



Original Article

Determinants of Personal Taxpayer Compliance in Indonesia: A Case Study of KPP Pratama Sorong, Southwest Papua

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Abstract: This study analyzes the effect of taxpayer compliance on taxpayer compliance and awareness and taxpayer awareness on taxpayer compliance. Apart from that, this study also analyzes the role of taxpayer awareness in mediating the effect exerted by the taxpayer knowledge variable on taxpayer compliance. This research approach is quantitative with a causal research direction. The research population is as many as individual taxpayers, 28,567 people; through sampling techniques using the given filter criteria and Slovin formula, a sample size of 100 people was obtained. The analysis technique used is Structural Equation Modeling (SEM). This study found that tax knowledge positively and significantly influences taxpayer awareness and compliance. Then, the taxpayer awareness variable also shows a positive and significant influence on taxpayer compliance. Furthermore, the taxpayer awareness variable is proven to act as an intervening variable in mediating the influence exerted by the taxpayer knowledge variable on taxpayer compliance.

Keywords: Tax knowledge; Taxpayer awareness; Taxpayer compliance.



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1. Introduction

Taxpayer compliance is a big problem faced by nations worldwide, both in developed and developing countries, because taxpayer non-compliance will encourage the desire to avoid taxes, reducing tax revenues. The situation in which taxpayers exercise their taxation rights and fulfil all their tax obligations is called taxpayer compliance (Kamil, 2021). Taxpayer compliance can be identified from taxpayer compliance in registering, compliance in re-depositing tax returns, compliance in calculating and paying taxes owed, and compliance in paying arrears. The issue of compliance is important because non-compliance will simultaneously lead to efforts to avoid taxes, such as tax evasion and tax avoidance, which will result in reduced deposits of tax funds into the state treasury (Priantutama & Alexander, 2022). As a fact, in Indonesia itself, one of the indicators of taxpayer compliance is SPT reporting compliance, which basically during 2023

has experienced quite good growth, but this is not in line with the tax revenue obtained, this is reflected in the data as follows:

Table 1. Tax SPT Reporting and Tax Revenue Growth in Indonesia

No	Type of SPT	SPT'22	SPT'23	Growth
1	Body	407,065	476,590	69,525
2	Private Person	11,785,747	12,100,283	314,536
	Total	12,192,812	12,576,873	384,061

Source: Annur (2023a)

Table 1 shows that SPT reporting in Indonesia has increased (384,061). However, tax revenue growth has slowed down, as reflected in Figure 1 below:

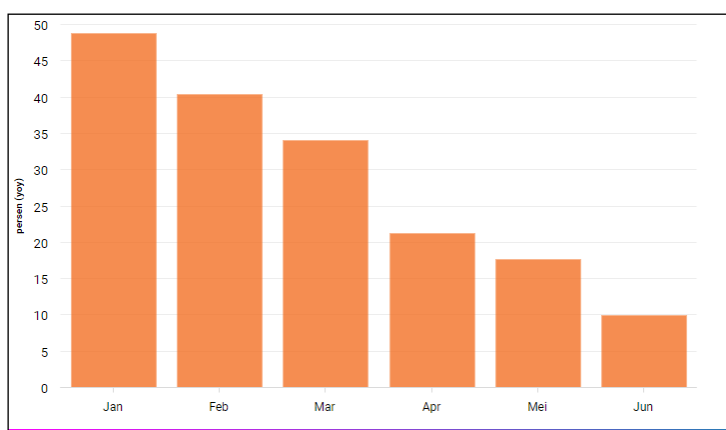


Figure 1. Tax Revenue Growth

Source: Annur (2023b)

Figure 1 shows that during the first semester of 2023, the growth of tax revenues in Indonesia continued to slow. Currently, the provinces that have the highest regional tax growth are (1) Bali (81.2%); (2) Central Kalimantan (20.5%); (3) North Kalimantan (17%); (4) South Sulawesi (12.2%); (5) DKI Jakarta (11.8%). However, we cannot forget the contribution from the province at the western tip of Indonesia, namely Papua. Papua Province is divided into 2 regions, namely West Papua and Southwest Papua, which contribute 3.45%. However, the larger contributor was the Southwest Papua region with a contribution of 2.45%, and the remainder was contributed by West Papua (Antara, 2023; Simamora, 2023). This shows that KKP Pratama Sorong has made its best efforts by implementing a model week for reporting annual personal income tax returns since 2022, coupled with socialization on matching population identification numbers to Taxpayer Identification Numbers for the entire Southwest Papua Province. This activity is a form of commitment from the Sorong KPP in helping and making it easy for taxpayers to report their personal taxes easily, and all of these services are provided free of charge without any charges (Heryana et al., 2020).

