ANTECEDENT OF E-SPT USE AND IT’S IMPACT ON TAXPAYER’S COMPLIANCE

1Fina Dwi Fatma; 2Muhammad Nur Syamsu; 3Amir Hidayatulloh
1,2,3Accounting, Universitas Ahmad Dahlan, Indonesia
1Email: dwifatmafina@gmail.com
2Email: muhammadnursyamsu9@gmail.com
3Email: amir.hidayatulloh@act.uad.ac.id

Abstract

This research attempted to reveal the antecedent of E-SPT use (Annual Tax Return Electronic) and its impact on taxpayers’ compliance. The population of this research were all taxpayers in Indonesia. The sampling technique that used in this research was purposive sampling with one criteria that was: the taxpayers who had used E-SPT. The analysis technique used in this research was Partial Least Square (WarpPLS). The antecedent of E-SPT use consist; perceived ease of use, perceived usefulness and self-efficacy. Perceived ease of use is affected by self-efficacy while perceived usefulness is affected by personal innovativeness and subjective norm. The application of E-SPT encourages the taxpayers’ compliance, thereby when the E-SPT users increase, the state taxes revenue will increase too.

Keywords: taxpayer’s Compliance, E-SPT, Perceived Usefulness, Perceived Ease of Use, Antecedent
A. Introduction

Taxes are the major source of state revenue. As expressed in the state budget (APBN), taxes revenue dominate the overall state revenue, especially from income tax. However, the realization of taxes revenue till November, 2017 is only 71.6% from the target which is IDR 784 billion (Perpendaharaan & Negara, 2017). That being said, some of the taxpayers are still unwilling to pay their taxes, so that the government particularly the Directorate General of Taxes, need to modernize tax administration. One way is through Electronic Annual Tax Return. Electronic Annual Tax Return might increase the taxpayers’ compliance to pay their tax obligations.

According to the Directorate General of Taxes (DGT) in Peraturan Direktorat Jendral Pajak Nomor PER-03/PJ/2015 Tentang Penyampaian Surat Pemeberitahuan Elektronik, Electronic Annual Tax Return is an electronic documents of Annual Tax Return/Notice (SPT) which can be obtained from the application provided by the DGT called e-SPT. E-SPT was authorized by the DGT on February 13th, 2005 with the expectation that the taxpayers can report or submit their obligations effectively and efficiently. Thereby, the utilization of e-SPT will increase the realization of taxes revenue, especially Income Tax (PPh 21) and Value-Added Tax (PPN). Furthermore, Kementerian Keuangan Republik Indonesia stated that e-SPT has advantages such as: (1) reporting or submitting the Annual Tax Return or Notice can be done quickly and safely, because the documents are in CD/disk forms, (2) well-organized taxation data, (3) e-SPT application systems organize the company taxation data properly and systematically, (4) calculation is done quickly and precisely by computer, (5) convenience in making tax reports, (6) the data prepared by the taxpayers will always complete because the forms numbering based on a computer system, (7) paperless.

Researchs about technology utilization have been conducted by so many researchers, for examples; (Akhter, Baabdullah, Dutta, & Kumar, 2018). that stated perceived awareness, resources availability, perceived pictures and choice of languages did not have positive affect on interest in using mobile banking. However, perceived ease of use, perception of information quality and perceived usefulness have positive effect on
interest in using mobile banking. Moreover, in the same research, only perceived ease of use and perceived usefulness that have effect on interest in using mobile banking. According to (Shankar & Datta, 2018), perceived usefulness, perceived ease of use and self-efficacy have significant impact on m-payment adoption behavior, yet personal innovativeness and subjective norms did not have significant impact. There is also research on technology utilization in taxation field, such as; (Chandra & Rahmawati, 2016) that stated perceived ease of use, credence and computer self-efficacy have positive and significant impact on interest in using e-SPT.

The previous researchs that had been conducted still have contradictory result, so this research tries to reexamine the antecedent of the use of e-SPT and its impact on tax compliance. The respondents in this research were all taxpayers’ in Indonesia.

B. Method

The population in this research were taxpayers throughout Indonesia. Whereas, the sample were the taxpayers who have an Identification Numbers (NPWP) and already have used e-SPT. The sample collection technique that used in this research was purposive sampling, with criterias; (1) taxpayer who has an Identification Numbers (NPWP) and (2) taxpayer who already has used e-SPT. This research used computer delivery survey collection technique, by utilizing the google form facility. Variables operational definitions and measurement scales are presented in the table below (table 1).

