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Research Article

Taxpayer Compliance in Aceh Indonesia Province

Sofyan Suri, Nuraini A[*] and Indayani

Syiah Kuala University, Banda Aceh, Aceh, Indonesia

Abstract: This study is to examine the factors that influence taxpayer compliance. Tax amnesty, reform of the tax administration system and understanding tax regulations are the factors that encourage increased taxpayer compliance. This study was conducted on corporate taxpayers and individual taxpayers registered on the Banda Aceh Primary Tax Service Office. Sampling used simple random sampling and it is obtained 379 samples. The time span in data collection starts from 10 June to 2 September 2019. Hypothesis testing is done using the multiple linear regression analysis approach. This study found that tax amnesty, reform of the tax administration system and understanding tax regulations have a positive effect on taxpayer compliance
Keywords: tax, tax amnesty, reform of tax administration system, tax regulation, taxpayer compliance, corporate taxpayers, individual taxpayers.

INTRODUCTION

The contribution of taxes to state revenues continues to increase every year. This increase can be seen in the following table
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Table 1. The role of tax on the income of the Republic of Indonesia

No	Year	Total (Trillion)			Percentage of State Revenue (Tax)
		Tax	Non-Tax	State Revenue	
1	2012	980.51	351.8	1,332.31	74%
2	2013	1,077.30	354.75	1,432.05	75%
3	2014	1,146.86	398.59	1,545.45	74%
4	2015	1,240.41	255.62	1,496.03	83%
5	2016	1,539.16	245.08	1,784.24	86%

Source: Data processed (2020)

Based on Table 1, it can be concluded that the largest state revenue comes from taxes. Tax revenue from 2012 to 2016 has increased, which in 2012 tax revenue reached 980.51 trillion or 74% of state revenue. In 2013, tax revenue reached 1,077.30 trillion or 75% of state revenue. In 2014, tax revenues reached 1,156.86 trillion or 74% of state revenue. In 2015, tax revenues reached 1,240.41 trillion or 83% of state revenue. In 2016, tax revenues reached 1,539.16 trillion or 86% of state revenue.

Such a large role of tax on the state revenue margin must be optimized so that all financing can be resolved. The Ministry of Finance of the Republic of Indonesia states that in 2015 only 11% of the 250 million people in Indonesia had a Taxpayer Identification Number (NPWP), and only 10 million reported an Annual Notification Letter (Ministry of Finance of the Republic of Indonesia through Apridar, 2016). The Head of Aceh Regional Directorate General of Taxes in the socialization about raising awareness of taxpayers also said that tax compliance rates were only 70 percent of the 680,000 taxpayers in Aceh (Tribunnews.com, 2016). Likewise what happened at the Banda Aceh Primary Tax Service Office was also very low, the data collected showed that in 2015 there were 176,651 registered taxpayers and 63,543 taxpayers reporting their tax returns, this shows that the level of

tax compliance in the area is only 36% (Banda Aceh Primary Tax Office, 2019).

The tax collection system that applies in Indonesia is a self-assessment. Self-assessment is a system that gives trust to taxpayers to calculate and self-report tax owed and tax officials only monitor it (Official, 2009: 11). The success of the self-assessment system is highly dependent on the compliance of taxpayers in fulfilling their obligations as citizens through applicable legislation (Bahri, 2017). One way to optimize state revenue is by increasing taxpayer compliance.

Compliance of taxpayers can be influenced by two factors, they are internal factors and external factors. Internal factors are the factors that originate from internal taxpayers themselves which are related to individual characteristics that trigger in carrying out tax obligations, while external factors are the factors that originate from outside taxpayers such as the environmental situation around taxpayers (Fuadi and Mangoting, 2013).

Some things that influence the compliance of individual taxpayers include tax amnesty (Rechberger *et al.,* 2010; Saraçoğlu and Çaşkurlu, 2011; Ngadiman and Huslin, 2015; Husnurrosyidah and Nuraini, 2016; Suyanto, Intansari and Endahjati, 2016; Nurkhin *et al.,* 2018), reform of the tax administration system (Ademarta, 2013; Darmayasa and Setiawan, 2016; Waluyo, 2017) and understanding taxation regulations (Redae and Sekhon, 2015; Kusuma and Supadmi, 2016; Oladipupo and Obazee, 2016; Mahfud, Arfan and Abdullah, 2017; Lisa and Hermanto, 2018; Nurkhin *et al.,* 2018).

