and can be seen from t calculated, t calculating the variable X 11.051 > 1.1985 (t calculated is greater than t table), so that it can be concluded that Ho is rejected and Ha is accepted.

Based on the results of the simple linear regression test above, it was seen that the constant value (α value) was 14.174 and the value of tax service digitization (β value) was 0.834. So that the simple linear regression equation is obtained as follows:

$$\mathbf{Y = \alpha + BX}$$

$$\mathbf{Y = 14{,}174 + 0{,}834}$$

The above equation can be explained as follows:

a. The constant value of the Individual Taxpayer Compliance Level of 14.174 indicates that the Digitization of Tax Services is equal to 0, then the value of the Individual Taxpayer Compliance Level is 14.174.
b. The value of the X coefficient is 0.834 where the number is positive which shows that every time there is an increase in the variable of Tax Service Digitization of 1%, the compliance level of Individual Taxpayers will increase by 0.834 (83.4%).

KOEFISIEN DETERMINASI

Tabel 7 Koefisien Determinasi
Model Summaryb

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.745[a]	.555	.550	2.996

Source: SPSS Processed Data Results

Based on the test results in the table above, a value of R 0.745 shows a strong and positive relationship between the variable of Tax Service Digitization (X) and the Compliance Level of Individual Taxpayers (Y). The R Square value of 0.555 shows that the variable (X) of Tax Service Digitization is able to explain the variable (Y) of the Compliance Level of Individual Taxpayers of 55.5%, while 44.5% of the variation in taxpayer compliance is influenced by other factors from this study. These factors include knowledge and understanding of taxation, taxpayer awareness, taxpayers' economic conditions, perception of tax sanctions, level of trust in the government, and quality of tax socialization.

This shows that although the digitization of tax services plays an important role, increasing taxpayer compliance requires support from non-technological factors.

Dsicussion

The results of the study as a whole show that the digitization of tax services has a positive and significant influence on the level of compliance of individual taxpayers. This is reflected in the value of the regression coefficient of 0.834 which shows that every one unit increase in the digitization of tax services can increase the level of taxpayer compliance by 0.834 units. This coefficient can be categorized as a strong influence, because it is close to 1, so the relationship between the digitization variable and taxpayer compliance is very real. Users of digital services such as e-filing, e-filing, e-registration, and e-form have been proven to make it easier for taxpayers to report and pay their tax obligations. Digitalization makes taxpayers not have to attend in person to tax office, but can report and pay taxes anytime and anywhere. This convenience directly contributes to increased taxpayer compliance, as administrative barriers such as long queues, limited operational time, and complicated manual processes can be minimized.

The results of this study are in line with the Technology Acceptance Model (TAM) developed by Davis (1989). TAM explained that a person's acceptance of technology is influenced by two main factors, (1) Perceived Usefulness refers to the belief that the use of technology will improve his performance. In the context of taxation, taxpayers feel that e-filing, e-billing, and DGT Online speed up the reporting and payment process. Digital technology reduces the risk of filling out errors and improves the accuracy of reports, and reporting evidence can be obtained instantly, thereby increasing a sense of security for taxpayers. The results of the questionnaire showed that most of the respondents gave high scores on the benefits aspect of the digital system. This is in line with TAM, where the greater the benefits felt, the higher the actual intention and behavior to use technology. (2) Perceived Ease of Use refers to a person's level of confidence that technology is easy to understand and use. In this study, some respondents stated that digital taxation applications are easy to access, easy to use, even for beginner users, they have a fairly clear appearance. According to TAM theory, when taxpayers feel that the digital tax system is getting easier to use, their intention to utilize the technology increases, and ultimately encourages taxpayer compliance. Thus, the findings of this study directly strengthen the TAM theory, where the digitization of tax services increases taxpayer compliance through the perception of benefits and ease of use.

This research is also supported by previous research, research by (Airing, 2024) which shows that the digitization of tax services provides significant convenience to tax compliance. In his research, digitalization provides easy access, improves understanding, and provides tax administration efficiency. Another study by (Tambun & Ananda, 2022) entitled The Influence of Moral Obligations and Digitization of Tax Services on Taxpayer Compliance, also stated that the digitization variables of tax services provided by the DGT have been proven to have a strong relationship in increasing taxpayer compliance. The results of this study expand and strengthen the empirical evidence that digitalization is an important factor that directly affects taxpayer compliance. The digitization of tax services has brought positive changes to KPP Pratama Makassar Bar, before the implementation of digital services, taxpayers have to wait for a long time, fill out manual forms, and face the risk of data input errors. However, after services are moved to a digital system, all forms of reporting process take place faster and more efficiently, taxpayers can save time and costs, and the workload of tax officers becomes lighter because many processes are done automatically.

Practically, the results of this study show that digitalization in the tax system, both reporting, payment, and digital consultation, has a real impact on increasing taxpayer compliance. This is proof that the DGT's steps in expanding digitalization are the right strategy to increase taxpayer compliance and support the achievement of state revenue targets. Digitalization not only simplifies the tax administration process, but also increases taxpayers' trust and comfort in the modern tax system. Although digitalization provides many advantages, there are several obstacles that are still found in the field, such as low digital literacy in some taxpayers, limited internet access in several regions, lack of technical understanding of the use of tax applications, and lack of direct assistance or education for taxpayers who experience obstacles. This shows that digitalization has not been fully accessed optimally by all taxpayers at KPP Pratama Makassar Barat.

D. CONCLUSION

Based on the results of the research that has been conducted, it can be concluded that the digitization of tax services has a positive and significant effect on the level of compliance of individual taxpayers at KPP Pratama Makassar Barat. Digitization of tax services makes it easier for taxpayers to carry out their tax obligations because it provides easy access, time efficiency, and transparency in the tax reporting process, so that it can increase taxpayer awareness and compliance. Digitalization has a considerable role in improving tax compliance, but it still needs to be balanced with socialization and education efforts for taxpayers in order to maximize the digital services that have been provided by the government and it is necessary to strengthen information technology infrastructure, especially in areas with limited internet conditions. For further research, it is suggested that it can explore other factors that can affect the level of taxpayer compliance, such as the level of tax understanding, economic conditions, tax awareness, and the imposition of tax sanctions, so that the results of the study can provide a broader and deeper picture of efforts to improve taxpayer compliance in the future.

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