Tax Justice Moderates the Effect of Tax Incentives, Online Systems, and Education Level on Individual Taxpayer Compliance

Ivira Sriwidiyanti Budi Utami[1*], Waluyo[2] (iD)

[1,2] Master of Accounting Program, Mercu Buana University, Jakarta, Indonesia

A B S T R A K

Pajak merupakan sumber uang negara yang digunakan pemerintah untuk pembangunan masyarakat. Karena rendahnya kepatuhan wajib pajak terhadap kotributor orang pribadi di KPP Pratama Surabaya Gubeng, tujuan penelitian ini adalah untuk memverifikasi penerapan insentif pajak, sistem online, dan tingkat edukasi tentang kepatuhan wajib pajak terhadap keadilan pajak sebagai variabel moderating. Metode yang digunakan adalah kuesioner untuk mengumpulkan data dari sampel yang berjumlah 100 wajib pajak orang pribadi. Alat statistik yang digunakan adalah SmartPLS 3.0 dengan beberapa regresi berupa algoritma PLS dan bootstrap. Hasil penelitian menunjukkan bahwa insentif pajak dan tingkat pendidikan berpengaruh positif dan signifikan terhadap kepatuhan wajib pajak orang pribadi, sedangkan sistem online tidak berpengaruh signifikan terhadap kepatuhan wajib pajak orang pribadi, dan keadilan pajak tidak secara signifikan memoderasi insentif pajak dan tingkat pendidikan tentang kepatuhan. Wajib pajak orang pribadi dan penerapan keadilan pajak, memoderasi pengaruh sistem online terhadap kepatuhan wajib pajak orang pribadi. Insentif pajak dan tingkat pendidikan ditemukan untuk homologise variabel moderating sementara sistem online memiliki dampak moderating murni terhadap kepatuhan wajib pajak orang pribadi.

A B S T R A C T

Taxes are a source of state money that the government uses for the development of the community. Due to the low taxpayer compliance of individual cotributors at KPP Pratama Surabaya Gubeng, this research's purpose is to verify the application of tax incentives, online systems, and education level on taxpayer compliance with tax justice as moderating variables. The method used is questionnaire to gather data from sample totaled 100 individual taxpayers. The statistic tool used is SmartPLS 3.0 with multiple regressions in form of PLS algorithm and bootstrapping. The outcomes show that tax incentives and education level have a positive and significant effect on individual taxpayer compliance, whereas the online system has no significant effect on individual taxpayer compliance, and tax justice does not significantly moderate tax incentives and education level on compliance. Individual taxpayers and the application of tax justice, moderates the online system's effect on individual taxpayer compliance. Tax incentive and education level found to homologise moderating variable while the online system has pure moderating impact towards individual taxpayer compliance.

1. INTRODUCTION

Taxes are a source of state money that the government uses for the development of the community. Directorate General of Taxes (DGT) of Republic of Indonesia announced a fiscal mission aimed at collecting domestic revenues from the tax sector in order to promote the independence of government finance based on effective and efficient tax legislation. Increased taxpayer compliance is one of the government's strategies for boosting tax collection. Tax compliance is described as a state in which a taxpayer meets all of his or her tax obligations and utilizes all of his or her tax entitlements (Savitri, 2015). The psychological theory approach defines taxpayer compliance as guilt and shame, taxpayers' opinions of the fairness and justice of the tax free they carry, and the effect of satisfaction on government services.

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*Corresponding author.
E-mail: iviras@yahoo.com (Ivira Sriwidiyanti Budi Utami)

Indonesia's tax income target has not been met in the last four years, as set by the Directorate General of Taxes. It depicts the trend in tax revenue in percentage terms which unable to hit target for last 4 years from 2017 until 2020. This figure is most likely due to a lack of tax awareness. The highest realization occurred in 2020 by hitting 78%. The database increment in Indonesia, which is mostly due to income and business, cannot be separated from increasingly productive economic activities, particularly in the micro, small, and medium sectors. It was discovered that the number of individual taxpayers' tax returns was higher than the number of corporate taxpayers after the introduction of this micro-enterprise income tax. The government continues to work to increase tax revenue by enacting policies that will raise public awareness of the importance of paying taxes, such as tax incentives and lower tax rates, as well as improving services, resulting in a greater understanding of the importance of taxes for national development among taxpayers. A tax incentive is a government policy aimed at people or companies in order to make it easier and more appealing for taxpayers to comply with their tax obligations.