<table>
<thead>
<tr>
<th>Variable</th>
<th>Definition</th>
<th>Reference</th>
<th>Measurement Scale</th>
<th>Reference</th>
</tr>
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<tbody>
<tr>
<td>Self-efficacy</td>
<td>Self-efficacy is taxpayers that have confidence in making the tax reports through e-SPT application.</td>
<td>(Chandra &amp; Rahmawati, 2016)</td>
<td>4 statement items measured by a 5-point Likert Scale</td>
<td>(Shankar &amp; Datta, 2018)</td>
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<tr>
<td>Perceived Ease of Use</td>
<td>The level of assuredness</td>
<td>(Davis, 1989) in</td>
<td>3 statement items measured</td>
<td>(Shankar &amp; Datta, 2018)</td>
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<tr>
<td>Subjective Norms</td>
<td>Subjective norms are an individual perception about social pressure to do or not do certain behavior.</td>
<td>(Shankar &amp; Datta, 2018)</td>
<td>by a 5-point Likert Scale</td>
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<tr>
<td>Personal Innovativeness</td>
<td>Personal Innovativeness is customer’s desire to try various new technologies.</td>
<td>Agarwal &amp; Prasad, (1998) in (Shankar &amp; Datta, 2018)</td>
<td>3 statement items measured by a 5-point Likert Scale (Shankar &amp; Datta, 2018)</td>
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<td>Trust</td>
<td>Trust is one of the internal factors that encourages an individual to believe in “the right thing to do”, in this case trust is one of the important factors in using e-SPT.</td>
<td>(Chandra &amp; Rahmawati, 2016)</td>
<td>7 statement items measured by a 5-point Likert Scale (Shankar &amp; Datta, 2018)</td>
<td></td>
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<tr>
<td>The Use of e-SPT</td>
<td>e-SPT is an electronic form of Annual Tax Return or Notice and its attachments that can be submitted or reported by taxpayers through</td>
<td>(Novindra &amp; Rasmini, 2017)</td>
<td>4 statement items measured by a 5-point Likert Scale (Shankar &amp; Datta, 2018)</td>
<td></td>
</tr>
<tr>
<td>Perceived Usefulness</td>
<td>Perceived usefulness can be defined as the level of customers’ confidence that they assume adopting certain technology will improve their performance.</td>
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<td>Davis (1989) in (Shankar &amp; Datta, 2018)</td>
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<tr>
<th>Tax Compliance</th>
<th>Obedient taxpayers are taxpayers who obey and pay their taxation obligations in accordance with the applicable government regulations.</th>
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<tbody>
<tr>
<td>(Ngadiman &amp; Huslin, 2015)</td>
<td>6 statement items measured by a 5-point Likert Scale (Ananda, Kumadji, &amp; Husaini, 2015)</td>
</tr>
</tbody>
</table>

The hypotheses testing in this research used WarpPLS. PLS as structural equation (SEM) based on variants than can simultaneously test the measurement and structural models. The measurement model is used to test the validity and reliability. Meanwhile, the structural model is used to test hypotheses with predictive model (causality)(Hartono & Abdillah, 2014).
The Framework and Hypothesis Development

Figure 1. Research Framework

**Self-efficacy Affects Perceived Ease of Use**

Computer self-efficacy in terms of information systems is the user’s trust that someone is capable of using information system, which can show a strong influence on the intention to adopt information technology (Lending and Dilon, 2007) in Pawirosumarto, Katidjan, & Mulyanto, (2015). Moreover, Chandra & Rahmawati, (2016) stated that taxpayers trust e-SPT in order to make their taxation reports. Based on that, the first hypothesis of this research is:

H1: Self-efficacy Affects Perceived Ease of Use

**Self-efficacy On the Use of e-SPT**

Computer self-efficacy is one of the internal factors that can be found in an individual. That self-efficacy ability can ease taxpayers in using e-SPT. So, computer self-efficacy in the use of e-SPT is that taxpayers have trust in their ability to use e-SPT when reporting their taxation obligations (Chandra & Rahmawati, 2016). Therefore, the second hypothesis of this research is:

H2: Self-efficacy Affects the Use of e-SPT

**Personal Innovativeness On Perceived Ease of Use**

Agarwal and Prasad (1998) in Shankar & Datta, (2018) defined Personal Innovativeness as a customer’s desire to try new technologies, that is an inherent part of an individual’s personality and the level of innovation varies from one customer to another (Gupta, Xu dan Zang,
2011; Im Bayus and Mason, 2003: Shankar & Datta, (2018). Based on that, the third hypothesis of this research is:

H3: Personal Innovativeness Affects Perceived Ease of Use

**Personal Innovativeness On the Use of e-SPT**

People who have innovative abilities can critically examine the usefulness and ease of use of technology based on its services (Lu, Yao & Yu, 2005). The majority of Indian people never use cellular services and technologies. So that personal innovativeness can play an important role in intention to adopt (technology etc.) (Shankar & Datta, 2018). Therefore, the fourth hypothesis of this research is:

H4: Personal Innovativeness Affects the Use of e-SPT

**Personal Innovativeness On Perceived Usefulness**

Directorate General of Taxes (DGT) as an institution that managing taxes did some reforms and innovations of administrative system in order to increase state revenues from the taxes sector. That reform aimed to foster public trust in tax collectors while the innovation was to do some taxation reform especially in taxation administration (Sari, Kertahadi, & NP., n.d.). Perceived usefulness can be described as how an individual can interpret the benefits or usefulness of a system by using it. Therefore, the fifth hypothesis of this research is:

H5: Personal Innovativeness Affects Perceived Usefulness

**Subjective Norms On the Use of e-SPT**

Subjective norms are the power of the influence of tax staff’s views in the tax office environment on tax staff’s compliance behavior. Subjective norms can be determined and measured as a set of normative beliefs regarding a significant agreement or disagreement on certain behavior (Refiana, 2002) in (Alvin, 2014). Based on the research conducted by Alvin (2014), subjective norms have a positive affect on tax compliance. That means in e-SPT utilization a taxpayer will obey to use e-SPT application. So, the sixth hypothesis of this research is:

H6: Subjective Norms Affect the Use of e-SPT
Subjective Norms On Perceived Usefullness

Subjective norms are an individual beliefs in someone’s normative expectations which become a reference by that individual (Suryani & Yushita, 2017). Perceived usefulness is something which gives people a statement that they believe using a particular technology will improve their performance (Wibisono & Toly, 2014). Hence the seventh hypothesis of this research is:

H7: Subjective Norms Affect Perceived Usefulness

Perceived Ease of Use On the Use of e-SPT

In terms of perceived ease of use, if the system is ease to use, the user’s interest in using that system will increase. Based on research conducted by Novindra & Rasmini, (2017), perceived ease of use had a positive impact on the interest in using e-SPT. Therefore, the eighth hypothesis of this research is:

H8: Perceived Ease of Use Affects the Use of e-SPT

Perceived Usefulness On the Use of e-SPT

Perceived of usefulness is how individual can feel a system provides benefits to its user. If the taxpayers feel that by using the e-SPT application system can provide them advantages, the taxpayers will use it continuously. But vice versa, if the taxpayers do not feel that using the e-SPT application system can provide them advantages, the taxpayers will not use it (Novindra & Rasmini, 2017). Therefore, the ninth hypothesis of this research is:

H9: Perceived Usefulness Affects the Use of e-SPT

Trust On the Use of e-SPT

The success of the e-SPT use requires trust from the taxpayers, so that the taxpayers can apply, use and running the e-SPT application in terms of reporting their tax obligations (Chandra & Rahmawati, 2016). Research produced by Chandra & Rahmawati, (2016) showed result that there is a significant impact between trust towards interest in using e-SPT. Hence, the tenth hypothesis of this research is:

H9: Trust Affects the Use of e-SPT
The Use of e-SPT On Tax Compliance

Taxpayers’ compliance in implementing e-SPT can be supported by knowledge of taxation that the taxpayers already knew, because on e-SPT application, the tax obligations such as; register, calculate, pay and report taxes according to income earned by the taxpayers can be found. In this case, reporting taxes through e-SPT application aim to overcome the weakness of reporting taxes manually (Zuhdi, Topowijono, & Azizah, 2015). Based on research conducted by Zuhdi et al., (2015), the use of e-SPT affect the taxpayers’ compliance, which means increasing the e-SPT users will increase the taxpayers’ compliance. Therefore, the eleventh hypothesis of this research is:

H11: The Use of e-SPT Affects Tax Compliance

C. Research Finding

Description of Respondents

Total respondents in this research were 101 respondents, which dominated by respondents with the age range of 20-30 years as many as 52 respondents (51.48%). The respondents’ gender were dominated by men as many as 61 respondents (60.40%). Meanwhile, the respondents’ level of education were dominated by Bachelor Degree in total 57 respondents (56.44%).