Tax amnesty is a driving factor in increasing taxpayer compliance. One of the objectives of issuing a tax amnesty policy is to increase state revenue by encouraging taxpayers to report all assets owned to the tax office. However, besides being beneficial for the country, taxpayers will also be very benefited, because taxpayers will avoid the amount of tax in previous years that are owed and even taxpayers can avoid administrative sanctions and tax penalties that could potentially be received if a tax audit occurs so that tax amnesty will be able to increase taxpayer compliance (Rahyani, 2016). It can be seen from the achievement of disclosure of assets from taxpayers in 2016 reaching Rp3,460.80 trillion. The details of taxpayer participation in the tax amnesty policy can be seen in the following table.

Table 2. Realization in Disclosure of Assets

No	Disclosure of Assets	Total *(Trillion)*	
1	Internal Declaration	Rp	2,617.97
2	Foreign Declaration	Rp	728.66
3	Repatriation	Rp	114.16
4	Total	Rp	3,460.80

(Directorate General of Taxation, 2016)

Several studies mention that tax amnesty has an effect on taxpayer compliance (Rechberger *et al.,* 2010; Saraçoğlu and Çaşkurlu, 2011; Ngadiman and Huslin, 2015; Husnurrosyidah and Nuraini, 2016; Suyanto, Intansari and Endahjati, 2016; Nurkhin *et al.,* 2018). However, several other studies mention that tax amnesty does not influence taxpayer compliance (Junpath, Kharwa and Stainbank, 2016; Waluyo, 2017).

Another aspect that influences taxpayer compliance is the reform of the tax administration system. Tax administration is demanded to be dynamic as an effort to increase the application of effective taxation policies. Administrative feasibility criteria demand that the new tax system minimize administrative costs and compliance costs and make tax administration a part of tax policy (Fasmi and Misra, 2014). The results of research in the United States, the amount of compliance costs that must be incurred by taxpayers are relatively large compared to tax revenue by the Internal Revenue Service (IRS). They also argue that the size of compliance costs can be minimized through simplification of the tax process even though the issue is sometimes not a concern in determining tax policy (Eichfelder and Vaillancourt, 2014).

Taxpayers are very welcomed with the reform of the tax administration system; it can be seen from online tax returns through e-filing. The number of tax return reports as of 31 March 2016 reached 8.9 million. Of this amount, 5.5 million comes from e-filling tax reporting and the remaining 3.4 million is done manually (Directorate General of Taxes, 2017). Some research results show that tax administration system reforms influence individual taxpayer compliance (Ademarta, 2013; Darmayasa and Setiawan, 2016; Waluyo, 2017). However, the results of other studies show that tax administration system reform does not influence individual taxpayer compliance (Olatunji Olaoye, 2017).

Another thing that influences taxpayer compliance is understanding tax regulations. Understanding tax regulations also influences taxpayer compliance. Understanding tax regulations will influence the compliance of taxpayers because people become aware of their rights as citizens. Taxpayers who have an adequate understanding of their obligations as taxpayers, their rights as taxpayers, tax management and other understandings of the basics of taxation will influence their behavior. taxpayers who have this understanding will tend to be more obedient in fulfilling their tax obligations (Maulida, 2013). The results of several previous studies indicate that understanding tax regulations influences taxpayer compliance (Redae and Sekhon, 2015; Kusuma and Supadmi, 2016; Oladipupo and Obazee, 2016; Mahfud, Arfan and Abdullah, 2017; Lisa and Hermanto, 2018; Nurkhin et al. , 2018). However, there are several other studies that show that

understanding tax regulations does not influence tax compliance (Andinata, 2015; Nurhayati, Halimatusadiah and Diamonalisa, 2015).

The purpose of this article is to provide empirical evidence of the influence of tax amnesty, tax administration system reform, understanding tax regulations on tax compliance. The study was conducted on mandatory registered taxation at the Banda Aceh Primary Tax Service Office. Systematics in this study begins with the introduction and subsequent theoretical framework and development of hypotheses, research methods, then discuss the results and discussion. At the end of the paper, the conclusions, limitations, suggestions and recommendations will be presented.