Tax incentives are a type of offer made by the government to tax recipients in exchange for specified activities, such as monetary or property contributions for high-quality activities (Disemadi & Delvin, 2021; Karnowati & Handayani, 2021; Rahayu, 2022). The introduction of tax incentives is something that benefits business people; the presence of these policies will increase the profitability of entrepreneurs as economic actors. According to the KBBI, incentives are "extra revenue (money, goods, etc.) supplied to raise the enthusiasm for the incentive money." Incentives, on the other hand, refer to the supply of facilities or relief to business entities as part of initiatives to improve engineering capability, innovation, and technology diffusion.

Currently, the government has published a policy addressing tax benefits for taxpayers affected by COVID-19 under PMK Number: 9/PMK.03/2021. PPh 21 is a tax incentive for employees with a yearly income of less than Rp. 200 million. Aside from tax incentives, the tax service system must be adequate to give taxpayers the impression that calculating, depositing, and reporting taxes are not onerous. To keep up with increasingly rapid technical advances, the government uses them to make access easier. One of the uses of these technological breakthroughs is online tax management, which the government uses to make it easier for taxpayers to execute taxation. Its goal is to improve taxpayer perceptions and, as a result, boost government income in the taxes sector.

The online tax system is an electronic system provided by the Directorate General of Taxes (DGT) or other parties appointed by the DGT that is used by taxpayers to conduct electronic transactions, according to the Circular Letter (SE) of the Director General of Taxes number SE-42/PJ/2017 concerning Guidelines for the Implementation of Safeguarding Electronic Transactions for Online Tax Services.

The taxpayer's degree of education is the next factor that has the potential to alter their perspective. The relevance of tax compliance can be influenced by the taxpayer's educational level. Every stage of education, whether formal and non-formal, attained by a person is referred to as the level of education. Due to the community's greater education, the community's thinking and style of behaving will be more evolved and developed (Azmi et al., 2016; Kurniawan, 2020; Musimenta et al., 2017; Prayoga & Yasa, 2020; Tsakas & Katharaki, 2014). According to UU RI Number 20 of 2003, education is a deliberate and planned effort to create a learning environment and learning process in which students actively develop their potential for religious spiritual strength, self-control, personality, intelligence, noble character, and skills needed by themselves and the society.

Tax justice is another factor that might boost taxpayers' favorable attitudes. In policy formulation, justice is a principle that becomes the main substance. Because the notion of justice is so abstract and subjective, it's impossible to come up with a formula that encompasses all dimensions of justice. There is no policy that will please both sides, even if a policy is regarded fair on one hand but not necessarily fair on the other. Tax justice is another issue that might boost taxpayers' favorable attitudes. In policy formulation, justice is a principle that becomes the main substance. Because the notion of justice is so abstract and subjective, it's impossible to come up with a formula that encompasses all dimensions of justice. There is no policy that will please both sides, even if a policy is regarded fair on one hand but not necessarily fair on the other. Taxes placed on individuals should be proportional to their ability to pay them and in line with the advantages they get (Anto et al., 2021; Bradbury & O'Reilly, 2018; Farrar et al., 2020). In its most basic form, tax fairness refers to a process of redistribution of social wealth in which the wealthy pay more than the poor. The public's opinion of a country's taxation system's fairness has a significant impact on the implementation of good taxes in that country (Drogalas et al., 2018; Hamilah et al., 2022; Sudiro et al., 2021).