Apart from that, this is also a form of effort to support the duties and functions of the Directorate General of Taxes in providing service education and counseling to all taxpayers and the public to carry out their tax reporting. Remember that taxpayers are responsible for calculating deposits and reporting their own taxes independently using a self-assessment system. This is intended to increase taxpayer knowledge (Wahyudi, 2023). According to the Directorate General of Taxes for West Papua and Maluku, this program was implemented because taxpayer knowledge is a determinant of taxpayer compliance in fulfilling their obligations. Taxpayers with adequate knowledge of taxation will not feel burdened in calculating, reporting and paying their tax obligations. This is confirmed by research conducted by Assegaf & Andesto (2023) and Santioso & Imelda (2021), which states that the more taxpayers know and understand the regulations, calculations, mechanisms and systems of taxation, the more taxpayers will know and understand the sanctions they will receive if they neglect their tax obligations. This will certainly encourage every obedient taxpayer to carry out their obligations well.

However, the opinions of the two researchers above differ from those expressed by Putra & Waluyo (2020) and Sudiarto & Junianto (2022), whose research showed that the level of knowledge did not affect taxpayer compliance. Apart from influencing taxpayer compliance, the level of taxpayer knowledge is thought also to influence taxpayer awareness. This illustrates that if taxpayers' knowledge is high enough regarding the regulations and sanctions for their tax obligations, then taxpayers will become increasingly aware that if they neglect their obligation to pay taxes and policymakers enforce the regulations that have

been established, then this will be detrimental to the taxpayer. Own taxes because they must be subject to fines or even more severe sanctions. This is in line with the opinion expressed by Bahri (2020) and Zaikin et al. (2022), which states that taxpayer knowledge significantly influences taxpayer awareness. However, this is different from the opinion expressed by Karyanti & Nafiah (2022), who state that knowledge does not influence taxpayer awareness and that taxpayer awareness cannot moderate the influence of taxpayer knowledge on taxpayer compliance.

Finally, the author will explain that awareness can influence taxpayer compliance. This can happen because if taxpayers are aware of paying taxes, then taxpayer compliance will be fulfilled. Taxpayers' awareness of the importance of paying taxes for the good of the nation will help increase taxpayer compliance in paying taxes correctly, completely, and on time. This is relevant to the research put forward by Azhari & Poerwati (2023) and Hidayati & Muniroh (2023), which states that taxpayer awareness significantly impacts taxpayer compliance. However, this contradicts the research findings of Amanda et al. (2023) whose research found that taxpayer awareness did not affect taxpayer compliance. Each empirical study that underlies the interconnectedness of influence between these variables is covered by a grand theory in the form of stewardship theory, a middle-range theory in the form of devotion theory and an applied theory, namely taxation theory (Stewardship theory). This is relevant to explain how the government provides services to individual taxpayers, then the rules applied aim to build taxpayer awareness so that every action is with the law and also taxpayer compliance (Agustin et al., 2020; Anasta & Nengsih, 2019; Efendi et al., 2022).

Then, the theory of filial piety is intended to underlie the concept of the state as an organization tasked with providing public interests. Making decisions to take actions that are deemed necessary includes decisions in the tax sector. This characteristic is the absolute right of the state to collect taxes while the people, as proof of this must pay (Pravasanti, 2020). Then taxation information is used as a basis for behavior where collection based on Control Beliefs is a belief about the existence of supporting and inhibiting factors for the behavior to be carried out as well as perceptions of the factors that support and inhibit the behavior (Pravasanti, 2020). Thus, this study seeks to analyze the influence exerted by taxpayer compliance on taxpayer compliance and awareness, and the influence exerted by taxpayer awareness on taxpayer compliance. Apart from that, it also tests and analyzes the role of taxpayer awareness in mediating the influence exerted by the taxpayer knowledge variable on taxpayer compliance.

