

THE INFLUENCE OF SUBJECTIVE NORMS, TAX SOCIALIZATION AND TAX ADMINISTRATION SERVICES TO MSMES INDIVIDUAL TAX COMPLIANCE WHO REGISTERED AT NORTH JAKARTA REGIONAL TAX OFFICE

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ABSTRACT

Indonesia's tax ratio is at a lower level compared to countries that are members of the G-20 and ASEAN, the Covid-19 pandemic has leads Internal Service Revenue to make a reform from digitizing tax administration services and tax socialization. Tax incentives provided for all Indonesian people who get affected by Covid-19 is expected to increase the subjective norms of the society, especially MSME individual's voluntary tax compliance level. This Study was conducted on individual MSME taxpayers registered at the North Jakarta IRS, and has a hypothesis that subjective norms, tax socialization and tax administration services have a positive and significant effect on the tax compliance of MSME individual taxpayers. The results of data analysis with Smart PLS 4.0, the result indicates that the hypothesis can be accepted and supported except for tax socialization.

Keywords: *subjective norms, tax administration services, tax compliance, tax ratio, taxpayer socialization*

1. INTRODUCTION

Revolution of tax system in Indonesia becomes one of the big agenda of the government to overcome Covid-19 Pandemic through the process of creating new tax regulations, supervision system, and tax services to ensure the satisfaction of Indonesia's taxpayers. Developing countries such as Indonesia with its revenue mostly based on national tax income to be used by the government for equality of the development across the city in Indonesia, tax is a mandatory contribution of individual and/or entities which are coercive to the country based on Law Number (No). 16 of 2009.

Self-assessment system which is adopted as a system for Indonesia's taxation by Law Number (No). 6 of 1983 that grants the authority for the taxpayers for the calculation, payment, and submission their tax obligation. The implementation of this system is a goodwill by the government to encourage the active role from the citizen in their participation for the equality distribution of national development.

The presence of the self-assessment system has an impact to reducing the the burden of proof to Internal Service Revenue with the aim to increase the efficiency of their workload under onecondition that the calculation from the taxpayers will be accepted until it can be proven otherwise by Internal Service Revenue and/or evidence finding of miscalculation by the taxpayers.

According to Siahaan (2010) that reiterated by Finrely & Ardiansyah [1], the weakness of the use of the self-assessment system lies in the high level of abuse by giving too much authority to taxpayers for fulfilling their tax obligations, it is reflected in the Indonesia's tax ratio for the 2021 at 9.11% which is categorized in the low level.

Taxpayer according to Law Number (No). 28 of 2007 Article 1 paragraph 2 emphasizes that taxpayers are individual and entities with right and obligations, which serve as a taxpayer, tax depositor, and tax collector in accordance with tax laws and regulations.

Tax compliance measurement in a country can be done by comparing the tax ratio yearly, the tax ratio is obtained by comparing tax revenues to gross domestic product, the results show that the maximum tax ratio can only be achieved if the level of the voluntary tax compliance increases and maintained, the following table of Indonesia's tax ratio 2017-2021 [2]:

Table 1. Indonesia Tax Ratio 2017-2021

Year	Tax Ratio (%)
2017	9.89
2018	10.24
2019	9.77
2020	8.33
2021	9.11

Source: Processed from The Ministry of Finance Report

The table above is showing that the level of Indonesia's tax compliance still far too low compare to other G-20 member and Asian Countries, this specific case is the one which push the government to issue the Law of The Republic of Indonesia on Harmonization of Taxation Regulation No.7 of 2021. The Government is certain that the new regulation can overcome the problem of Indonesia's low level tax ratio, and also the Covid-19 Pandemic has shown the concern of the government to the society especially by giving tax incentives to help the affected taxpayers and a very good use of the tax revenue by the government to accelerate the recovery, also with the hope of growing the tax compliance level by gaining public trust. Voluntary tax compliance is based on the awareness of the taxpayers and as a spirit of mutual cooperation to restore the Indonesia's economy faster and stronger. Restrictions on the community activities has a big impact on the distribution of tax socialization and administrative services which from offline system to online system to make it easier for the taxpayers to fulfil their obligations. The majority of the Indonesia's tax sector comes from real economic sector and among them is MSME's, MSME's is a business unit manages by community groups, families and/or individual who are the majority of Indonesian business people (99% proportion of the total business actors), in terms of the MSME's income tax based on the presumptive tax principle that the calculation of their tax payable based on indicators other than net income, a single rate of the income tax is 0,5% of their sales turnover. MSME's plays a big role in the Indonesian economy, contributing approximately 61,41% of the total GDP and absorbing almost 97% of the local workforce, from the taxation point of view, MSME's still do not yet showing a dominant contribution for the tax ratio. Based on the previous study of subjective norms according to the study of Sudirman, Lannai & Hajering [3] showing a positive and significant effect on taxpayer compliance in KPP Pratama Makassar Utara even though it is not specific which taxpayer the researcher mean in their study, for tax socialization according to Handayani, Harimurti & Kristanto [4] has also found a positive and significant effect upon the tax compliance of the batik seller in Klewer Market Surakarta, and the tax administration services based on the study of Astana & Merkusiwati [5] also shows a positive and significant effect to the individual's tax compliance in KPP Pratama Gianyar Bali. All the phenomenon mentioned above is the reason for researching MSME taxpayers' compliance with the aims to determine the influence of subjective norms, tax socialization and tax administration services

