

THE INFLUENCE OF TAX UNDERSTANDING, TAX SANCTIONS, AND RISK PREFERENCE ON THE TAX COMPLIANCE OF NON-EMPLOYEE INDIVIDUAL TAXPAYERS

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ABSTRACT : *This study aims to analyze the influence of tax understanding, tax sanctions, and risk preference on the compliance of non-employee individual taxpayers at KPP Pratama Kembangan during the 2022-2024 period. The novelty of this research lies in its focus on non-employee individual taxpayers, a group rarely studied despite their low compliance ratio, as well as the use of risk preference as a variable, which is still rarely examined in the taxation context, with current data following the implementation of the Tax Harmonization Law (UU HPP). This research uses a quantitative method with an associative approach, with samples determined through purposive sampling of 100 respondents using a Google Form questionnaire instrument. The research results show that tax understanding has a positive and significant effect on tax compliance, tax sanctions have a positive and significant effect on tax compliance, and risk preference has a positive and significant effect on tax compliance. This research strengthens the Theory of Planned Behavior and provides practical contributions to the Directorate General of Taxes in designing risk-based education, socialization, and sanction enforcement strategies to improve taxpayer compliance.*

KEYWORDS - Tax Understanding, Tax Sanctions, Risk Preference, Tax Compliance, Non-Employee Taxpayers

I. INTRODUCTION

Taxpayer compliance is an important aspect in creating a well-functioning and efficient tax system. Every taxpayer is required to report and pay taxes in accordance with applicable regulations. Alm et al. (1992) stated that tax compliance is influenced by psychological and social factors, such as perceptions of tax obligations, supervision applied, and community legal awareness. In addition, the level of compliance is also influenced by a clear and easy-to-understand tax system (Torgler, 2013). In Indonesia, Triandani & Apollo (2020) emphasized the importance of implementing a self-assessment system, which allows taxpayers to calculate and report their taxes independently. Although the tax system continues to be strengthened, research in Medan Petisah shows that delays in reporting Tax Returns are still caused by low taxpayer understanding of tax obligations (Gani & Ningsih, 2024). One way to measure taxpayer compliance is by submitting Tax Returns through the Notification Letter (SPT). SPT is a document used by taxpayers to calculate and/or pay taxes, goods and/or non-taxable goods, assets and liabilities in accordance with applicable legal basis.

Table 1. National Taxpayer Compliance Ratio

Description	2024	2023	2022
Registered Taxpayers Required to Submit SPT	19,075,197	19,002,585	19,006,794
Corporate	1,567,298	1,650,251	1,482,500
Individual Employee	13,842,704	13,279,644	14,172,999
Individual Non-Employee	3,665,195	4,070,690	3,351,295
Compliance Ratio	86.80%	84.07%	77.63%
Individual Non-Employee	69.11%	45.53%	52.44%

Source: Directorate General of Taxes & Author's Processed Data, 2025

The compliance ratio of non-employee individual taxpayers over the past three years shows quite sharp fluctuations. In 2022, the compliance ratio was recorded at 52.44% of 3.35 million taxpayers. However, in 2023 it experienced a significant decrease to 45.53%, although the number of taxpayers increased to 4.07 million. This trend reversed in 2024, where the compliance ratio increased sharply to 69.11% of a total of 3.66 million non-employee taxpayers. Compared to individual employee taxpayers, their compliance ratio is much higher and stable, namely 85.41% in 2022, 98.73% in 2023, and 93.71% in 2024. Meanwhile, corporate taxpayers have a relatively low level of compliance, although it increased from 60.16% in 2022 to 67.15% in 2024. Overall, the national compliance ratio also increased, from 77.63% in 2022 to 86.80% in 2024. Although the trend shows improvement, the low compliance of non-employee taxpayers remains a major challenge in optimizing tax revenue (Khairuman, 2025).

This research was conducted because of the low level of taxpayer compliance, especially for Non-Employee Individual Taxpayers, which can hinder the optimization of state revenue, which has a direct impact on economic and social development. Although there is a clear tax system, the fluctuating level of compliance, as seen in the data on the compliance ratio of non-employee taxpayers which decreased in 2023, shows the need for a deeper understanding of the factors that influence compliance. The researcher established Non-Employee Individual Taxpayers as the focus of research because this group has its own characteristics and obstacles in carrying out tax obligations. Unlike Employee Individual Taxpayers whose taxes have been directly deducted by employers through a withholding tax system, Non-Employee Individual Taxpayers have full responsibility to calculate, pay, and report their taxes to the relevant authorities.