Previous conducted studies aimed on examining numerous aspects that influence taxpayer perceptions and have come up with a variety of outcomes. Previous studies stated that the reduction in tax rates and the availability of online tax services had a positive and significant impact on taxpayer perception (Akram et al., 2019; Bhuasiri et al., 2016; Dewi et al., 2020; Nadhor et al., 2020). According to similar research conducted, justice and discrimination have a favorable effect on taxpayers' perceptions

(Anggayasti & Padnyawati, 2020; Vaughan, 2019). However, information technology has a negative effect on taxpayer perceptions. Fairness and the taxation system have no effect on taxpayers' perceptions. Discrimination and the quality of tax services, on the other hand, have an impact on taxpayers' perceptions. According to previous research, taxpayers' perceptions are positively influenced by their comprehension of taxation, tax officials' services and tax penalties have no effect on taxpayers' perceptions (Nurkhin et al., 2018; Pui Yee et al., 2017).

Previous research stated that the taxpayers' attitudes of compliance and the necessity of paying taxes are influenced by their degree of education (Mohdali & Pope, 2014; Okpeyo et al., 2019; Savitri, 2015). According previous research on trust in government, tax incentive policies, and the impact of tax advantages on taxpayer compliance found that tax incentives have a positive and significant impact (Dewi et al., 2020). However, a study published the same year by previous research indicated that tax incentives had no influence on taxpayer compliance (Andreansyah & Farina, 2022). Another research gap in the online tax system variable was discovered in Kenya, where researchers discovered that the online tax system had a considerable impact on tax compliance patterns (Hasanudin et al., 2020; Oliviandy et al., 2021). Meanwhile, in Indonesia, local research resulted in an online tax system that had little effect (Hasanah & Mutmainah, 2020). In terms of education level, study conducted in the Koto Tangah sub-district in 2017 found that education has a substantial favorable effect on taxpayer awareness.

Seeing the importance of tax compliance, people should be aware of complying with taxation. The community should synergize and work together to increase taxation in Indonesia. Various efforts to improve the quality and quantity of Indonesian taxes have been carried out. Seeing the problems that occur, researchers are interested in conducting research regarding individual taxpayer compliance moderated by tax justice. This research is more directed towards the behavior of Individual Taxpayers moderated by tax justice. The hope is to learn and see the compliance of Individual Taxpayers and verify the application of tax incentives, online systems, and education levels to taxpayer compliance with tax fairness as a moderating variable.

2. METHODS

This research type is causative which describe the cause and result of factors involved. The data gathered from questionnaire's answers of 100 respondents from KPP Pratama Surabaya Gubeng. SmartPLS 3.0 is a statistical tool based on variance with a design to solve multiple regressions when certain difficulties in the data occured, such as missing data, multicollinearity, and small sample sizes (Wati, 2018). The outer model and the inside model make up the test model. The findings of the descriptive analysis of respondents' questionnaire responses are represented by index numbers categorised in a three-box range of scores.

The category to differentiate respondents used to picture demographic such as gender, education level, and ages. Gender profile shows 57 female and 43 male respondents. Based on level of education majority 72 people are graduated from university and remaining others graduated from other levels. There are 45 respondents between the ages of 31 and 35, and there are 100 respondents who have reported the 2020 SPT and are taking advantage of tax incentives (100 percent).

The Likert scale was used to score the questionnaire in this study, with 5 points for the Highly Agree (*Sangat Setuju*) statement and 1 point for the Highly Disagree (STS) statement. Three independent factors, one dependent variable, and one moderating variable are used in this study. The questionnaire was created using the results of a literature analysis, existing research, and the researcher's own ideas. Formal compliance, material compliance, and discipline are the dimensions of tax compliance; annual deductible income for tax calculation and tax deferral are the dimensions of tax incentives; system effectiveness, convenience, and flexibility are the dimensions of the online system; formal and informal education are the dimensions of education level; and vertical justice, horizontal justice, and the principle of benefit are the dimensions of tax justice.

The average index value of respondents' answers to the tax compliance variable is 87.46%, the tax incentive variable is 85.25%, the online system variable is 85.37%, the education level variable is 85.8% and the tax justice variable is 85.16% based on the category. The average index of each variable is included in the high interpretation group.

3. RESULTS AND DISCUSSIONS

Validity Test

The validity test is used to assess each research questionnaire statement, if the loading factor value of each indicator is greater than 0.5, the questionnaire statement is considered valid. If the indication loading factor is less than 0.5, it should be removed because it indicates a faulty indicator.