EMPIRICAL LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

Theory Approach

The theory in this study is Theory of Planed Behavior (TPB). Theory of Planned Behavior is a theory based on the assumption that humans will usually behave properly (behave in a sensible manner). Humans usually behave in a way that makes sense, thinking about the effects of their actions before deciding to do the behavior. This theory provides a framework for studying a person's attitude towards his behavior (Ajzen, 1991). TPB is a continuation of Theory of Reasoned Action (Arnould, Price, and Zinkhan, 2005). The attitude and behavior of each person is influenced by everything around him, such as parents, friends, experience, and knowledge possessed in the decision making process. The lack of desire, insufficient finance, environmental changes, or lacks of motivation are other factors that influence a person in making decisions (Ajzen, 2012).

Theory of planned behavior explains that humans will behave according to them properly and appropriately and the behavior will be influenced by the environment around which humans interact. One of the things that can influence an individual's attitude is financial savings (Ajzen, 2012). Taxpayer will be influenced to obey paying taxes because by following Tax Amnesty, taxpayer does not need to pay the tax the previous year owed so that it will save finances. This will make taxpayer more obedient in paying taxes (Lisa, 2018).

Theory of planned behavior explains that, one of the things that can influence an individual's attitude is the changes that occur in the environment in which humans interact (Ajzen, 2012). Changes that occur in the environment, causing taxpayer will find it easy to do taxation activities. Taxpayers who feel easy about taxation activities will be motivated to pay taxes. Increased motivation of the taxpayer, will make it more obedient (Maulida, 2016).

According to Arnould, Price, and Zinkhan (2005) as well as understanding taxation regulations, one of the things that can influence an individual's behavior is knowledge. According to Kusuma and Suparmi (2016) taxpayer who has an adequate understanding of his obligations and his rights as a taxpayer, tax management as well as other understandings of the basics of taxation will influence his behavior. Taxpayer who has this understanding will tend to be more obedient in fulfilling his tax obligations.

Taxpayer Compliance

Taxpayer compliance is a condition in which taxpayers fulfill all obligations and carry out their tax rights (Nurmantu, 2010). Compliance with taxpayers is carrying out obligations and rights as a taxpayer according to the applicable laws (Ministry of finance, 2015). Tax compliance is a classic problem faced by most countries that implement self-assessment taxation systems (Darmayasa and Setiawan, 2016). Self-Assessment is a system that requires taxpayers to calculate, to report and to pay independently their tax debt (Ministry of finance, 2015).

The level of tax compliance is relatively low related to the fulfillment of tax obligations thus the tax service office will make a number of efforts such as inspection accompanied by tax collection. It is done in order to provide positive motivation to be better for the future. Based on the decision of the Minister of Finance No. 235 / KMK.03 / 2003 dated June 3, 2003, taxpayers can be determined as compliant taxpayers if they meet the following requirements: (a) Be on time in the submission of Annual Notification Letter in the last two years, (b) In the last two years, Submission of tax return for late period of not more than three tax periods for each type of tax and not consecutive, (c) late tax return as referred to in letter b has been submitted not past the deadline for submission of tax return for the next tax period, (d) Do not have tax arrears for all types of taxes, (e) Has never been sentenced for committing criminal acts in the field of taxation in the last ten years, (f) In the financial statements, they are audited by a public accountant or a financial and development supervisory body must be with the opinion without exception or with a reasonable opinion with an exception as long as the exception does not influence fiscal income.

Indicators of individual taxpayer compliance in self-assessment system according to Bahri (2015) and Maulida (2016) are as follows: (a) Register to the Tax Office. Taxpayers have the obligation to register themselves to Tax Service Office (KPP) whose territory includes the residence or position of the taxpayer to be given a Taxpayer Identification Number (NPWP), (b) Calculate the tax correctly. Taxpayers calculate the amount of tax payable at the end of each tax year in accordance with tax legislation so that the

determination of the amount of tax owed is on the taxpayers themselves. In addition, taxpayers are also required to regularly report the amount of tax owed and paid as determined in taxation legislation, (c) Report taxes properly. Taxpayers report the amount of tax owed through filling out the Annual Tax Return correctly. The tax return is a means for taxpayers to report and to account for the calculation of the amount of tax owed, (d) Pay taxes on time. Taxpayers are required to make their own payment of the amount of tax due without having to wait for billing made by the tax official. The payment can be made at a government bank or a private bank by bringing a tax payment letter (SPP).