This condition requires an adequate level of understanding of tax provisions, as well as high awareness and willingness to comply with applicable regulations. However, in practice, the level of compliance of Non-Employee Individual Taxpayers tends to be lower than other taxpayer groups. One of the causes of this low compliance is suspected to be related to low understanding of the tax system, views on the effects of tax sanctions, and differences in risk preferences of each individual. This research has novelty, namely the main focus of this research is on Non-Employee Individual Taxpayers with relatively low compliance levels. Another novelty lies in the use of the latest data from 2022 to 2024 with the research object focused on KPP Pratama Kembangan.

Table 2. Compliance Ratio of Non-Employee Individual Taxpayers Reporting SPT at KPP Pratama Kembangan

Year	Registered Non-Employee Taxpayers	Number Reporting SPT	Compliance Rate
2022	24,136	4,848	20.09%
2023	25,685	4,997	19.45%
2024	27,707	4,509	16.28%

Source: KPP Pratama Kembangan, 2025

Table 2 shows the compliance ratio of non-employee individual taxpayers reporting SPT. The number of taxpayers submitting annual SPT is not aligned with the large number of taxpayers. The highest compliance rate was recorded in 2022 at 20.09%, while the lowest rate occurred in 2024 at 16.28%. In 2022, the compliance ratio of Non-Employee Individual Taxpayers was still far from the maximum figure, and even tended to decrease. According to the Staff Expert of the Minister of Finance in the field of tax compliance, Yon Arenal, the international threshold standard for SPT reporting compliance is 85%. Thus, the percentage of compliance that is below that figure shows the need for further efforts to increase taxpayer compliance in order to achieve the expected level of SPT reporting (Kompasiana, 2024). There are many factors that make taxpayer compliance low, such as tax understanding, tax sanctions, and risk preference.

Tax understanding is the knowledge and awareness of taxpayers regarding the rules and mechanisms for implementing tax obligations. According to Resmi (2021) in the book *Taxation Theory and Cases*, tax understanding is the extent to which taxpayers know and understand the applicable tax regulations and are able to implement them in the practice of reporting and paying taxes. Research by Ramadhan & Tarmidi (2024) shows that tax understanding has a positive effect on taxpayer compliance, meaning the higher the understanding, the higher the compliance. However, research by Novelasari & Utami (2020) found different results, namely tax understanding does not affect compliance because of frequent changes in regulations without adequate socialization from tax authorities.

Tax sanctions are legal consequences given to taxpayers if they do not fulfill tax obligations in accordance with applicable provisions. According to Mardiasmo (2019) in the book *Taxation*, tax sanctions are guarantees so that tax legislation provisions are complied with, while functioning as a deterrent so that taxpayers do not violate tax norms. Based on research by Novelasari & Utami (2020), tax sanctions have a positive effect

on taxpayer compliance, because the existence of strict sanctions encourages taxpayers to fulfill their tax obligations so that state revenue can increase. However, different results were shown by Triandani & Apollo (2020) who found that tax sanctions do not affect taxpayer compliance, because the imposition of sanctions does not always provide a deterrent effect for violators. Risk preference is an individual's tendency in making decisions related to the possibility of uncertainty and potential loss. According to Situmorang (2022) in his book *Individual Financial Behavior*, risk preference describes the attitude of taxpayers in assessing and responding to the consequences of actions taken. Individuals with high risk preference tend to dare to make risky decisions, including in terms of avoiding tax obligations. Conversely, individuals with low risk preference are more careful and tend to choose to comply in order to avoid sanctions or losses.

Research by Hasanah et al. (2020) shows that risk preference has a significant influence on taxpayer compliance, where the higher the risk preference, the higher the tendency of taxpayers to comply. However, these findings are not in line with the results of research by Larasati & Hartika (2023) which states that risk preference does not affect taxpayer compliance because many taxpayers pay less attention to risk in taxation activities. Based on the problems faced and the inconsistency of previous research findings, the author will conduct research entitled "The Influence of Tax Understanding, Tax Sanctions, and Risk Preference on the Compliance of Non-Employee Individual Taxpayers (Case Study on Non-Employee Individual Taxpayers at KPP Kembangan 2022-2024)". It is hoped that through this research, more relevant and in-depth results can be obtained regarding the factors that influence taxpayer compliance.

