



ORIGINAL CONTRIBUTION

Affecting compliant with the willingness to pay tax as an intervening variable factor (Studies on the taxpayer owners of SMEs in Pontianak KPP)

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Abstract. This research is based on the government's way of giving facilitation to people regarding the implementation of tax obligation by establishing Government Regulation No. 46 2013. This research is purposed to explain influence variables of awareness tax, understanding of tax, self-assessment system, and the willingness to pay tax is significant, but socialization is not significantly influenced in taxpayers' compliance. The research method that is used is disexplanatory research with a quantitative approach. Data collection was done by using a questionnaire for 100 MSME (Micro, Small, and Medium Enterprise) owners who are registered in tax office Pratama Pontianak, West Kalimantan. Using descriptive analysis and helped by SEM-PLS, this study showed that the Variable ability taxpayer awareness, understanding taxpayer, socialization, and self-assessment tax system in explaining the willingness to pay taxes was 9.7%. In contrast, the taxpayer understanding, socialization, and self-assessment tax system to the Taxpayer Compliance was 67.70% in contrast to the ability variable in explaining the taxpayer's consciousness.

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INTRODUCTION

Independence of a country financially is if a country is able to finance their spending with their income sources/reception itself without taking help from the debt of any country. In order to increase awareness of the tax for the sake of the country, this starts from the knowledge about taxes early by the public so that the public knowledge about the comprehensive tax can increase public awareness and compliance in paying and reporting the tax. Knowledge of tax laws, the function of paying taxes, and the tax system in Indonesia has an important role to foster tax submissive behavior because, how can taxpayers be told to obey when they do not know about the taxation (Islamiah, 2015).

The Data obtained from the General Directorate I of Taxation (GDT) or Direktorat Jenderal Pajak RI (DJP) in March 2016 revealed that there were 30,044,103 Taxpayers listed. Only 18,159,840 tax payers are notified about their Annual Income Tax Payable (annual SPT). In detail, GDT Ministry of Finance in March 2016 mentioned the data concerning the taxpayers has been shown in Table 1.

Based on the table of data nationally, DJP RI must make efforts to improve the tax payers' compliance in paying taxes, because if it were left unchecked, it is likely be a downward trend in the level of the tax payers' compliance, and it would ultimately lower the

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tax revenues, which can hamper the national development. The Nationwide awareness concerning how to raise taxes by increasing public participation in paying taxes is always done, namely by means of socialization, in terms of supervision, in terms of services, issuing regulations for tax incentives to those who comply, regulatory remission of tax and regulatory relief tax rate on the field or particular, small scale, and various regulations aimed at improving the taxpayers' compliance.

TABLE 1 . Tax payers in the year of 2015

Description	Total of Tax Payers	Individual Tax Payers	Non Employee Tax Payers	Employee Tax Payers
Registered	30.044.103	2.472.632	5.239.385	22.332.086
Compulsory Report	18.159.840	1.184.816.	2.054.732	14.920.292
SPT Report	10.945.567	676.405	837.228	9431.934
Pay Tax	1.172.018	375.569	612.881	181.537
% Compliant Rate Taxpayers	60,27%	57,09%	63,22%	40,75%

Source: DJP RI, March 2016

Business development for the government is very concerned, the current scale of micro, small and medium enterprises (MSMEs) to grow quite rapidly, looked at data from the Ministry of Cooperatives At ASEAN SME scale enterprise sector is also experiencing growth that is relatively rapid, that is growth from 2011 through 2014, the increase reached 38.81%, while the pad big businesses reached 40.92%, meaning that growth is almost the same. Medium and small businesses can reach 9.95% to 13.59%. The advantages of SMEs, in various economic situations have a fact that they can survive by sharing economic crisis. In this regard, the government through various policies should give attention in order to foster the SME sector, not least on the tax regulations. The government has issued Law No. 46 in 2016, about the incentives in the form of relief facilities and the system of income tax rates for SMEs. In the new law mentioned, income tax is calculated based on Self assessment system, and the tariffs charged 1% of gross turnover, provided Turnover \leq Rp 4, 8 Billion. This is in contrast with the old system, because businesses are required to calculate the operational cost efforts. This facility is expected to ease or improve adherence of payers in tax payments.