Tax Amnesty

Tax amnesty is a condition that provides an opportunity for taxpayers to report their assets that have not been reported without administrative sanctions and criminal sanctions (Sawyer, 2006: 2). It is hoped that the tax amnesty will encourage increased compliance with future taxpayers. Tax amnesty is expected to produce tax revenue that has not been paid or underpaid, in addition to increasing tax compliance due to more effective supervision and more accurate information about the taxpayer's wealth register (Directorate General of taxes, 2016).

According to Law No. 11 of 2016, tax amnesty has various benefits for taxpayers, such benefits as: (a) write-off of taxes that should be owed (income tax and value-added tax and sales tax on luxury goods), administrative sanctions and criminal sanctions that have not yet been issued tax assessments, (b) the elimination of administrative sanctions for the tax assessments that have been established, (c) not conducting tax audits, examination of preliminary evidence and investigation of criminal acts in the taxation field, (d) termination of tax audits, examination of preliminary evidence, investigation of criminal acts in the field of taxpayers in the case of taxpayers currently conducting a tax audit, examination of preliminary evidence and investigation of criminal acts in the field of taxation, (e) deletion of final income tax on the transfer of assets in the form of land and buildings and shares.

In the literature review and research results, it is stated that there are several indicators to measure the implementation of tax amnesty, namely: 1) Every taxpayer is entitled to tax amnesty, 2) Tax amnesty provides a tax write-off policy that should be owed, 3) Tax amnesty exempts administrative and criminal sanctions in the field of taxation, 4) Tax amnesty is given to taxpayers through the disclosure of their assets in the statement letter, 5) The statement is used by the taxpayer to reveal assets, debts, net assets value, and ransom payment, 6) Tax amnesty policy is an opportunity to get tax relief by paying a ransom, 7) Tax amnesty is carried out to accelerate economic growth through transfer of assets, 8) Tax amnesty is carried out to increase state revenue, 9) Tax amnesty is carried out to encourage tax reform towards the taxation system more equitable.

Tax Administration System Reform

Reform of the tax administration system is the improvement of administrative performance, either individually, in groups, or institutions to be more efficient, economical, and faster (Nasucha, 2004). Understanding tax regulations is defined as the ability of taxpayers to understand and apply general provisions and taxation procedures covering tax rates, due dates, how to submit / report tax returns, payments, and to know about the functions and benefits of taxation (Bahri, 2015). The renewal of the tax administration system is a form of adjustment to developments in the community (Maulida, 2016).

Since the tax reform volume I in 2002 conducted by considering improvements in the morals, and responsibilities of officials, the system of tax administration, and taxation continually carried out improvements that could reduce meetings between taxpayers and officials. It has become the forerunner to the opening of the Office of the Large Taxpayer (Bahri, 2015). Then in 2009, the Directorate General of Taxes launched a reform in volume II, it is the commencement of human resource reforms, which includes improving the quality, integrity and militancy of human resources taxation through increased training both at home and abroad (Maulida, 2016). Then in 2018, the third tax administration system was reformed by the Directorate General of Tax (DGT) to realize the DGT that was most appropriate by paying attention to geographical coverage, organizational characteristics, economy, local wisdom, potential for adequate acceptance and control (Presidential Regulation No 40 of 2018).

Understanding of Taxation Regulations

According to the Official (2009: 18) understanding taxation regulations is the process by which taxpayers know about taxation and apply that knowledge to pay taxes. Tax regulations that continue to change require taxpayers to upgrade their understanding of tax regulations so that they are not mistaken in completing tax obligations. According to Kusuma (2016) Understanding tax regulations is a benchmark for taxpayers in completing their tax obligations. Taxpayers who do not understand tax regulations tend to be non-compliant taxpayers, because the more taxpayers understand the tax regulations, the more they understand the taxpayers of sanctions to be received.

Veronika (2009) defines tax understanding as tax information that can be used by taxpayers as a basis for action, decision making and direction for determining certain strategies with respect to the implementation of taxation rights and obligations.

According to Andustom (2013) an adequate level of public knowledge, will make it easier for taxpayers to comply with all tax regulations that have been set. If someone has understood about taxation, there will be an increase in tax compliance.