2. Literature Review

2.1. Stewardship, Service and Taxation Theories

Stewardship theory is relevant to explain how the government provides services to individual taxpayers, then the rules applied aim to build taxpayer awareness so that every action is by the law and also taxpayer compliance (Agustin et al., 2020; Anasta & Nengsih, 2019; Efendi et al., 2022). Then, the theory of filial piety is intended to underlie the concept of the state as an organization tasked with providing public interests. Making decisions to take actions that are deemed necessary includes decisions in the tax sector. This characteristic is the absolute right of the state to collect taxes while the people, as proof of this must pay (Pravasanti, 2020). Then taxation information is used as a basis for behavior where collection based on Control Beliefs is a belief about the existence of supporting and inhibiting factors for the behavior to be carried out as well as perceptions of the factors that support and inhibit the behavior (Pravasanti, 2020).

2.2. Taxpayer Compliance

For every taxpayer who is obedient in paying taxes, it will always facilitate revenue receipts for the government. The more obedient taxpayers are, the easier it will be for the government to collect taxes to benefit society and smooth development. Understanding taxpayer compliance. Assegaf & Andesto (2023) believe that the orderly payment of taxes means that taxpayers must pay off all tax obligations and give up their tax rights voluntarily. Taxation order, according to the opinion of Amanda et al. (2023), believes that tax compliance is defined as conditions that taxpayers must meet to fulfill their tax obligations based on tax regulations. From experts' opinions regarding taxpayer compliance, it can be concluded that taxpayer discipline is a condition where every taxpayer voluntarily undertakes or fulfills their obligations according to tax regulations. Indicators of taxpayer compliance in this research are (i) Taxpayer orderliness in tax estimation, (ii) Taxpayer orderliness for tax errors, (iii) Taxpayer compliance for tax treatment, (iv) Taxpayer compliance in submitting Periodic Tax Returns, (v) Taxpayer compliance to submit Annual Tax Returns, (vi) Taxpayers comply with paying taxes, and (vii) Taxpayers face tax underpayments (Nurkumalasari et al., 2020).

2.3. Taxpayer Awareness

Tax awareness refers to the level of understanding, knowledge, and insight regarding taxes a taxpayer has achieved, which is ultimately fulfilled by fulfilling his or her tax obligations. Tax sensitivity, which is strongly influenced by how taxpayers view the tax itself, is another aspect of tax awareness. Individuals have the right opinion about taxes, and awareness of the taxpayer's responsibility to pay taxes increases (Hidayati & Muniroh, 2023). According to Azhari & Poerwati (2023), Taxpayer awareness is a condition where taxpayers understand and know tax issues. Taxpayer awareness is a condition where taxpayers know and understand their tax rights and obligations. According to Amanda et al. (2023), taxpayer compliance will be fulfilled if taxpayers are aware of paying taxes. Taxpayers' awareness of the importance of paying taxes for the good of the nation will help increase taxpayer compliance in paying taxes correctly, completely, and on time (Prianutama & Alexander, 2022). This tax awareness can be increased through taxpayers' understanding of tax laws and regulations, including tax procedures, which will help taxpayers know how to fulfill their tax obligations. Tax compliance will increase by increasing taxpayer awareness of the importance of carrying out tax obligations (Santioso & Imelda, 2021). There are five indicators to understand the level of awareness of a taxpayer, namely: (1) Knowing the existence of tax laws and provisions; (2) Knowing the function of taxes for state financing; (3) Understand that applicable regulations must carry out tax obligations; (4) Understand the function of taxes for state financing; (5) Calculate, pay, report taxes voluntarily and report taxes correctly (Hidayat & Wati, 2022).

2.4. Taxpayer Knowledge

According to Bahri (2020), tax knowledge is information that taxpayers can use to act, make decisions and pursue specific directions or strategies to implement their rights and obligations to pay taxes. Santioso & Imelda (2021) says that knowledge and understanding of tax regulations is the process by which taxpayers know about taxation and apply this knowledge to pay taxes. Zaikin et al. (2022) believe that tax knowledge is the taxpayer's understanding of the law, regulations, procedures for paying taxes, payment procedures, tax sanctions, and location of tax payments. Indicators of taxpayer knowledge are (1) knowledge of general provisions and tax procedures, (2) knowledge of the tax system in Indonesia, and (3) knowledge of the function of taxation (Zaikin et al., 2022).