Pontianak city is included in the control area of West Kalimantan Regional Office of Tax and as the capital province, achievement of tax collection can be an indicator of tax compliance in the areas of Kalimanatn Barat (West Kalimantan). There are 160,000 tax payers registered in West Kalimantan, and 40,000 of them are board of Tax payers and the individual taxpayer who has Micro, Small and Medium Enterprises, 1500 and the tax payers from large scale entrepreneurs. Tax revenues specifically in the area of West Kalimantan reached Rp 1.153 trillion, the expected level of tax compliance can be increased in tax payers who have a business, then the Regional Office of Tax Kalimantan Barat makes efforts to socialize in various regions, to supervise tax and have appealed and coached taxes to increase tax awareness so that the willingness to pay taxes can increase compliance efforts into a problem that must be proved in this research.

Pursuant to regulations in the form of a tax Act No. 46 of 2013, we examine the factors that can increase tax compliance, through the willingness to pay taxes as intermediate variables of SMEs to pay taxes.

LITERATURE REVIEW Theory of Interest

The theory of interest by Ilyas and Burton (as cited in Andriani, 2016): The theory of interest is defined as a country that protects the lives and assets of citizens with regards to the distribution of the tax burden to be collected from the entire population. Any fees or expenses that will be incurred by the state are charged to all citizens based on the interests of the citizens there. Citizens who have abundant wealth pay more taxes to the state to protect the interests of the citizens concerned. The opposite is true for citizens who own less property pay less tax to the state to protect the interests of citizens (Resmi, 2012).

Theory of Tax Liability (Theory Bakti)

The theory of Tax Liability consecrated by Ilyas and Burton (as cited in Andriani, 2016): This theory emphasizes the understanding of Organische staatsleer which teaches that because of the nature of the state as an organization (association) of individuals, there is resulting absolute right of the state to collect taxes. Look at the history of the formation of a country, then the theory of this service can be regarded as agreements within the community (each individual) to form the country and hand over power to the state as to lead society. Because of the public trust given to the state, the tax payments to the state are the devotion of masyartakat to the state, because it is the state in charge of organizing the interests of society. The theory is also called the service tax liability mutlak i.e., Mutlak theory (theory Bakti).

According to Law No. KUP 28 of 2007 on Article 1 paragraph 1, generally speaking, can be defined as tax levies imposed by the government to the people in order to realize a common goal, namely the prosperity of society. Someone who has paid the tax obligations does not get rewarded directly but through improvement of public facilities and infrastructure.

In Indonesia, tax has a function as a regulator and as a financial resource of State. Their explanation is as follows:

1. Regular function (regulator): Meaning that in the implementation of all government policies in the areas of social and economic, tax acts as a regulator to achieve these objectives outside the financial sector.

2. Budgetair Function (financial resources of State): This shows that all the activities related to development and people's welfare spending are financed by a tax which is a source of state revenue.

There are 3 kinds of stelsel tax on ordinary income taxation applied in Indonesia. The first is Stelsel Real, which means the determination of the amount of taxes will be known by calculation at the end of the tax year (tax period), because at the end of the tax year, the amount of income that could be seen through the object of taxation is the income earned in the tax year. The second is the tax stelsel fictitious.

Next is Stelsel mixture, which imposes two (2) times the tax calculation by using a combination of real Stelsel with Stelsel fictitious. Real Stelsel is used at the beginning of the tax period so that at the end of the tax period in the same tax year, tax calculations are given using fictitious stelsel.

Tax collection system prevailing in Indonesia is divided into three (3) systems, namely:

1. Official assessment system: This means that the government (tax authorities) has the sole discretion to determine the amount of tax payable charged to the taxpayer.

2. Self assessment system: In this system in terms of calculating tax obligations, taking into account, pay, and report to, the taxpayer is given the flexibility and confidence to carry it out itself.

3. Withholding system: This is a system that a third party is responsible for the deduction and collection of the amount of tax payable charged by the taxpayer.

Tax Income

The purpose of the Income Tax is a tax treatment that is charged to the taxpayer for all income received in a State within one (1) tax period. Revenue in question may be salary, gifts, flowers, and earnings in the form of operating profit.

Small, Micro and Medium Enterprises (SMEs)

Definition of Small, Micro and Medium Enterprises according to Law of Republik Indonesia No. 20 of 2008 is as follows:

1. Micro is a productive enterprise belonging to individuals' and/or entities' individual businesses.
2. **Small Business is an economic enterprise:** Productive stand-alone, conducted by an individual or business entity that is not a subsidiary or branch of the company is not owned, controlled, or a part either directly or indirectly of Medium Business or Large Business.
3. **Medium Enterprise is an economic enterprise:** Productive stand-alone, did by the individual or business entity that is not subsidiaries or branches of companies owned, controlled, or part either directly or indirectly of the Small Business or Large Enterprises with total net assets or annual sales.