Table 1. Convergent Validity Test Results for Tax Compliance Variables

| Variable | Dimension | Indicator | Before being dropped | Loading Factor Value | | Description |
				Description	After being dropped	
Taxpayer Compliance (Y)	a) formal compliance	Y1.1	0.733	Valid	0.733	Valid
	b) material compliance	Y1.2	0.688	Valid	0.680	Valid
		Y1.3	0.673	Valid	0.696	Valid
		Y1.4	0.785	Valid	0.788	Valid
	c) discipline	Y1.5	0.641	Valid	0.657	Valid
		Y1.6	0.322	Invalid	0	-

Table 1 presents criteria for determining valid indicators, namely those with a loading factor greater than 0.5. So, Indicators whose loading factor is less than 0.5 should be removed.

Table 2. Convergent Validity Test Results for Tax Incentive Variables

| Variable | Dimension | Indicator | Before being dropped | Loading Factor Value | | Description |
				Description	After being dropped	
Tax Incentive (X$_1$)	a) PTKP	X1.1	0.549	Valid	0.543	Valid
		X1.2	0.877	Valid	0.811	Valid
	b) tax deferral	Y1.3	0.876	Valid	0.877	Valid
		Y1.4	0.711	Valid	0.708	Valid

Table 2 demonstrates that after the Y1.6 tax compliance variable indication is deleted. All indicators have a loading factor value of > 0.5, implying that all tax incentive variable indicators are certified legitimate.

Table 3. Online System Variable Convergent Validity Test Results

| Variable | Dimension | Indicator | Before being dropped | Loading Factor Value | | Description |
				Description	After being dropped	
Online System (X$_2$)	a) system effectiveness	X2.1	0.714	Valid	0.719	Valid
	b) convenience	X2.2	0.719	Valid	0.724	Valid
		X2.3	0.807	Valid	0.802	
		X2.4	0.841	Valid	0.840	Valid
	c) keleluasaan	X2.5	0.901	Valid	0.902	Valid
		X2.6	0.743	Valid	0.742	Valid

Table 3 demonstrates that all indicators have a loading factor value greater than 0.5 after the tax compliance variable indicator Y1.6. All indicators of the online system variables are declared valid.

Table 4. Convergent Validity Test Results for Education Level Variables

| Variable | Dimension | Indicator | Before being dropped | Loading Factor Value | | Description |
				Description	After being dropped	
Level of Education (X$_3$)	a) formal education	X3.1	0.941	Valid	0.943	Valid
	b) informal education	X3.2	0.793	Valid	0.790	Valid

Table 4 demonstrates that after the Y1.6 tax compliance variable indication is removed, all indicators have a loading factor value greater than 0.5 and considered valid.

Table 5. Convergent Validity Test Results Tax Justice Variable Validity

Variable	Dimension	Indicator	Before being dropped	Loading Factor Value		
				Description	After being dropped	Description
Tax Justice (Z)	a) vertical justice	Z1.1	0.790	Valid	0.789	Valid
		Z1.2	0.846	Valid	0.843	Valid
	b) benefit principle	Z1.3	0.826	Valid	0.825	Valid
	c) horizontal justice	Z1.4	0.884	Valid	0.886	Valid
		Z1.5	0.863	Valid	0.867	Valid

The Table 5 shows after deletion of Y1.6 resulting loading factor value over 0.5 and result can be interpreted that all indications of tax justice variable are valid.

Discriminant Validity

The AVE (average variance extract) value reveals the discriminant validity test. It is declared legitimate if the AVE variable value is greater than 0.5. Table 6 shows the results of the discriminant validity test:

Table 6. Discriminant Validity Test Results

Variable	AVE			
	Before being dropped	Description	After being dropped	Description
Taxpayer Compliance (Y)	0.432	Invalid	0.507	Valid
Tax Incentive (X_1)	0.586	Valid	0.585	Valid
Online System (X_2)	0.625	Valid	0.626	Valid
Level of Education (X_3)	0.757	Valid	0.756	Valid
Tax Justice (Z)	0.710	Valid	0.710	Valid

Discriminant validity test results shows that the AVE value of all variables is greater than 0.5, with the exception of the AVE value of the tax compliance variable, which is 0.432 0.5 until the Y1.6 tax compliance variable indication is removed, and then the AVE value of the tax compliance variable is 0.507 > 0.5. As a result, all variables' AVE values are declared legitimate.