Tax Amnesty and Taxpayer Compliance

One of the objectives of issuing a tax amnesty policy is to increase state revenue by encouraging taxpayers to report all assets owned to the tax office. However, besides being beneficial for the country, taxpayers will also be very benefited, because taxpayers will avoid the amount of tax in previous years that are owed and even taxpayers can avoid administrative sanctions and tax penalties that could potentially be received if a tax audit occurs. Thus, tax amnesty will be able to improve taxpayer compliance (Directorate General of taxation, 2016). The last tax amnesty policy took place 32 years ago and at least for the next several decades, the tax amnesty policy will no longer be given so that taxpayers will be motivated to report their taxes then compliance will also increase (Suyanto, Intansari and Endahjati, 2016).

Theory of Planned Behavior explains that human behavior will be influenced by the environment around which humans interact. One of the things that can influence an individual's attitude is financial savings. Taxpayer will be influenced to obey paying taxes because by following Tax Amnesty, taxpayer does not need to pay the tax the previous year owed so that it will save finances. This will make taxpayer more obedient in paying taxes (Ajzen, 2012).

Some determinations mention that tax amnesty has an influence on taxpayer compliance (Rechberger *et al.,* 2010; Saraçoğlu and Çaşkurlu, 2011; Ngadiman and Huslin, 2015; Husnurrosyidah and Nuraini, 2016; Suyanto, Intansari and Endahjati, 2016; Nurkhin et al. , 2018), but the results of other studies show that tax amnesty does not influence taxpayer compliance (Junpath, Kharwa and Stainbank, 2016; Waluyo, 2017).

H1: Tax amnesty influences taxpayer compliance

Reform of Tax Administration and Taxpayer Compliance Systems

According to Maulida (2016) reform of the tax administration system is a form of adjustment to developments in the community. Community that does not follow developments which occur in their environment, will become people who are left behind and are deemed to have failed in adjusting to their environment.

Theory of Planned Behavior explains that human behavior will be influenced by the environment around which humans interact. One of the things that can influence an individual's attitude is the changes that occur in the environment in which humans interact.

Changes that occur cause taxpayer will find it easy to carry out taxation activities. Taxpayers who feel easy about taxation activities will be motivated to pay taxes. Increased taxpayer's motivation will make it even more compliant (Ajzen, 2012).

The results of several studies indicate that tax administration system reform influences taxpayer compliance (Ademarta, 2013; Darmayasa and Setiawan, 2016; Waluyo, 2017), but the results of other studies indicate that tax administration system reform does not influence tax compliance (Olatunji Olaoye, 2017).
H2: Tax administration system reform influences taxpayer compliance

Understanding of Tax Regulations and Taxpayer Compliance

Understanding tax regulations also influences taxpayer compliance. Understanding tax regulations will influence the compliance of taxpayers because people become aware of their rights and obligations as citizens (Mahfud, 2016). Understanding tax regulations is defined as the ability of taxpayers to understand and apply general provisions and taxation procedures covering tax rates, due dates, how to submit / report tax returns, payments, and know about the functions and benefits of taxation in Indonesia (Kusuma, 2016).

Theory of Planned Behavior explains that human behavior will be influenced by the surrounding environment where humans interact. One of the things that can influence an individual's attitude is knowledge (Arnould, Price, and Zinkhan, 2005). Taxpayers who have an adequate understanding of their obligations as Taxpayers, their rights as Taxpayers, tax management as well as other understandings of the basics of taxation will influence their behavior. Taxpayer who has this understanding will tend to be more obedient in meeting their tax obligations (Kusuma and Suparmi, 2016).

The results of several studies indicate that understanding tax regulations influences taxpayer compliance (Redae and Sekhon, 2015; Kusuma and Supadmi, 2016; Oladipupo and Obazee, 2016; Mahfud, Arfan and Abdullah, 2017; Lisa and Hermanto, 2018; Nurkhin *et al.,* 2018). But there are also studies which show that understanding tax regulations does not influnce individual taxpayer compliance such as research (Andinata, 2015; Nurhayati, Halimatusadiah and Diamonalisa, 2015).
H3: Understanding tax regulations influences taxpayer compliance

DATA AND METHODOLOGY

The populations in this study are individual taxpayers and corporate taxpayers registered in the Banda Aceh Primary Tax Service Office (KPP). The total population of personal and corporate taxpayers is 51,226 (Banda Aceh Primary Tax Service Office: 2019). Sampling in this study used simple random

sampling by using the Slovin formula, and obtained 397 samples as respondents in this study.