Variables Affecting Taxpayer Compliant

1. Awareness of taxpayers: Awareness of the importance of paying taxes for taxpayers is important for the country, because it affects the tax collection by the government. Awareness of the tax is for the taxpayers who are pleasing without coercion pay of tax obligations.

Awareness is a state of knowing or understanding, while taxation is knowledge about taxes, so the tax is a state of people's awareness who understand and know about taxation (Izhar et al., 2016; Kamran, 2016). Positive Rating taxpayer to the implementation of state functions by the government will mobilize the public to comply with the obligation to pay taxes, it is very necessary to improve taxpayers' compliance (Jatmiko, 2006).

Awareness is seen from the point of view or perception of such behavior involving beliefs, knowledge and reasoning as well as the tendency to act in accordance with the stimulus provided by the system and tax regulations. Awareness of paying taxes is a state of taxpayer to pay taxes because feel disadvantaged from the payment of taxes (Fikriningrum, 2012). Some forms of consciousness of paying taxes that encourage taxpayers to pay taxes, namely:

1. The realization that the tax is a form of participation in supporting the country's development.
2. The realization that the delay payouts of taxes and the reduction of the tax burden can be detrimental to the country.
3. The realization that taxes are set by legislation that can be enforced.

2. Understanding Taxation: Understanding (comprehension) is how one defends, distinguishes, suspects (estimates), explains, extends, deduces, generalizes, gives examples, rewrites, and estimates. Taxation is understanding all matters related to taxation understood properly by the taxpayer and can translate and / or implement that has been understood.

3. Socialization: Basalamah (2004, 196) describes the "socialization as a process by

which people learn the system of values, norms and patterns of behavior expected by the group as a form of transformation of the person as an outsider into an effective organization". So the socialization of taxation can be interpreted as an attempt by the Tax Office to provide understanding, information, and guidance to the public in general and the taxpayer especially regarding everything related to taxation.

4. Self-assessment system: Self-assessment System is a tax system that gives credence to the taxpayer to fulfill and implement its own obligations and taxation rights. This includes since WP enrolled in KPP to get a TIN, count own amount of tax payable, the tax deposited to the bank and reported the perception of the deposit. Self-Assessment system is the backbone of the WP compliance on tax obligations, for charging Income Tax Payable (SPT) is expected properly. This system requires the participation of the public, especially the taxpayer, a consequence of this, the taxpayers should have an understanding of the taxes' rules, so that taxpayers do not hesitate in paying taxes, for fear taxed too big.

5. Willingness to pay taxes: Willpower is encouragement from someone based on consideration thoughts and feelings that can cause an activity to achieve certain goals (Fikrin-ingrum 2012). The willingness to pay (Willingness to pay tax) can be interpreted as a value or moral actions that encourage individuals to voluntarily spend money (according to regulations) to be paid to the state and shall be used for the public good state without getting a reciprocal directly from country.

6. Taxpayer compliance: Compliance means an act and behaviour according to the rules of discipline to abide by the norms in force. This is similar to the treatment in taxation. Taxpayers can be said to be compliant if the taxpayer does not violate discipline and applies existing tax regulations. Moreover as described by Nurmantu (2005, 148) that if the rights and tax obligations have been implemented with discipline, the taxpayer can be said to be obedient.

RESEARCH MODEL

Below is the research model of the study, the model is:

Ha 1: Awareness of taxpayers, Understanding taxpayers, Socialization, self-assessment system and willingness to pay tax have effect on Compliance of Taxpayers.

Ha 2: Awareness of taxpayers, Understanding taxpayers, and self-assessment system have effect on Compliance of Taxpayers with willingness to pay tax as intervening variable.



FIGURE 1 . Research model

This type of approach is quantitative, it uses the measurement of research variables with numbers and performs statistical data analysis procedures. This type of research is

explanatory research or confirmatory, as it explains the causal relationship between the variables through hypothesis testing in order to strengthen or even reject the theory.

Research is located in KPP Pratama Pontianak to consider in the area of Pontianak, the provincial economic indicators in the region of West Kalimantan to support the development of Micro, Small and Medium Enterprises (SMEs) in KPP Pratama Pontianak. The number of owners of SMEs in STO Pontianak is 17,691, the amount will be used as the population in this study. Of the population can be taken a sample of 100 respondents from the use of formula slovin. In addition, the use of techniques of Probability Sampling (random) with a disproportionate stratified random sampling method is chosen by the researchers in the sampling.