2.5. Hypothesis Development

2.5.1. The Relationship between Taxpayer Knowledge and Compliance

Tax knowledge has an important role in increasing tax compliance. When taxpayers know the function of taxes, they will know the importance of paying taxes to increase taxpayer compliance. This is confirmed by research conducted by Assegaf & Andesto (2023) and Santioso & Imelda (2021), which states that the more taxpayers know and understand the regulations, calculations, mechanisms and systems of taxation, the more taxpayers will know and understand the sanctions they will receive if they neglect their tax obligations. This will certainly encourage every obedient taxpayer to carry out their obligations well. However, the opinions of the two researchers above differ from those expressed by Putra & Waluyo (2020) and Sudiarto & Juniarto (2022), whose research showed that the level of knowledge did not affect taxpayer compliance. Thus, the proposed hypothesis in this study is:

H1 = Tax knowledge has a positive and significant effect on taxpayer compliance.

2.5.2. The Relationship between Tax Knowledge and Awareness

Taxpayer knowledge is an internal factor that influences taxpayers' perceptions when determining their behavior in compliance with their tax obligations. Increasing taxpayer knowledge has a positive impact on taxpayer awareness. It illustrates that if taxpayers' knowledge of the regulations and sanctions for their tax obligations is high enough, they will become increasingly aware if they neglect their obligation to pay taxes. Policymakers enforce the regulations that have been established, and this will be detrimental to the taxpayers because they have to be subject to fines or even more severe sanctions. This is in line with the opinion of Bahri (2020) and Zaikin et al. (2022), which states that taxpayer knowledge significantly influences taxpayer awareness. However, this is different from the opinion expressed by Karyanti & Nafiah (2022), who state that knowledge does not influence taxpayer awareness and that taxpayer awareness cannot moderate the influence of taxpayer knowledge on taxpayer compliance. Thus, the proposed hypothesis in this study is:

H2 = Tax knowledge has a positive and significant effect on taxpayer awareness.

2.5.3. The Relationship between Taxpayer Awareness and Compliance

Tax awareness refers to the level of understanding, knowledge, and insight regarding taxes a taxpayer has achieved, which is ultimately fulfilled by fulfilling his or her tax obligations. Tax sensitivity, which is strongly influenced by how taxpayers view the tax itself, is another aspect of tax awareness. When individuals have the right opinion about taxes, awareness of the taxpayer's responsibility to pay taxes increases (Hidayati & Muniroh, 2023), it is relevant to the research by Azhari & Poerwati (2023) and Hidayati & Muniroh (2023), which state that taxpayer awareness significantly impacts taxpayer compliance. However, this contradicts the research findings of Amanda et al. (2023), whose research found that taxpayer awareness did not affect taxpayer compliance. Thus, the proposed hypothesis in this study is:
H3 = Taxpayer awareness has a positive and significant influence on taxpayer compliance.

2.5.4. The Mediating Role of Taxpayer Awareness in the Relationship between Taxpayer Knowledge and Compliance

Taxpayer awareness is a condition where taxpayers know and understand their tax rights and obligations. If taxpayers are aware of paying taxes, then taxpayer compliance will be fulfilled (Priantama & Alexander, 2022). Taxpayers' awareness of the importance of paying taxes for the good of the nation will help increase taxpayer compliance in paying taxes correctly, completely, and on time (Santioso & Imelda, 2021). This tax awareness can be increased by increasing taxpayer knowledge of tax laws and regulations, including tax procedures, which will help taxpayers fulfill their tax obligations. By increasing taxpayer awareness of the importance of carrying out tax obligations, taxpayer compliance will increase (Amanda et al., 2023; Hidayat & Wati, 2022; Hidayati & Muniroh, 2023). Thus, the proposed hypothesis in this study is:
H4 = Taxpayer awareness has a role in mediating the influence of taxpayer knowledge on taxpayer compliance

2.6. Research Framework

Referring to the development of the hypothesis explained above, the analysis model built in this research is as follows:

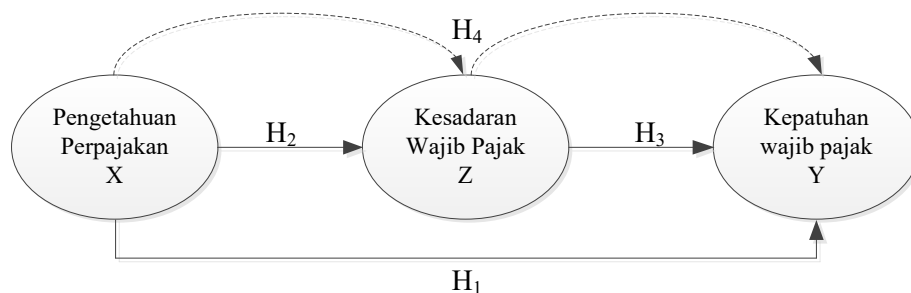


Figure 2. Research Framework

3. Materials and Methods

This study uses an explanatory approach (hypothesis testing) with a causality relationship that aims to explain the relationship between variables through hypothesis testing. The causal relationship explained the influence of knowledge of taxpayer compliance and taxpayer awareness (Sugiyono, 2009). A population can refer to an entire group of people, objects, events, or measurements. Unlike a sample, when performing statistical analysis on a population, there is no standard error to report, i.e., because the error informs the analyst using the sample how far their estimates may deviate from the true population value. Based on this, the population in this study is 28,567 individual taxpayers at KPP Pratama Sorong (Sugiyono, 2017). Meanwhile, the sampling technique in this research used purposive sampling with the criteria (1) having been a taxpayer for more than 5 years; (2) always report their annual SPT for 5 consecutive years; (3) willing to be a research respondent by answering an informed consent letter. After going through the process and filtering, it was calculated using the Slovin formula to get 100 people. The analysis technique used is structural equation modeling with PLS program tools (Hair et al., 2023). The data source was obtained by distributing questionnaires directly to taxpayers. At the start of the distribution, 112 questionnaires were distributed, but 100 questionnaires were returned and met the requirements.

4. Results

4.1. Measurement model assessment

On the basis of the results of the tests carried out, the Outer Loading values were obtained as follows:

Table 2. Result of Outer Loading

Item(s)	KSWP	KWP	PWP
X11			0.898
X12			0.901
X13			0.774
Y1		0.613	
Y2		0.882	
Y3		0.872	
Y4		0.851	
Y5		0.814	
Y6		0.789	
Y7		0.842	
Z1	0.759		
Z2	0.733		
Z3	0.846		
Z4	0.792		
Z5	0.858		

Table 2 shows most indicators for each research variable have a factor loading value of ≥ 0.7 . This can still be considered quite good because a reliability indicator value above 0.70 is included in the good category, 0.40 to 0.70 is considered sufficient, and below 0.40 can be considered inadequate. Thus, this study concluded that overall, the indicators used in this research still meet the validity criteria and can be used for further analysis. On the basis of the results of the tests carried out, the Cronbach Alpha values were obtained as follows:

Table 3. Result of Construct Validity and Reliability

Construct	Cronbach's Alpha	Composite Reliability	Average Variance Extracted (AVE)
KSWP	0.859	0.898	0.638
KWP	0.912	0.931	0.662
PWP	0.821	0.894	0.739

Table 3 indicates that Cronbach's alpha is higher than 0.60. Thus, the results show that each research variable meets the requirements for the Cronbach alpha value, so we can conclude that all variables have high internal consistency reliability. Composite reliability is the part used to test the reliability value of indicators on a variable. A variable can be declared to meet composite reliability if it has a composite reliability value > 0.7 . Thus, this study found that the composite reliability value for all research variables is > 0.7 . These results indicate that each variable met composite reliability, so all variables have a high internal consistency reliability. Another method used to check convergent validity values requires an Average Variance Extracted (AVE) evaluation each time latent. The AVE value is expected to be ≥ 0.5 to ensure each variable has convergent validity parameters suitable for use. The table above shows that all the variables used in this research have decent convergent validity. Ensuring convergent validity can be continued for the next stage of validity checking. On the basis of the results of the tests carried out, the Discriminant Validity values were obtained as follows:

Table 4. Result of Discriminant Validity

Item(s)	KSWP	KWP	PWP
X1	0.487	0.681	0.898
X2	0.478	0.61	0.901
X3	0.503	0.504	0.774