Source: data processed, 2018

Figure 2. Taxpayer Types
Figure 2 shows that the respondents in this research were dominated by individual taxpayers which amounted to 77%. Meanwhile, 23% came from corporate taxpayers, MSMEs and individual taxpayers who did freelance work.

Figure 3 presents the taxpayers’ domicile, which can be seen the taxpayers’ domicile is dominated by province of Yogyakarta Special Region (45 respondents), province of Central Java (21 respondents) and 9 respondents from province of West Java.

**Hypotheses Testing**

This research conducted a pilot study before testing the hypotheses. The pilot study aimed to find out that the statements use in the questionnaire could be understood easily by the respondents. The pilot study was conducted by distributing questionnaire to the respondents in small numbers. The hypotheses testing in this research was using WarpPLS. PLS as structural equation (SEM) based on variants that can simultaneously test the measurement and structural models (Hartonono & Abdillah, 2014).
Result of the Measurement Model Test (Outer Model)

The purification stage in the research model must be done so that the konsep and model research can be tested in the prediction model of relational and causal relationships. The measurement model aims to test construct validity and instrumen reliability (Hartono and Abdillah, 2014). The validity test conducted by this research was a test of construct validity. Validity construct include convergent and discriminant validity. Convergent validity is related to the measuring principle of the supposed-high construct. Whereas, discriminant validity expresses that the measurement of different constructs should not be highly correlated (Hartono, 2008). This research fulfills the validity and reliability test.

D. Discussion

Result of the Structural Model Test (Inner Model)

The next stage after testing the measurement model (validity and reliability test) is testing the structural model. Structural testing was done by using R-Square and the path coefficient’s value or t-value of each path. The result of the structural model are presented in Figure 4.

Source: Data Processed (2018)

Figure 4.
R-Square Result, Path Coefficient’s Value, t-Value
Explanation:

SA : Self-efficacy  
PKP : Perceived Ease of Use  
NS : Subjective Norms  
PI : Personal Innovativeness  
KP : Trust  
NA : The Use of e-SPT  
PK : Perceived Usefulness  
KT : Taxpayers’ Compliance

**Hypothesese Testing Results**

R-Square ($R^2$) is used for evaluate the dependent construct in the structural model. The R-Square’s value is used to measure the level of changes’ variation in the independent variables toward dependent variables (Hartono & Abdillah, 2014).

Perceived ease of use has an R-Square value of 0.48. This means that changes’ variation in the perceived ease of use variable that can be explained by the self-efficacy and personal innovativeness variable is 48%, while the remainder is explained by the other variables outside this research model.

The R-Square value of perceived usefulness variable is 0.33. This means that changes’ variation in the perceived usefulness variable that can be explained by personal innovativeness and subjective norms variable is 33%, while the other 67% is explained by the other variables outside this research model.

The Use of e-SPT variable has a R-Square value of 0.97, which means that the intention of adoption variable that can be explained by self-efficacy, personal innovativeness, subjective norms, perceived ease of use, perceived usefulness and trust variables is 97%, while the rest is explained by the other variables outside this research model.

R-Square value of the tax compliance variable is 0.61, which means that the use of e-SPT variable that can explain the tax compliance variable is 61%, whilst the rest is explained by other variables outside this research.

Figure 4 shows that self-efficacy affects the perceived ease of use and the use of e-SPT. This can be explained by look at the significance value (<0.01) which is smaller than 0.05. Therefore, the first and second
hypotheses of this research are accepted. So, the taxpayers who belief reporting their tax obligations through e-SPT is more efficient, also belief that e-SPT application is easy to use thereby they will use it continuously. This result is supported by the research conducted by Chandra & Rahmawati, (2016) which stated that computer self-efficacy in the use of e-SPT was the taxpayers’ believe in their ability to use e-SPT application. Furthermore, taxpayers have confidence to use e-SPT in the terms of tax reporting.

Personal innovativeness does not affect perceived ease of use and the use of e-SPT. This is indicated by the significance values of each variables which are 0.23 and 0.14. Thus, the third and fourth hypotheses of this research are rejected. Personal innovativeness does not affect perceived ease of use because when taxpayers have the desire to try new technology, they do not consider wether the technology is easy to use or not. Meantime, the taxpayers who feel that e-SPT not provides any advantages for them, will not use it. That is why personal innovativeness does not affect the use of e-SPT.