Analysis of descriptives and inferential analysis are techniques of data analysis used in this study. The researchers also used questionnaires and documentation as a means of data collection.

DATA ANALYSIS

Descriptive Analysis of Tax Compliance

The result of the calculation of the variable tax compliance shows a minimum number of 12 and maximum of 25, and the average rate is 18.71. This means that the minimum realization of respondent lowest value is 12, and the average respondent has good awareness, because it approached the highest.

Descriptive Analysis of Understanding Taxes

The result of understanding taxes shows a minimum number of 42 and maximum number of 80, and the average rate is 62.85. This means that the minimum realization of respondent lowest value is 42, and the average respondent had a pretty good understanding, because it approached the highest.

Descriptive Analysis of Socialization

The Result of socialization shows a minimum number of 12 and maximum number of 25, and the average rate is 18.85. This means that the minimum realization of respondent lowest value is 12, and the average respondent had a pretty good understanding, because it approached the highest.

Descriptive Analysis of Self-Assessment System

The result of Self-Assessment System shows a minimum of 12 and maximum number of 25, and the average rate is 18.85. This means that the minimum realization of respondent lowest value is 12, and the average respondent had a pretty good understanding, because it approached the highest.

TABLE 2 . Composite reliability

Variables	Composite Reliability
Willingness	0.838859
Understanding	0.825508
Compliance	0.816062
Awareness	0.848151
Self-Assesment system	0.757286
Socialization	0.038755

Reliability Data Test

Reliability Test of data is done with composite reliability. Chin W (1998) says that the unidimensionality of the block of variables may be assessed by using the composite reliability (should be > 0.7). Noting the results of Composite Reliability above, only socialization test results were < 0.7, the rest is > 0.7. And thus it can be concluded that the data are reliable and can count on to test the hypothesis.

TABLE 3 . Cronbach's alpha level

Variables	Cronbach's Alpha
Willingness	0.765644
Understanding	0.780265
Compliance	0.753479
Awareness	0.791433
Self-assesment system	0.736928
Socialization	0.711552

Cronbach's alpha is the level of consistency of respondents in a single latent variable. Because the result is > 0.7, the result of respondents' answers is consistent.

TABLE 4 . R square as explanatory power of model

Variables	R^2
Willingness	0.097692
Understanding	
Compliance	0.677912
Awareness	
Self-assesment system	
Socialization	

R square shows the ability of exogenous variables in explaining endogenous variables. Variable ability of taxpayer awareness, understanding taxpayer, socialization and self-assessment tax system in explaining the willingness to pay taxes was 9.7%, while the ability of variable in explaining consciousness of the taxpayer, the taxpayers' understanding, socialization and self-assessment tax system to the Taxpayers' Compliance is 67.70%.

TABLE 5 . Path analysis results

	Original Sample (O)	Sample Mean (M)	Standard Deviation	Standard Error
Willingness -> Compliance	0179783	0.178759	0.036735	0.036735
Understanding -> Willingness	-0.080274	-0.073798	0.060335	0.060335
Understanding -> Compliance	0.656340	0.662776	0.045238	0.045238
Awareness -> Willingness	0.081295	0.092097	0.107315	0.107315
Awareness -> Compliance	0.345177	0.328498	0.048999	0.048999
Self-Asse System -> Willingness	0.236729	0.272482	0.090045	0.090045
Self-Asse System -> Compliance	0.175398	0.163857	0.054172	0.054172
Socialization -> Willingness	-0.177947	-0.055333	0.204355	0.204355
Socialization -> Compliance	-0.070643	0.006567	0.084449	0.084449

TABLE 6 . Path analysis results

Variables	t-Statistics
Willingness -> Compliance	4.893996
Understanding -> Willingness	1.330458
Understanding -> Compliance	14.508698
Awareness -> Willingness	0.757529
Awareness -> Compliance	7.044576
Self-Asse System -> Willingness	2.628995
Self-Asse System -> Compliance	3.237811
Socialization -> Willingness	0.870774
Socialization -> Compliance	0.836519

Path coefficient showed that all the test variables between variables are significant where t count $>$ t table i.e., with t table 1.96. It can be concluded that all the hypotheses can be accepted, unless the taxpayers' awareness variable to variable of willingness to pay taxes, and socialization variable.

a. Testing Hypothesis 1 (there is significant awareness of taxpayers to tax compliance): The test results showed that the relationship variables influence taxpayers' awareness on tax compliance that shows path coefficient value of 0.345 with a t value of 7.044. The value is greater than t table (1.96). This result means that awareness of the taxpayer has a positive and significant relationship with the taxpayers' compliance that means in accordance with the first hypothesis in which there is significant awareness of the taxpayers to taxpayers' compliance.