Research Questions

Based on the description of the background above, the following problem formulations can be made:

1. Does tax understanding influence taxpayer compliance?
2. Do tax sanctions influence taxpayer compliance?
3. Does risk preference influence taxpayer compliance?

II. LITERATURE REVIEW

Theory of Planned Behavior

The theory relevant to this research is the Theory of Planned Behavior. This theory is a development of the Theory of Reasoned Action discovered by Fishbein and Ajzen in 1975. The Theory of Planned Behavior explains that individual behavior arises because of the intention to perform an action, and that intention is influenced by various main indicator factors, both internal and external from within the individual. An individual's attitude toward a behavior includes beliefs about the behavior, evaluation of the consequences of the behavior, subjective norms accepted through normative beliefs, and the individual's motivation to comply (Kusumawardhani et al., 2023). In this theory, Ajzen (1991) explains that behavior exhibited by individuals arises because of the intention to behave. The emergence of behavioral intention is determined by three determinant factors as follows:

1. Behavioral Beliefs, which are individual beliefs about the consequences of a behavior and individual evaluation of those results (beliefs strength and outcome evaluation).
2. Normative Beliefs, which are individual beliefs about normative expectations from others and motivation to meet those expectations (normative beliefs and motivation to comply).
3. Control Beliefs, which are individual beliefs about things that can support or hinder the occurrence of a behavior (control beliefs) and their perception of how far things support and hinder their behavior (perceived power).

The relationship between the Theory of Planned Behavior and taxpayer compliance lies in understanding that compliant or non-compliant behavior of taxpayers in fulfilling tax obligations is influenced by the intention held by taxpayers. That intention is determined by three factors: attitude toward behavior, subjective norms, and behavioral control. Therefore, the more positive the taxpayer's attitude toward tax compliance, the stronger the social influence to encourage compliance, and the higher the perception of control over these actions, the greater the taxpayer's intention to comply. This strong intention ultimately encourages the realization of tax compliance behavior (Pramitasari & Rusdiyanto, 2022). The relationship of the Theory of Planned Behavior with tax understanding is that this theory highlights the importance of attitudes, subjective norms, and perceived behavioral control in shaping individual intentions to comply with tax obligations. The better the level of tax understanding, the better the level of taxpayer compliance.

The relationship of the Theory of Planned Behavior with tax sanctions relates to control beliefs, which are a person's beliefs about something that hinders or supports a person's behavior. The existence of strict sanctions provides encouragement for taxpayers to comply with tax obligations because it increases the perception of control and risk of non-compliance. Thus, tax sanctions function as an external factor that influences tax compliance intentions and behavior. The relationship of the Theory of Planned Behavior with risk preference. Risk preference, which includes risk-avoiding attitudes, risk neutrality, and risk-seeking, influences how individuals make decisions, including in tax compliance. Taxpayers who avoid risk tend to be more

compliant to avoid sanctions, while those who like risk may be more daring to violate rules. Therefore, risk preference becomes an important factor in shaping tax compliance intentions and behavior according to TPB.

Taxpayer Compliance

According to Nuryati (2022), taxpayer compliance is a form of compliance and awareness of taxpayers in carrying out payment and tax reporting obligations, both periodically and annually. This compliance is carried out by entities consisting of groups of people or capital that carry out business activities, in accordance with the provisions of applicable tax regulations (Oktavia & Syafril, 2025). According to Turyana & Supriatiningsih (2025), tax compliance is a condition in which taxpayers actively fulfill all tax obligations and exercise their rights in accordance with applicable provisions. This compliance reflects a climate of awareness and responsibility in carrying out tax obligations, which is demonstrated through understanding of tax regulations, complete and correct filling of tax forms, accurate calculation of tax payable, and timely tax payment.

Tax Understanding

Tax understanding is a process in which taxpayers know and understand the applicable tax provisions and procedures, then apply them in taxation activities such as paying taxes on time and reporting SPT. A good understanding of these regulations can automatically increase taxpayer compliance (Pamuji & Nasihuddin, 2020). A process to know something, understanding of tax regulations is the process of taxpayers knowing about taxation and applying that knowledge to pay taxes (Rasyida & Badjuri, 2025). According to Mangoting et al. (2025), understanding of taxation includes the ability to fill out the Tax Return (SPT) correctly, calculate taxes according to the amount of tax that is the taxpayer's obligation, deposit taxes on time according to regulations, and report those taxes to the tax office (Dewi, 2023).