Measurement of variables in this study using a questionnaire instrument with an interval scale. The indicators used to measure each variable are as follows: taxpayer compliance is measured with, they register as taxpayers, report tax returns on time, calculate and pay their taxes, pay tax arrears (Bahri: 2017). Tax amnesty is measured through indicators, obtaining tax amnesty, providing abolition policies, freeing administrative sanctions and tax criminal sanctions, given to taxpayers through the disclosure of assets, letters of disclosure of assets and debts, accelerating economic growth, increasing state revenue, encouraging tax reform through diversion assets (Act No. 11 of 2016 and Suryandari, 2017). Reform of the tax administration system is measured by an easy administration system, a system that makes effective supervision, professional human resources (Bahri, 2015) and finally understanding tax regulations using indicators presented by Maulida 2016 i.e. Knowledge of general provisions and procedures taxation methods, Knowledge of the applicable taxation system and Knowledge of the taxation function.

RESULTS AND DISCUSSION

Data collection was carried out in the span of June 10 to September 2, 2019. The questionnaire was sent using Google Form. The questionnaire was distributed by distributing questionnaire links to respondents, the completed questionnaires were filled out by respondents, then tabulated and processed using the SPSS program.

Demographic Characteristics of Respondents

Based on the results of data processing, it can be explained the demographic characteristics of the respondents in this study as follows: Based on the gender of the respondents showed that male respondents are 207 (52.1%) respondents and women are 190 (47.9%) respondents, while based on domicile location respondents can be explained that respondents who live in Ulee Kareng are 98 (24.6%) respondents, respondents who live in Batoh are 54 (13.6%) respondents, respondents who live in Beurawe are 76 (19.2%) respondents, respondents who live in Stui are 105 (26.4%) respondents, respondents who live in Ulee Lheue are 64 (16.2) respondents. And finally based on the type of taxpayer shows that, corporate taxpayers are 21 (5.2%) and individual taxpayers are 376 (94.7%).

Descriptive Statistics

Descriptive statistics of the variables in this study are shown in table 3 as follows:

Table 3. Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Taxpayer Compliance	397	3.00	5.00	4.4781	.46737
Tax Amnesty	397	2.33	5.00	4.0817	.55074
Tax Administration System Reform	397	2.50	5.00	4.1601	.57005
Understanding of Taxation Regulations	397	3.00	5.00	4.2620	.52104
Valid N (listwise)	397				

Hypothesis Testing

Testing the hypothesis in this study use multiple linear regression analysis. A good regression model requires data to be normally distributed and free of classical assumptions. Thus, before a regression analysis is performed, foremost testing the normality of the data and deviations of classical assumptions.

Table 4. Multiple Linear Regression Testing Results

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	1.196	.106		11.239	.000
Tax Amnesty	.307	.064	.362	4.817	.000
Tax Administration System Reform	.191	.060	.232	3.158	.002
Understanding of Taxation Regulations	.290	.035	.324	8.336	.000

Adjusted R 2 = 0,719
R Square   = 0, 721
F Value   = 338,442
Sig   = 0,000

Based on Table 4, it is known that the coefficient of determination (R^2) is 0.721. It means that tax amnesty, reform of the tax administration system, and understanding of tax regulations are able to explain variations of taxpayer compliance variables of 72.1% while the remaining 27.9% is explained by other variables not included in this research variable.

DISCUSSION

The Effect of Tax Amnesty on Taxpayer Compliance

The regression test results presented in Table 4 obtained a tcount of 4.817 and sig. of 0,000. The determination of the hypothesis states that if the value of sig <0.05 then Ha is accepted, it means that Tax amnesty influences the taxpayer compliance. The coefficient value of 0.307 means that taxpayer compliance will increase with the existence of a tax amnesty facility or program provided by the government to the taxpayer assuming the taxpayer utilizes the facility. Some other determinations also mention that tax amnesty has an effect on taxpayer compliance (Rechberger *et al.,* 2010; Saraçoğlu and Çaşkurlu, 2011; Ngadiman and Huslin, 2015; Husnurrosyidah and Nuraini, 2016; Suyanto, Intansari and Endahjati, 2016; Nurkhin *et al.,* 2018).