While testing the effect of intervening variables mediating between the dependent variable, namely the magnitude of the coefficient and indirect awareness of taxpayers on tax compliance, i.e.,: $0.75 \times 4.8 = 3.6$.

Direct Effect = 7.04

Total Effect = $0.75 + 4.8 = 5.55$

Based on the analysis of the results, the direct effect is greater than the total effect of 5.55, Variable Consciousness does not directly influence the WP Compliance with WP 3.6 Willingness variable. This is due to the intervening variable, namely the willingness to pay taxes.

b. Testing Hypothesis 2 (there is significant understanding of taxpayers to tax compliance): The test results showed that the relationship variables influence the understanding of taxpayers towards tax compliance showing the path coefficient of 0.656 with t value of 14.508. The value is greater than t table (1.96). This result means understanding of the taxpayer has a positive and significant relationship with the taxpayers' compliance which means in accordance with the second hypothesis in which there is significant understanding of taxpayers' compliance.

While testing the effect of intervening variables mediating between the dependent variable, namely the magnitude of the coefficient and indirect understanding of taxpayers on tax compliance, i.e.,: $1.33 \times 4.8 = 6.384$.

Direct Effect = 14.50

Total Effect = $1.33 + 4.8 = 6.13$

Based on the analysis results, the total is smaller than the direct effect that is equal to 14.50, Variable understanding of the taxpayer does not directly influence the willingness of Compliance WP through the variable of 6.384. This is because the understanding of taxpayers is more dominant and important than the willingness to pay taxes.

c. Testing Hypothesis 3 (there is significant tax on tax compliance Socialization:) The test results showed that the relationship variables influence taxpayers' awareness on tax compliance showing path coefficient value of - 0.070 with t values of 0.836. These values are BESA than t table (1.96). This result means the socialization of the tax has a negative correlation and no significant effect on tax compliance which is not in accordance with the third hypothesis in which there is the influence of socialization on taxpayers' compliance.

d. Testing Hypothesis 4 (there is influence of the self-assessment system on tax compliance): The test results indicate the effect of variable relationship of self-assessment tax system to demonstrate compliance path coefficient of 0.217 with a value of 3.23 t. The value is greater than t table (1.96). This result means that self-assessment system has a positive and significant relationship with tax compliance, which means consistent with the hypothesis four where there is influence of the self-assessment system on the taxpayers' compliance.

While testing the effect of intervening variables mediating between the dependent variable, namely the magnitude of the coefficient of indirect self-assessment system on tax compliance, i.e.,: $2.62 \times 4.8 = 12.576$

Direct Effect = 3.23

Total Effect = $2.62 + 4.8 = 7.42$

Based on the analysis of the results, the direct effect is smaller than the total effect that is equal to 7.42, Variable self-assessment system does not directly influence taxpayers' compliance through taxpayers' willingness variable at 12.576. This is because of the variable willingness to pay taxes.

e. Testing Hypothesis 5 (there is significant awareness of the taxpayers, the taxpayers' understanding, socialization and self-assessment tax system to tax compliance through the willingness to pay taxes): The test results showed that the relationship of variable awareness of the taxpayer, the taxpayers' understanding, socialization and self-assessment tax system to tax compliance through the willingness to pay taxes shows path coefficient value of 0.179 with a t value of 4.893. The value is greater than t table (1.96). These results indicate awareness of the taxpayers, the understanding of taxpayers, dissemination of tax and self-assessment system that have a positive and significant relationship with tax compliance, which means consistent with the hypothesis four where there is significant awareness of the taxpayer, the understanding of taxpayers, dissemination of tax and self-assessment system Adherence to the taxpayer.

DISCUSSION

1. From the test results, ability of the variables taxpayers' awareness, understanding of taxpayers, socialization and self-assessment tax system in explaining the willingness to pay taxes was 9.7%, while the ability of the variables in explaining taxpayers' awareness, understanding of the taxpayers, the tax socialization and self-assessment system of the Taxpayers' Compliance was 67.70%. The rest is explained by other variables.