on MSME taxpayers' compliance registered at the North Jakarta Regional Tax Office. The research contribution is to provide an input to the Indonesian Government's future agendas such as for the improvement of the taxpayers' approach, the regulation, the procedure and the system, with a deep perspective regarding the individual MSME's tax behavior in order to improve the Indonesia's tax ratio effectively.

GRAND THEORY

Attribution Theory

According to Robbins [6], if individuals observe the behaviour of another individual, it will trigger their curiosity to define if it is coming internally or externally, internal attribution behaviour is the behaviour which is under control of the individual itself or coming from their personality, conscious and ability, the external attribution behaviour is coming from social influence from other people and will be dependent to the situation. There is 3 factors which defining the internal or external of the attribution and it is consensus, consistency, and exclusivity, when this 3 factors combined, then an individual can perceive whether an action is controlled by internal or external factors.

Consensus is a common view among people in a same situation regarding how to respond the behaviour of other people, if the consensus is on a high level then it is an internal attribution, and it is an external attribution if it is on a low level. Consistency, if every behaviour conducted compare to the previous behaviour showing a consistent reaction, then the stronger the assumption of a consistent behaviour if the consensus is on a par level with the previous behaviour. Exclusivity, an individual will take the behaviour of another individual differently in a different situation, if the behaviour of the individual is deemed an extraordinary behaviour, then the observer will take it as an external attribution and the other wise.

Theory of Reasoned Action

According to Ajzen [7], this theory explains the basic will of an individual's action with a consideration whether to do or not to perform such a behaviour, there are 2 determining factor which is a combination of positive and negative judgment upon an attitude regarding a behavioural factors and beliefs about a consequence of a certain behaviour and subjective norms which is a combination of perceptions regarding pressure, rules and social norms which develop into a behaviour.

Subjective Norms

According to Michener, Delamater, & Myers [8] subjective norms is a individual perception to a social pressure that exists and identical to a individual's belief in the reaction or opinion of other people and/or groups regarding whether an individual should or should not doing a certain thing and push individual to follow the opinion of other either individual and/or groups. Subjective norms for a person may or may not be affected by social pressures, the basis of subjective norms is a normative belief with the measurement method of expectation framework [7].

Tax Socialization

According to Mardiasmo in 2018 [9] tax socialization is a part of educational understanding in the form of regulations regarding taxation procedures with methods adapted for the community and persuasively with tax information, description, understanding and knowledge. Socialization can influence the objectives and beliefs of taxpayers in the process of fulfilling their tax obligations. Tax socialization is intended to create understanding and awareness for taxpayers to deposit and report their tax obligations in a timely manner according to laws and regulations. Study by Winerungan [10] the ineffectiveness of tax socialization will lower the level of the tax compliance.

Tax Administration Services

Tax administration services according to Sophar [11], are methods and/or procedures and tax collections that play a vital role in implementing tax regulations and state revenues mandated by the State Budget. Tax administration services are an effort to increase taxpayer compliance in fulfilling their tax obligations, tax administrative service is one of the costs that must be carried out optimally for maximum tax revenue, modernization, and efficiency of tax administration since the arrival of the Covid-19 pandemic is expected to facilitate the fulfilment of tax obligations from taxpayers. Individual and/or corporate taxes are in line with Directorate General of Taxes, where the objectives to be achieved from updating tax administration are to increase public trusts and productivity also integrity of tax officers in order to increase voluntary tax compliance.

Toshiyuki in 2001 [12] provide several conditions for tax administration services that must be prioritized, as follows: tax administration must be able to secure state revenues, based on laws and regulations and be transparent, able to implement fair and legal taxation in accordance with applicable regulations and eliminate arbitrariness, arrogance and selfish behavior , able to prevent and provide fair sanctions and punishments for irregularities that occur, implement an efficient and effective tax system, improve tax compliance, provide support to the business world, and able to contribute to the growth of democracy in society.