Reliability Test

The purpose of a reliability test is to determine the reliability of a research instrument. If the value of Cronbach's alpha and composite reliability > 0.7, the research instrument is declared dependable or reliable (Ghozali & Latan, 2015:41). The results of the reliability test are presented in Table 7.

Table 7. Cronbach's Alpha Test Results and Composite Reliability

Construct	Cronbach's Alpha		Composite Reliability		Description
	Before being dropped	After being dropped	Before being dropped	After being dropped	
Taxpayer Compliance (Y)	0.721	0.757	0.813	0.837	Reliable
Tax Incentive (X_1)	0.757	0.757	0.846	0.845	Reliable
Online System (X_2)	0.881	0.881	0908	0.909	Reliable
Level of Education (X_3)	0.702	0.702	0.861	0.860	Reliable
Tax Justice (Z)	0.898	0.898	0.924	0.925	Reliable

Cronbach's alpha test results and composite reliability demonstrates that once the Y1.6 tax compliance variable indicator is lower than 0.7, the value of Cronbach's alpha and composite reliability of all variables is > 0.7. As a result, all variables in this study are pronounced reliable or reliable.

The predictive Q-square value of the relevance of tax compliance is 52.7 percent shows variables are eligible to be used to test the hypothesis, and the remaining 47.3 percent proves the participation of other variables not examined in this research model. T-statistics and p-values from the bootstrapping output are supplied for hypothesis testing, and the findings of these outputs are compared to the t-table values. The significance level for testing the hypothesis in this study is 5%, and it is calculated by the following criteria: The hypothesis is accepted if the t-count > the t-table number is 1.96 and the p-value 0.05, and it is rejected if the t-count the t-table number is 1.96 and the p-value> 0.05. Table 8 shows the original sample values, sample mean, standard deviation, t-statistics, and p-value.

Table 8. Hypothesis testing

Variable	Original Sampel (O)	T-Statistics (O/STDEV)	P-Value	Remarks on Impact
Tax Incentive -> Taxpayer Compliance	0.377	2.848	0.005	Significant
Online System - > Taxpayer Compliance	-0.030	0.168	0.866	Insignificant
Level of Education - > Taxpayer Compliance	0.381	2.807	0.005	Significant
Tax Justice*Tax Incentive - > Taxpayer Compliance	-0.212	1.470	0.142	Insignificant
Tax Justice*Online System - > Taxpayer Compliance	0.422	2.291	0.022	Significant
Tax Justice*Level of Education -> Taxpayer Compliance	-0.229	1.497	0.135	Insignificant

The hypothesis test of H_1 tax incentives, with an original sample value of 0.377, can be interpreted as there is a positive influence of tax incentives on individual taxpayer compliance. The study's conclusion is that tax incentives have a large and favorable impact on individual taxpayer compliance. Hypothesis one is accepted based on the findings of hypothesis testing H_1.

The original sample value of -0.030 for the H_2 hypothesis test for the online system can be read as a negative effect of the online system on individual taxpayer compliance. Individual taxpayer compliance is unaffected by the use of the online system, according to the findings of this study. The second hypothesis is rejected based on the findings of hypothesis testing H_2. The education level of the original sample value is 0.381 can be interpreted that there is a positive influence on the level of education on individual taxpayer compliance. The study's conclusion is that one's level of education has a considerable and beneficial impact on individual tax compliance. The third hypothesis is accepted based on the H_3 hypothesis test results.

For the moderation hypotheses proposed by researcher at the beginning of study, the results show that tax justice does not moderate tax incentives on individual taxpayer compliance, according to the findings of this study. The fourth hypothesis is rejected based on the H_4 hypothesis test results. Furthermore, the study's findings demonstrate that tax fairness influences the use of the online system for individual taxpayer compliance. The fifth hypothesis is approved based on the findings of hypothesis testing H_5. As closing statement, tax justice also does not modify the level of education on individual taxpayer compliance, according to the findings of the study. Hypothesis six is rejected based on the results of hypothesis testing H_6. From the data analysis, table of bootstrapping shows original sample and significant value less than 0,005 as presented in Table 9.