Tax Sanctions

Tax sanctions function as a guarantee that provisions in tax legislation are complied with (Kumalasari, 2025). In other words, these sanctions serve as preventive measures to prevent taxpayers from violating tax provisions. In the tax system, there are two types of sanctions: administrative sanctions and criminal sanctions. Administrative sanctions include fines, interest, and increases, while criminal sanctions can be in the form of criminal fines, detention, or imprisonment (Syarifudin, 2018). According to Laxsmi & Pamungkas (2025), tax sanctions are controls or supervision provided by the state to ensure citizens comply with regulations so that violations in the fulfillment of tax obligations by taxpayers can be prevented or anticipated. Meanwhile, according to Wafa et al. (2025), tax sanctions are administrative and criminal sanctions imposed on everyone who commits tax violations that have been clearly regulated in the law. In addition, with the existence of tax sanctions, it is hoped that they can provide a deterrent effect to violators so that order in tax payment is created.

Risk Preference

Risk preference is an attitude that individuals have in facing various situations and opportunities, where individuals determine priorities among several alternative decisions by considering risks that may arise. Risk preference relates to taxpayer decision-making based on evaluation of the risks they will receive (Daryatno, 2021). Taxpayers are also faced with other risks that must be reconsidered when carrying out tax payment obligations. These risks include social risks, financial risks, job risks, and also taxpayer safety risks. If taxpayers have these risks, then taxpayers should choose to comply with tax regulations, whereas if taxpayers have low risks, then taxpayers may not comply with tax regulations (Fatah & Oktaviani 2021).

Risk preference conceptually has three dimensions: risk avoidance, risk neutrality, and risk seeking. Risky taxpayer behavior cannot be taken lightly in relation to compliance. Therefore, operational risk preference is a choice considered by taxpayers and is the second priority among available options. Risks associated with increasing taxpayer tax obligations include financial risks, social risks, employment risks, and security risks (Labangu et al., 2020). Based on the above definition, it is concluded that risk preference is the attitude of individuals, especially taxpayers, in facing various possible risks arising from decision choices, especially related to fulfilling tax obligations. This preference reflects how taxpayers evaluate and prioritize alternative actions by considering potential risks such as financial, social, job, and safety risks.

Conceptual Framework

Tax understanding is an important factor that influences taxpayer behavior in fulfilling their obligations. This understanding includes taxpayer knowledge about how to fill out SPT, calculate tax payable, deposit, and report taxes in accordance with applicable provisions. The higher the level of tax understanding a person has, the greater the possibility of that taxpayer complying with tax regulations. Good understanding makes taxpayers aware of their rights and obligations, as well as legal consequences if violations occur (Ningsih & Handayani, 2025). Research on the influence of tax understanding on taxpayer compliance has been widely conducted previously, and shows that tax understanding has a positive and significant effect on taxpayer compliance. This is evidenced by several studies such as by Daryatno (2021), Fatah & Oktaviani (2021), Labangu et al. (2020), and Rahayu & Sari (2024).

Tax sanctions are one of the law enforcement instruments that aim to increase taxpayer compliance. These sanctions can be in the form of administrative sanctions, such as fines, interest, and increases; or criminal

sanctions in the form of criminal fines, detention, or imprisonment. The implementation of sanctions aims to provide a deterrent effect and encourage taxpayers not to violate tax regulations. With strict and fair sanctions, it is hoped that taxpayers will be more careful and compliant in carrying out their obligations (Kumalasari, 2025). Research related to the influence of tax sanctions on taxpayer compliance has been widely conducted and shows results that tax sanctions have a positive and significant effect on compliance. These findings were obtained from research conducted by Wafa et al. (2025), Laxsmi & Pamungkas (2025), Panjaitan & Zulkarnain (2022), and Putra & Andini (2023).