Theory of Planned Behavior explains that human behavior will be influenced by the surrounding environment where humans interact. One of the things that can influence an individual's attitude is financial savings. Taxpayer will be influenced to obey paying taxes because by following tax Amnesty, taxpayer does not need to pay the tax the previous year owed so that it will save finances. This will make taxpayer more obedient in paying taxes (Ajzen, 2012). According to Prananjaya (2018) tax amnesty can improve tax compliance in the future if accompanied by strong enforcement and penalties for violators or tax evaders. It means that the tax amnesty policy will be optimal if followed by stronger law enforcement and improving tax administration.

The Effect of Tax Administration System Reform on Taxpayer Compliance

Hypothesis testing results show that tax administration system reform has an effect on taxpayer compliance. The t value is 3.158 and sig. is to 0.002. This result can be interpreted that the tax administration system reform will increase taxpayer compliance, both corporate taxpayers and individual taxpayers. The results of this study are in line with Ademarta, 2013; Darmayasa and Setiawan, 2016; Waluyo, 2017; which shows that the tax administration system reform has an effect on tax compliance.

According to Maulida (2016) reform of the tax administration system is a form of adjustment to developments in the community. Community that do not follow developments that occur in their environment, will become people who are left behind and are deemed to have failed in adjusting to their environment.

Theory of Planned Behavior explains that human behavior will be influenced by the environment around which humans interact. One of the things that can influence an individual's attitude is the changes that occur in the environment in which humans interact. Changes that occur cause taxpayer will find it easy to carry out taxation activities. Taxpayers who feel easy about taxation activities will be motivated to pay taxes. Increased taxpayer motivation will make it even more compliant (Ajzen, 2012).

Taxpayers are very welcomed with the modernization of the tax administration system, it can be seen from online tax return reporting through e-filing. The number of tax return reports as of March 31, 2016 reached 8.9 million. Of this amount, 5.5 million came from e-filing tax reporting and the rest only 3 to 4 million was done manually (Head of Public Relations Directorate General of Taxes, 2017).

The Effect of Understanding Tax Regulations on Taxpayer Compliance

The results of regression testing for the hypothesis of understanding tax regulations influence the compliance of taxpayers can be seen in table 4. Based on the table, it is known the t value of 8.336 and sig. of 0.000, which shows that understanding tax regulations influences the compliance of corporate and individual taxpayers. The results of this study support the research results of Redae and Sekhon, 2015; Kusuma and Supadmi, 2016; Oladipupo and Obazee, 2016; Mahfud, Arfan and Abdullah, 2017; Lisa and Hermanto, 2018; Nurkhin *et al.,* 2018 who found that understanding tax regulations influences taxpayer compliance.

Theory of Planned Behavior explains that human behavior will be influenced by the surrounding environment where humans interact. One of the things that can influence an individual's attitude is knowledge (Arnould, Price, and Zinkhan, 2005). Taxpayers who have an adequate understanding of their obligations as Taxpayers, their rights as Taxpayers, tax management as well as other understandings of the basics of taxation will influence their behavior. Taxpayer who has this understanding will tend to be more obedient in meeting their tax obligations (Kusuma and Suparmi, 2016).

CONCLUSIONS, LIMITATIONS, SUGGESTIONS AND RECOMMENDATIONS

This study aims to examine the effect of tax amnesty, reform of the tax administration system and understanding tax regulations on tax compliance. The results showed that tax amnesty, reform of the tax

administration system and understanding tax regulations influence taxpayer compliance. The types of taxpayers used in this study are corporate and individual taxpayers. Taxpayers registered with the Banda Aceh Tax Service Office are very good in fulfilling their tax obligations. Taxpayers perceive that the tax amnesty policy is an opportunity to get tax breaks. Reform of the tax administration system makes it easier for taxpayers to carry out taxation activities.

This study uses a questionnaire as a data collection technique so that the questions that are asked of respondents are lacking. So that further research is recommended to use the interview method as a research data collection tool so that questions can be asked to respondents.

The recommendation for researchers who want to continue this research is that this study can be developed using proxies other than proxies in this study such as gender, epidemics, regional security and so on.

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