Table 9. Original sample and significant value

Variable	Original Sampel (O)	P-Value	Direction
Tax Incentive -> Taxpayer Compliance	0.377	0.005	Positive and significant
Online System - > Taxpayer Compliance	-0.030	0.866	Negative and not significant
Level of Education - > Taxpayer Compliance	0.381	0.005	Positive and significant

Variable	Original Sampel (O)	P-Value	Direction
Tax Justice*Tax Incentive - > Taxpayer Compliance	-0.212	0.142	Negative and not significant
Tax Justice*Online System - > Taxpayer Compliance	0.422	0.022	Positive and not significant
Tax Justice*Level of Education -> Taxpayer Compliance	-0.229	0.135	Negative and not significant

Individual taxpayer compliance is considerably and positively influenced by the implementation of tax incentives, according to the findings of this study, which are consistent with Keynes' hypothesis. Keynes stated that the economy should not solely be left to the market process, In addition to the current state of the covid-19 pandemic, the government's role can be demonstrated by implementing the state budget for labor-intensive projects aimed at creating new jobs. In terms of macro policy, the idea asserts that the government's role in influencing aggregate demand has an impact on the macro situation in order to achieve the intended outcome. For example, when unemployment is high, the government's role can be demonstrated by allocating state funds to labor-intensive projects in order to create new jobs. Tax incentives can also be used to indicate the realization of the state budget, because tax incentives currently lead to rules aimed at moving the economy's wheels.

According to the findings, the online method has no discernible impact on individual taxpayer compliance. TAM provides a basis for determining external factors related to taxpayer compliance, the external factors being taxpayers' beliefs, attitudes, and intentions toward technology, in this case in the form of an online system in the form of e-finance. The use of online systems (e-filling, e-billing, and e-registration) to fulfill tax obligations is still underutilized by taxpayers. This is due to a lack of taxpayer knowledge and understanding of how to use these applications, as well as a lack of taxpayer confidence in the security of the applications used, resulting in the online system failing to increase taxpayer compliance. The findings of this investigation are consistent with previous research.

The results of this study are the level of education has a positive and significant effect on individual taxpayer compliance. Internal and external factors influence taxpayers or individuals in determining obedient or non-compliant conduct in satisfying their tax duties, which is why attribution theory is relevant to tax compliance. This theory can be used to explain how taxpayers behave when it comes to meeting their tax obligations, such as paying and reporting taxes. Individuals or taxpayers are more likely to comply with tax laws if they have access to adequate tax information or if they have a high level of education. As a person's level of education rises, the likelihood of tax compliance rises as well.

The taxpayer's degree of education is the next factor that has the potential to alter their perspective. The relevance of tax compliance can be influenced by the taxpayer's educational level. Every stage of education, whether formal and non-formal, attained by a person is referred to as the level of education. Due to the community's greater education, the community's thinking and style of behaving will be more evolved and developed (Azmi et al., 2016; Kurniawan, 2020; Musimenta et al., 2017; Prayoga & Yasa, 2020; Tsakas & Katharaki, 2014). According to UU RI Number 20 of 2003, education is a deliberate and planned effort to create a learning environment and learning process in which students actively develop their potential for religious spiritual strength, self-control, personality, intelligence, noble character, and skills needed by themselves and the society.

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Previous conducted studies aimed on examining numerous aspects that influence taxpayer perceptions and have come up with a variety of outcomes. Previous studies stated that the reduction in tax rates and the availability of online tax services had a positive and significant impact on taxpayer perception (Akram et al., 2019; Bhuasiri et al., 2016; Dewi et al., 2020; Nadhor et al., 2020). According to similar

research conducted, justice and discrimination have a favorable effect on taxpayers' perceptions (Anggayasti & Padnyawati, 2020; Vaughan, 2019). However, information technology has a negative effect on taxpayer perceptions. Fairness and the taxation system have no effect on taxpayers' perceptions. Discrimination and the quality of tax services, on the other hand, have an impact on taxpayers' perceptions. According to previous research, taxpayers' perceptions are positively influenced by their comprehension of taxation, tax officials' services and tax penalties have no effect on taxpayers' perceptions (Nurkhin et al., 2018; Pui Yee et al., 2017).