Risk preference describes the attitude of taxpayers in facing uncertainty and potential consequences of actions taken related to tax obligations. Taxpayers with high levels of risk preference tend to be more daring in making risky decisions, including the possibility of not complying with tax rules. Conversely, taxpayers with low risk preference are usually more careful and tend to choose to comply to avoid risks such as sanctions, fines, or other financial losses. The risks considered are not only financial but also include social, legal, and reputational risks (Daryatno, 2021). Several studies show that risk preference has an influence on taxpayer compliance. Taxpayers with low risk levels tend to be more compliant, while those with higher risk-seeking tendencies have the potential to be non-compliant. This is supported by findings from Labangu et al. (2020), Daryatno (2021), Fatah & Oktaviani (2021), and Putri & Hidayat (2024) who stated that risk preference has a negative and significant effect on taxpayer compliance.

Research Hypotheses

Based on the exposition of the conceptual framework that has been described, the hypotheses are:

H1: Tax Understanding has a positive and significant effect on taxpayer compliance

H2: Tax Sanctions have a positive and significant effect on taxpayer compliance

H3: Risk Preference has a positive and significant effect on taxpayer compliance

III. RESEARCH METHODOLOGY

Research Design

This study employs a quantitative causal research design to examine the cause-and-effect relationships between independent variables (tax understanding, tax sanctions, and risk preference) and the dependent variable (taxpayer compliance). The causal approach is appropriate for investigating how independent variables influence the dependent variable in the context of non-employee individual taxpayers.

Population and Sample

The population of this study consists of 27,707 non-employee individual taxpayers registered at KPP Pratama Kembangan. The sample was determined using the Slovin formula with a 10% margin of error, resulting in 100 respondents. The sampling technique employed was quota purposive sampling, a non-probability sampling method, with the following criteria: (1) non-employee individual taxpayers registered at KPP Kembangan, and (2) willingness to participate as respondents. The Slovin formula applied was:

$$n = N / (1 + N.e^2)$$

Where

n = sample size,

N = population size (27,707), and

e = margin of error (0.10), yielding

n = 100 respondents.

Variables and Measurement

This study examines four variables measured using a 5-point Likert scale (1 = Strongly Disagree to 5 = Strongly Agree). The operational definitions are as follows:

1. Taxpayer Compliance (Dependent Variable): The condition in which taxpayers consciously, voluntarily, and punctually fulfill all tax obligations according to applicable regulations. Measured through seven indicators: voluntary registration, timely SPT submission, accurate tax calculation, timely payment, complete supporting documents, document submission during examination, and honest tax obligation fulfillment (Salsabila & Richmayati, 2025).
2. Tax Understanding (Independent Variable): Knowledge and comprehension of tax rules, procedures, and obligations, including the ability to correctly fill out SPT, calculate tax obligations, make timely deposits, and report taxes to the tax office. Measured through five indicators: SPT completion, understanding of tax rates, deposit deadlines, required documents, and taxpayer rights and obligations (Ningsih & Handayani, 2025).
3. Tax Sanctions (Independent Variable): Legal consequences imposed on taxpayers who fail to fulfill tax obligations, whether intentionally or unintentionally. Measured through seven indicators: legal certainty, deterrent effect, proportionality, clarity of sanction types, law enforcement, transparency of implementation, and periodic evaluation (Panjaitan & Zulkarnain, 2022).

4. Risk Preference (Independent Variable): Individual attitudes or tendencies in facing uncertainty and potential losses in decision-making, including tax obligation decisions. Measured through nine indicators across five dimensions: risk avoidance (legal consequences avoidance, uncertainty avoidance), risk neutrality (logic-based risk assessment, unaffected by uncertainty), risk seeking (underestimating sanctions, delaying payments), social risk perception (avoiding social conflict, concerned about public opinion), and financial risk perception (calculating potential losses before decisions) (Mei & Firmansyah, 2022).

Data Collection

Primary data was collected through structured questionnaires distributed directly at KPP Pratama Kembangan, Jakarta Barat. Two distribution methods were employed: (1) QR code scanning for immediate digital completion via smartphones, and (2) WhatsApp link sharing for respondents with time constraints. This dual approach ensured efficient data collection while accommodating respondent availability. The questionnaire underwent pre-testing to ensure validity and reliability before full-scale distribution.