Y1	0.68	0.613	0.521
Y2	0.476	0.882	0.706
Y3	0.463	0.872	0.625
Y4	0.445	0.851	0.622
Y5	0.453	0.814	0.496
Y6	0.452	0.789	0.469
Y7	0.423	0.842	0.468
Z1	0.759	0.427	0.35
Z2	0.733	0.328	0.454
Z3	0.846	0.522	0.446
Z4	0.792	0.489	0.436
Z5	0.858	0.6	0.556

Table 4 shows that each indicator in the research variable has the largest cross-loading value on the variable it forms compared to the cross-loading value on the other variables. Based on the results obtained, it can be stated that the indicators used in this research have good discriminant validity when compiling their respective variables. On the basis of the results of the tests carried out, the coefficient determination (R-Square) values were obtained as follows:

Table 5. Result of Coefficient Determination (R-Square)

Construct	R-square	R-square adjusted
KSWP	0.322	0.315
KWP	0.554	0.545

Table 5 captures that the R-Square value for the Taxpayer Awareness (KSWP) variable is 0.332. These results explain that the percentage of KSWP that the independent variable can explain is 33.2 percent. Then the R-Square value for Taxpayer Compliance (KWP) is 0.554. These results explain that the percentage of KWP that other independent variables can explain is 55.4 percent.

4.2. Hypothesis Testing

On the basis of the results of the tests carried out, the Path Coefficient values were obtained as follows:

Table 6. Result of Hypothesis Testing

Path Analysis	T statistics (O/STDEV)	P values
KSWP -> KWP	3,304	0.001
PWP -> KSWP	8,935	0.000
PWP -> KWP	6,387	0.000

Generally, a hypothesis can be tested using the t-statistic and probability values. The t-statistic used for alpha 5% was 1.96 to test the hypothesis using statistical values. So, the criteria for accepting/ rejecting the hypothesis is that Ha is accepted, and H0 is rejected when the t-statistic is > 1.96. To reject/ accept the hypothesis using probability, Ha is accepted if the p-value <0.05. Thus, we conclude that all hypotheses have a probability value of $p < 0.05$, so all hypotheses proposed are accepted (see Table 6).

5. Discussion

5.1. The Effect of Tax Knowledge on Tax Compliance

This study found that tax knowledge positively and significantly influences taxpayer compliance. This is proven by the t-stat of 3.304 (positive sign and <1.96), as well as a probability value of 0.001 (<0.05). This illustrates that tax knowledge has an important role in increasing tax compliance. When taxpayers know the function of taxes, they will know the importance of paying taxes to increase taxpayer compliance. This is confirmed by research conducted by Assegaf & Andesto (2023) and Santioso & Imelda (2021), which states that the more taxpayers know and understand the regulations, calculations, mechanisms and systems of taxation, the more taxpayers will know and understand the sanctions they will receive if they neglect their tax obligations. This will certainly encourage every obedient taxpayer to carry out their obligations well.

However, the opinions of the two researchers above differ from those expressed by Putra & Waluyo (2020) and Sudiarto & Junianto (2022) whose research showed that the level of knowledge had no effect on taxpayer compliance. Thus, it can be concluded that H1 which states that tax knowledge has a positive and significant effect on taxpayer compliance can be proven to be true.

5.2. The Effect of Tax Knowledge on Taxpayer Awareness

This study found that tax knowledge positively and significantly influences taxpayer awareness. This is proven by the t-stat of 8.935 (positive sign and < 1.96), as well as a probability value of 0.000 (< 0.05). This illustrates that taxpayer knowledge is an internal factor that can influence taxpayers' perceptions in determining their behavior in compliance with their tax obligations. Increasing taxpayer knowledge has a positive impact on taxpayer awareness. This illustrates that if taxpayers' knowledge of the regulations and sanctions for their tax obligations is high enough, they will become increasingly aware if they neglect their obligation to pay taxes. Policymakers enforce the regulations that have been established, and this will be detrimental to the taxpayers because they have to be subject to fines or even more severe sanctions. This is in line with the opinion of Bahri (2020) and Zaikin et al. (2022), which states that taxpayer knowledge significantly influences taxpayer awareness. However, this is different from the opinion expressed by Karyanti & Nafiah (2022), who state that knowledge does not influence taxpayer awareness and that taxpayer awareness cannot moderate the influence of taxpayer knowledge on taxpayer compliance. Thus, we can conclude that H2 states that tax knowledge has a positive and significant effect on taxpayer awareness can be proven true.