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At this time the government issued policies related to taxation, namely the provision of tax incentives given to taxpayers affected by COVID-19, one of the tax incentives provided was in the form of PPh 21 for employees with the criteria that their income in a year is not more than Rp. 200 million. Tax fairness does not moderate tax incentives on taxpayer compliance, according to the study. According to the findings of this study, the online system moderates tax fairness in terms of individual taxpayer compliance. There is no policy can satisfy all parties, which means that if one policy can satisfy some parties, it isn't necessarily satisfactory or fair to others. Currently, the government has implemented policies related to fulfilling tax obligations to taxpayers through an online system (e-filling, e-billing, e-registration). The implementation of this online system is aimed at all taxpayers, as disclosed. That the policies issued by the government may not necessarily satisfy all parties, but in this case the taxpayer has felt satisfaction with the implementation of the online system used to fulfill tax obligations such as paying and reporting taxes, so that the existence of this online system has an impact on taxpayer compliance.

The conclusion of this study is that tax justice does not moderate the level of education on individual taxpayer compliance. The level of education (formal and informal) forms value for a person, especially in accepting new things, this statement can be interpreted that the higher a person's education level will affect the mindset and act to understand the rules and regulations related to taxation, understand the rights and obligations of taxation and the benefits received from paying taxes, however, understanding alone is not enough to be able to make a person or taxpayer obedient, because there are other factors that influence a person to comply, namely the intention, awareness and attitude (internal factors) of a person to comply.

Tax incentives have a good and considerable effect on individual taxpayer compliance. The role of the government is very important in certain circumstances, such as budget realization, where the government can realize labor-intensive projects to create job opportunities, or realization in the form of tax incentives, because tax incentives currently lead to increased unemployment. The online system has no significant effect on tax compliance. The online system is an application that taxpayers utilize to meet their tax duties. However, this application has not been used to its full potential by taxpayers due to the lack of information about the procedure these applications. The amount of education has a good and considerable impact on tax compliance. There are internal and external factors influence a person's or taxpayer's decision to be obedient or non-compliant in satisfying their tax obligations. The more information or knowledge obtained by taxpayers from education, they are likely to do compliance actions such as calculating, paying, and reporting taxes.

Tax fairness does not moderate tax compliance incentives. Although the government of Indonesia created and implemented the incentive of Income Tax art 21 for individual with annual taxable income less than IDR 200 million, fairness perception doesn't affect the compliance. The main reason is the limitation of incentive target that applied to employees only. The online method for tax compliance is heavily moderated by tax justice. Currently, the government has rules in place to ensure that taxpayers' tax responsibilities are met through an online system. While government policies do not always satisfy all parties, but in this case, the taxpayer was pleased with the deployment of the online system for fulfilling tax duties such as paying and reporting taxes, indicating that the online system had an impact on tax compliance. The amount of tax compliance education is not greatly moderated by tax fairness. According to the author, the higher education makes it easier for someone to absorb information and apply it to daily

behavior and lifestyle, but understanding alone is not enough to make a person or taxpayer obedient, because there are other factors that influence a person's willingness to comply, such as intentions, awareness, and attitude (internal factors).

4. CONCLUSION

Tax incentives have a good and considerable effect on individual taxpayer compliance. The role of the government is very important in certain circumstances, such as budget realization, where the government can realize labor-intensive projects to create job opportunities, or realization in the form of tax incentives, because tax incentives currently lead to increased unemployment. The online system has no significant effect on tax compliance. The online system is an application that taxpayers utilize to meet their tax duties. However, this application has not been used to its full potential by taxpayers due to the lack of information about the procedure these applications. The amount of education has a good and considerable impact on tax compliance. There are internal and external factors influence a person's or taxpayer's decision to be obedient or non-compliant in satisfying their tax obligations. The more information or knowledge obtained by taxpayers from education, they are likely to do compliance actions such as calculating, paying, and reporting taxes.

5. REFERENCES

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