Data Analysis Technique

Data analysis was performed using Partial Least Squares Structural Equation Modeling (PLS-SEM) with SmartPLS 4.0 software. PLS-SEM was selected because this study involves latent variables that cannot be directly measured and must be assessed through manifest variables (indicators). According to Hair et al. (2019), PLS-SEM is a statistical approach that aims to explain relationships between variables simultaneously through two main models:

1. Measurement Model (Outer Model): Evaluates how measured variables (indicators) represent constructs through:
 - a. Convergent validity (outer loadings > 0.70, AVE > 0.50)
 - b. Discriminant validity (Fornell-Larcker criterion, HTMT ratio < 0.85)
 - c. Reliability (Cronbach's Alpha and Composite Reliability > 0.70)
2. Structural Model (Inner Model): Examines relationships between constructs through:
 - a. R-square (coefficient of determination)
 - b. Effect size (f²): small (0.02), medium (0.15), large (0.35)
 - c. Predictive relevance (Q²)
 - d. Path coefficients and hypothesis testing (t-statistic > 1.96, p-value < 0.05)

The PLS-SEM approach is particularly suitable for this study as it maximizes explained variance in the dependent variable and effectively handles complex relationships between latent constructs measured through multiple indicators.

Table 3. Variable Operationalization

Variable	Number of Indicators	Source
Taxpayer Compliance (Y)	7 indicators	Salsabila & Richmayati (2025)
Tax Understanding (X1)	5 indicators	Ningsih & Handayani (2025)
Tax Sanctions (X2)	7 indicators	Panjaitan & Zulkarnain (2022)
Risk Preference (X3)	9 indicators	Mei & Firmansyah (2022)

Source: Author's compilation, 2025

IV. RESULT AND DISCUSSION

Respondent Demographics

This study collected data from 100 non-employee individual taxpayers at KPP Pratama Kembangan. The respondent demographics consisted of 45% male and 55% female. The majority of respondents (62%) were aged 21-25 years, followed by 26% aged 26-30 years. In terms of profession, 47% were self-employed (wiraswasta), 23% were traders/MSMEs, 16% were freelancers, and 14% were passive income recipients.

Measurement Model Evaluation

The measurement model was evaluated using convergent validity, discriminant validity, and reliability tests. All indicators demonstrated outer loading values above 0.70, confirming convergent validity. The Average Variance Extracted (AVE) values for all constructs exceeded 0.50: Tax Understanding (0.619), Tax Sanctions (0.646), Risk Preference (0.624), and Taxpayer Compliance (0.719), indicating adequate convergent validity. Discriminant validity was confirmed through Fornell-Larcker criterion and HTMT ratio, with all values meeting the required thresholds. Reliability was established with Cronbach's Alpha and Composite Reliability values exceeding 0.70 for all constructs, demonstrating strong internal consistency.

Table 1. Reliability Test Results

Variable	Cronbach's Alpha	Composite Reliability
Tax Understanding	0.847	0.851
Tax Sanctions	0.909	0.915
Risk Preference	0.925	0.930
Taxpayer Compliance	0.935	0.937

Source: SmartPLS 4 Analysis, 2025

Structural Model Evaluation

The structural model evaluation revealed an R-square value of 0.604, indicating that Tax Understanding, Tax Sanctions, and Risk Preference collectively explain 60.4% of the variance in Taxpayer Compliance. The remaining 39.6% is influenced by other factors not examined in this study. Effect size (f^2) analysis showed that all relationships had medium effects (0.172-0.222), with Tax Sanctions having the strongest effect (0.222), followed by Tax Understanding (0.173) and Risk Preference (0.172).

Hypothesis Testing Results

Hypothesis testing was conducted using bootstrapping procedures with a significance level of 5% (p -value < 0.05) and t -statistic > 1.96. The results are presented in Table 2.

Table 2. Hypothesis Testing Results

Hypothesis	Path Coefficient	T-Statistics	P-Value	Result
H1: Tax Understanding → Taxpayer Compliance	0.295	2.216	0.027	Supported
H2: Tax Sanctions → Taxpayer Compliance	0.364	2.543	0.011	Supported
H3: Risk Preference → Taxpayer Compliance	0.316	2.190	0.029	Supported

Source: SmartPLS 4 Analysis, 2025

Discussion

The Effect of Tax Understanding on Taxpayer Compliance

The results demonstrate that tax understanding has a positive and significant effect on taxpayer compliance ($\beta = 0.295$, $t = 2.216$, $p = 0.027$), supporting H1. This finding aligns with the Theory of Planned Behavior, where better understanding leads to more positive attitudes toward compliance. The majority of young respondents in this study demonstrate greater openness to technology and updated tax information, enabling them to fulfill their obligations more accurately and efficiently in accordance with applicable regulations.