2. Effect of Awareness of taxpayers has a positive and significant relationship with tax compliance: From the test results obtained by the total effect of the Compliance Awareness WP Willingness to pay taxes as an intervening variable is 5.55, these results suggest that the taxpayer compliance is influenced by awareness of the taxpayers through the willingness to pay a tax of 5.55. However Awareness has great impact directly on the Taxpayers' Compliance variable without variable willingness to pay a tax of 7.04. This happens because the taxpayers are conscious to comply with their tax obligations and would automatically pay the tax obligations.

The results of research suggest Awareness has negative effect on tax compliance. How-

ever, in line with the research of Kalsum et al. (2016), it is stated that awareness affects taxpayers on tax compliance.

3. Effect of Understanding on tax compliance: From the test results obtained by total understanding of the effect of tax compliance on the willingness to pay taxes as an intervening variable is equal to 6.38. This shows tax compliance of taxpayers affected by the understanding of the tax provisions mediated by willingness to pay taxes amounted to only 6.38. If understanding of the taxpayers is not mediated by the willingness to pay taxes so much influence is very large, amounting to 14.50. This shows a good grasp on the taxpayers then it will automatically improve taxpayers' compliance in meeting their tax obligations.

The results of this study are consistent with the Andriani (2016) stating that the understanding of taxpayers has positive effect on tax compliance. Same result with Kalsum et al. (2016) expressed understanding has influence on tax compliance.

4. Effect of Socialization on taxpayers' compliance: Socialization taxes have a significant negative relationship and not on tax compliance. That is the socialization that did not have any influence on affecting taxpayers' compliance.

The results of this study together with Heriyanto and Tolly (2013), state that socialization has no effect on tax compliance. However, it is in contrast to the results obtained by Andriani (2016) which state that socialization has effect on taxpayers' compliance.

5. Effect of self-assessment system against tax compliance: From the test results obtained by the total effect of Self-Assessment system on tax compliance with the willingness to pay taxes as an intervening variable of 7.42 which means that the self-assessment system that is supported by the willingness to pay taxes will increase tax compliance. If the self-assessment rules system is not based on the willingness to pay taxes, it has influence of only 3.23.

These results together with research of Sumpena (2015) stating that the self-assessment system has positive effect on tax compliance.

6. Effect of taxpayers' awareness, understanding of taxpayers, socialization and self-assessment tax system on tax compliance and willingness to pay taxes as an intervening variable:

Awareness of the taxpayers, the taxpayers' understanding, socialization and self-assessment tax system have a positive and significant relationship with tax compliance.

The results of this study together with Handayani (2016) state that the Taxpayers' awareness, knowledge and Understanding of tax law, a good perception of the effectiveness of the system, and the quality of service have positive influence on the willingness to pay tax. And also the same as Nugroho (2012) which states that Knowledge and Understanding of taxation law, service quality, and good perception of the effectiveness of the taxation system had a significant effect on willingness to pay tax, also awareness to pay taxes had a significant effect on willingness to pay taxes.

CONCLUSION

a. From the research that has been conducted by the researchers found that socialization cannot affect the compliance of taxpayers in meeting their tax obligations, but variable simultaneous awareness of the taxpayers, the taxpayers' comprehension, self-assessment system, and the willingness of taxpayers to pay taxes have significant effect on compliance of taxpayers in meeting their tax obligations amounted to 67.70%, while the remaining 32.30% is explained by other variables.

b. The implications of this study are expected in the level of consciousness that is low against the taxpayers. Taxpayers' Compliance is expected to increase with the way government approaches public especially the taxpayers to build the foundation of philosophical

thinking that is logical and solid into the minds of taxpayers. With the direct socialization and literature references, the regulations make tax compliance under compulsion not consciousness, this is done for taxpayers to avoid tax penalties.

c. With self-assessment system of government, in this case the DGT (Directorate General of Taxes) or Direktorat Jenderal Pajak RI that provides the freedom and confidence to taxpayers to calculate, calculate, pay and report tax obligations. Self-assessment system is an important philosophical foundation that must be understood by people, particularly taxpayers, on the assumption that all submitted by taxpayers on their tax obligations are correct until the tax man found evidence of guilt.

LIMITATIONS AND RECOMMENDATIONS

The limitations of this research, this research just used variables like awareness of taxpayers, understanding of taxpayers, socialization, willingness of taxpayers, towards taxpayers' compliance. Future research can increase with the other variables such as Regulation, standard education, perception of taxpayers and another.

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— This article does not have any appendix. —