5.3. The Effect of Taxpayer Awareness on Taxpayer Compliance

This study found that taxpayer awareness positively and significantly influences taxpayer compliance. This is proven by the t-stat value of 6.387 (positive sign and < 1.96), as well as a probability value of 0.000 (< 0.05). It illustrates that tax awareness refers to the level of understanding, knowledge, and insight regarding taxes that taxpayers have achieved, which is ultimately fulfilled by fulfilling their tax obligations. Tax sensitivity, which is strongly influenced by how taxpayers view the tax itself, is another aspect of tax awareness. When individuals have the right opinion about taxes, awareness of the taxpayer's responsibility to pay taxes increases (Hidayati & Muniroh, 2023). It is relevant to the research by Azhari & Poerwati (2023) and Hidayati & Muniroh (2023), which state that taxpayer awareness significantly impacts taxpayer compliance. However, this contradicts the research findings of Amanda et al. (2023), whose research found that taxpayer awareness did not affect taxpayer compliance. Thus, it can be concluded that H3 states that taxpayer awareness positively and significantly affects taxpayer compliance.

5.4. Mediation (Intervening) Testing

By using a Sobel test calculator, this study seeks to prove the role of the taxpayer awareness variable (KSWP) as an intervening variable in the influence of the taxpayer knowledge variable (PWP) on taxpayer compliance (KWP), it is shown in Figure 3:

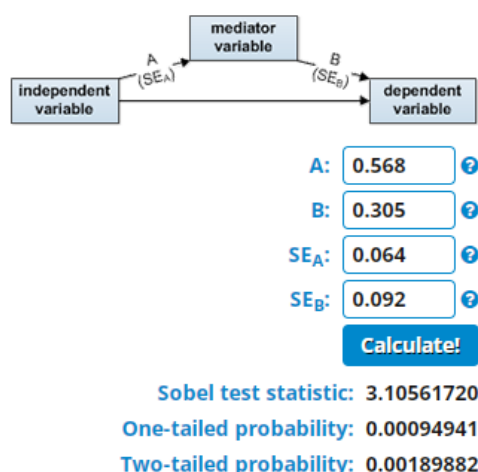


Figure 3. Result of Sobel Test

Figure 3 indicates that the intervening test using the Sobel test found that taxpayer awareness (KSWP) is intervening in the relationship between taxpayer knowledge (PWP) and taxpayer compliance (KWP). This study obtained a probability value below the required critical value, namely 0.05. It shows that the taxpayer awareness variable (KSWP) is intervening in the influence of the taxpayer knowledge variable (PWP) on taxpayer compliance (KWP). It illustrates that taxpayer awareness is a condition in which taxpayers know and understand their tax rights and obligations. If taxpayers are aware of paying taxes, then taxpayer compliance will be fulfilled (Priantutama & Alexander, 2022). Taxpayers' awareness of the importance of paying taxes for the good of the nation will help increase taxpayer compliance in paying taxes correctly, completely, and on time (Santioso & Imelda, 2021). This tax awareness can be increased by increasing taxpayer knowledge of tax laws and regulations, including tax procedures, which will help taxpayers fulfill their tax obligations. By increasing taxpayer awareness of the importance of carrying out tax obligations, taxpayer compliance will increase (Amanda et al., 2023; Hidayat & Wati, 2022; Hidayati & Muniroh, 2023). Thus, we conclude that H4, taxpayer awareness mediates the relationship between taxpayer knowledge and compliance.

6. Conclusions

This study concludes that tax knowledge has a positive and significant effect on taxpayer awareness and taxpayer compliance. Then, taxpayer awareness also shows a positive and significant effect on taxpayer compliance. Furthermore, taxpayer awareness is proven to act as an intervening variable in mediating the effect of taxpayer knowledge on taxpayer compliance. This study implies that this finding can be used as a reference for policymakers at the Sorong KPP, that taxpayer compliance will emerge automatically if the government can provide acceptable education and raise the awareness of taxpayers themselves. Meanwhile, the theoretical implications that emerge in this research are the elaboration of stewardship theory, filial piety theory and taxation theory which can be further expanded by comparing the theory of planned behavior to describe the behavior of taxpayers, which is why the concept of confirming regulations, sanctions and so on is needed.

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