A good understanding of taxation enables taxpayers to correctly fill out Tax Returns (SPT), accurately calculate tax obligations, make timely deposits, and report taxes according to regulations. This understanding not only impacts administrative aspects but also contributes broadly to increasing state revenue, which is subsequently used for public facility development that benefits society, including taxpayers themselves. These findings are consistent with previous studies by Herdiatna & Lingga (2022), Puspitasari & Dirman (2024), and Ramadhan & Tarmidi (2024).

The Effect of Tax Sanctions on Taxpayer Compliance

Tax sanctions demonstrate the strongest positive and significant effect on taxpayer compliance ($\beta = 0.364$, $t = 2.543$, $p = 0.011$), supporting H2. This relates to the Theory of Planned Behavior through control beliefs, which represent an individual's beliefs about factors that can support or hinder behavior. The enforcement of sanctions, both criminal and administrative, functions as an external factor that provides a deterrent effect and creates fear among taxpayers who fail to fulfill their obligations.

Strict tax sanctions make taxpayers feel compelled to fulfill their payment obligations. Thus, the more stringent the sanctions, the higher the potential for increasing taxpayer compliance in fulfilling tax obligations timely, correctly, and in accordance with applicable provisions. These results confirm the findings of Fithiyaturrahmah (2024) and Astuty & Chairunisa (2025), emphasizing that tax sanctions not only function as punishment but also as a preventive tool to deter taxpayers from violating tax regulations.

The Effect of Risk Preference on Taxpayer Compliance

Risk preference shows a positive and significant effect on taxpayer compliance ($\beta = 0.316$, $t = 2.190$, $p = 0.029$), supporting H3. This finding is related to the Theory of Planned Behavior, which indicates that individual decision-making, including tax compliance, is influenced by risk preferences. Risk preference is one of the individual characteristics that can influence attitudes toward risk, particularly regarding compliance with tax obligations.

Higher risk preferences can positively influence taxpayer compliance because such individuals tend to consider various potential risks that may arise if they fail to fulfill their tax obligations. Risk preferences conceptually include three dimensions: risk avoidance, risk neutrality, and risk seeking. These findings align with research by Labangu et al. (2020) and Yuniwati & Oktris (2021), demonstrating that higher risk preferences increase individual taxpayer compliance, while lower risk preferences decrease compliance.

V. CONCLUSION

Based on hypothesis testing and discussion regarding the influence of tax understanding, tax sanctions, and risk preference on non-employee individual taxpayer compliance at KPP Kembangan, the following conclusions can be drawn:

1. Tax understanding has a positive and significant effect on taxpayer compliance. This indicates that the higher the level of knowledge and understanding of taxpayers regarding tax regulations, the greater the likelihood of taxpayers fulfilling their tax obligations compliantly. Good understanding includes the ability to correctly fill out Tax Returns (SPT), accurately calculate tax obligations, make timely deposits, and report taxes according to applicable provisions.
2. Tax sanctions have a positive and significant effect on taxpayer compliance. This demonstrates that tax sanctions, both criminal and administrative, provide a deterrent effect and create fear among taxpayers who violate their tax obligations, thereby encouraging compliance through a sense of compulsion to fulfill payment obligations.
3. Risk preference has a positive and significant effect on taxpayer compliance. This indicates that higher risk preferences increase individual taxpayer compliance, as risks or opportunities are considered by taxpayers as a primary priority among other available choices.

Recommendations

Based on the analysis, discussion, and conclusions presented, although this study has certain limitations, the following recommendations are provided:

1. For the Directorate General of Taxes: Implement more effective tax socialization programs through practical training sessions that teach taxpayers how to calculate and report taxes easily. This will motivate the public and increase awareness of tax compliance. Additionally, develop risk-based education and communication strategies tailored to different taxpayer profiles to enhance overall compliance.
2. For Taxpayers: Increase compliance in fulfilling obligations by learning about updated tax regulations, accessing digital services provided by tax authorities, and enhancing awareness of the importance of tax compliance to ensure honest tax reporting.
3. For Future Researchers: Explore different independent variables from this study, such as taxpayer motivation, tax service quality, taxpayer trust in government, and digital tax systems. Additionally, expand the research scope to include other taxpayer segments and geographical areas to enhance the generalizability of findings.

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An acknowledgement section may be presented after the conclusion, if desired.

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