The fifth hypothesis of this research is accepted (the significance value is 0.04, smaller than 0.05), which means personal innovativeness affects perceived usefulness. This result is in line with previous research conducted by Shankar & Datta, (2018) which stated that personal innovativeness affects perceived usefulness.

Figure 4 also shows that subjective norms do not affect the use of e-SPT (the significance value is 0.29 which is greater than 0.05). Therefore, the sixth hypothesis of this research is rejected. This result is in line with the research conducted by Shankar & Datta, (2018) which stated that subjective norms do not have a significant impact on the intention of adopting information technology.

The seventh hypothesis of this research is accepted, which means subjective norms affect perceived usefulness (the significance value is <0.01, smaller than 0.05). Thereby, when subjective norms (coworkers, seniors, families, et.) consider the e-SPT provides advantages, the taxpayers will also consider that the e-SPT provides advantages for them, especially to improve their performance. This result is in line with previous research conducted by Wibisono & Toly, (2014)

Perceived ease of use and perceived usefulness affect the use of e-SPT (the significance value of both variables are 0.04 and <0.01 whic are
smaller than 0.05). Therefore, the eighth and ninth hypotheses of this research are accepted. Taxpayers will use e-SPT if e-SPT is easy to use and has advantages for them. This results are in line with previous research conducted by Novindra & Rasmini, (2017).

The tenth hypothesis of this research is rejected (the significance value is 0.22, greater than 0.05). Trust does not affect the use of e-SPT. This result is in line with research conducted by Chandra & Rahmawati, (2016) that stated the government still have not taken any action that can ensure and guarantee the taxpayers’ safety when using e-SPT. This encourages taxpayers to not use e-SPT in terms of reporting their tax obligations.

The use of e-SPT affects tax compliance (the significance value is <0.01 whic is smaller than 0.05). Thus, the eleventh hypothesis of this research is accepted. This result is in line with previous research conducted by Zuhdi et al., (2015)which found out that the application of e-SPT affects taxpayers’ compliance. Therefore, by increasing e-SPT users, will also increase the tax compliance.

E. Conclusion

Factors that encourage taxpayers to use e-SPT are perceived usefulness (which experienced by the taxpayers when using the e-SPT application) and the perceived ease of use (when taxpayers feel that e-SPT is easy to use). In addition, the use of e-SPT affected by self-efficacy. Thus, taxpayers who feel confident that using e-SPT will make reporting taxes more efficient, will be encouraged to use it.

Self-efficacy affects perceived ease of use. This means that taxpayers have confidence that using e-SPT will make reporting more efficient, taxpayers will assume that e-SPT is easy to use. In addition, perceived usefulness is affected by personal innovativeness and subjective norms. Therefore, taxpayers who have the spirit of innovation will assume that the use of e-SPT provides advantages for them. Moreover, the social environments such as coworkers, families, seniors and etc., will also affect perceived usefulness. Thus, when the social environments consider that the use of e-SPT provides any advantages for them, taxpayers will consider that the use of e-SPT provides any advantages for them too. The use of e-SPT affects tax compliance. This means that when taxpayers who use e-SPT increase, the taxes revenue will increase too.
Implications And Limitations

The implication of this research is that the government can innovate e-SPT which desired by the taxpayers. This simply because the use of e-SPT affects tax compliance. So, the more taxpayers who use e-SPT, the revenue from the tax sector will increase. Factors that encourage taxpayers to use e-SPT are perceived usefulness, perceived ease of use and self-efficacy. Thus, taxpayers who feel confident that the use of e-SPT makes reporting tax more efficient will be compelled to use e-SPT.

Perceived ease of use is affected by self-efficacy. This means that if the taxpayers have confidence using e-SPT will make reporting more efficient, they will consider that e-SPT is easy to use. Moreover, perceived usefulness is affected by personal innovativeness and subjective norms. So taxpayers who have the spirit of innovation will assume that the use of e-SPT is useful for them. The social environments such as coworkers, families, seniors and etc., will also affect perceived usefulness. Therefore, when the social environments consider the use of e-SPT provides advantages, the taxpayers will also have the same perception.

This research has two limitations, which are (1) this research has low internal validity. This simply because this research uses survey method, (2) this research do not separates the taxpayers’ types such as individual taxpayers, MSMEs and corporate taxpayers. Thereby, further research can (1) use experimental and interview methods to obtain high internal validity and (2) differentiate taxpayers’ types.

Appreciation

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