Tax administration efficiency can be stimulated by providing special units for large companies, increasing special taxation for individual taxpayers and/or MSME entities, and using banking services for tax collection.

The Study of Astana & Merkusiwati [5] that taxpayers will comply if the quality of the tax administration service system is very good and makes it easier for taxpayers to fulfill their tax obligations.

In line with the Study of Nuzril, Handayani & Nuzula [13] The more complete the instructions contained in the form and the ease of accessing E-filling and E-SPT, the taxpayer will generate a willingness to pay which will increase taxpayer compliance. On the other hand, the less the instructions presented, the more disobedient the taxpayer will be. The full explanation presented in the tax formula will make it easier for taxpayers to understand the content and implement it. Instructions that are presented in a complete and easy to understand manner will make it easier for taxpayers to carry out their tax obligations, so as to minimize taxpayer errors.

MSME Taxpayers

Government regulations No. 23 in 2018 regarding tax of businessmen (individual and entity) Micro, Small and Medium Enterprise has been issued to push an active role of MSME in the national economy activities where MSMS can absorb almost 97% of the total local workforce and contributes to 61,41% to Gross Domestic Product.

Referring to article 3 of the government regulations No 23 in 2018, individual taxpayers and/or entities who have the gross turnover not more than Rp. 4.800.000.000,00 within a year, with exception for taxpayer who choose to be charged with withholding tax refer to article 17 paragraph 1 and 2a or article 31 E also with taxpayers who have special skill and related to freelance type of work which refer to article 2 paragraph 4 and other type of business which stated on article 3 paragraph 2.

Taxpayers Compliance

According to Fidel in 2008 [14] taxpayer compliance is a form of awareness of taxpayers in fulfilling their tax obligations and a determine factor that affects state revenues, especially in the self-assessment system which delegates responsibility to taxpayers in calculating, reporting and paying taxes they owed to the state, where compliance is expected to be a voluntary and not coercive.

There is two types of tax compliance as follows: (i) Formal Compliance, a situation where the Taxpayer fulfills his tax obligations normally in accordance with the Law, which includes: (a) Taxpayers pay their tax on time; (b) Taxpayers pay their tax accordingly; (c) Taxpayers do not have the outstanding land and building tax, (ii) Material Compliance, where a condition of the Taxpayer that essentially/substance fulfills all tax provisions, namely in accordance with the content and spirit of the Taxation Law, which includes: (a) Taxpayers willing to share all of his tax information if it is requested by the officer; (b) Taxpayers will be cooperative with the officer in carrying out the process of the tax administration; (c) Taxpayers are sure that fulfilling their tax obligations is a sign that they are a good citizen [15].

Tax compliance also comes from awareness where this awareness is part of the motivation that comes from within oneself or motivation that comes from external factors in this case from the tax authorities. The government through the Directorate General of Taxes has carried out major tax reforms through an administrative system that is almost entirely digital, starting from registration services, deposit services, filing and giving tax incentives. In accordance with the Regulation of The Minister of Finance Number No. 192/PMK. 03/2007, there is requirements for taxpayers to be assessed as an obedient taxpayer as follows: (i) on time submission of the tax returns, (ii) for not having tax arrears for all kind of taxes, except for tax arrears which already got permission to pay the tax in instalment manner or delay in payment.

Tax compliance according to the Study result of Marcelline & Yuniarwati [16] about Factors that contribute to tax compliance in Primary Tax Office at Jakarta Palmerah confirm that the awareness of the taxpayers greatly affects the level of tax compliance, where the awareness of the taxpayers also having influenced by the subjective norms.

The act of not fulfilling the tax compliance obligations of individual and/or corporate taxpayers known as tax avoidance is divided into two forms, as follows: (i) substantive tax planning, transferring a tax subject to a country that can provide special treatments for a certain

type of income, transferring a certain tax object to a country that provides special treatments for a certain type of income, and lastly, transferring a tax subject and object to a country that will provide special treatment for a certain type of income, then (ii) maintain the economic substance of a transaction by choosing a formal form of the type of transaction that will result in a lower tax burden [17].

Jonathan & Tandean [18] stated that there is three character in the form of tax avoidance, as follows: (i) an artificial element where the existing arrangements seem to have the element that actually does not have it, this can be made possible due to the absence of the tax factor, (ii) the use of legal loopholes from the law and/or the application of legal provisions for various purposes, where this is not the intention of the law, (iii) a tax consultant shows steps or ways to implement tax avoidance practices with a guarantee that the taxpayer maintains the confidentiality of this practice.

According to Hassan [19] in the book of Tax Audit Techniques in Cash Based Economies: A Practical Guide, there is factors that can lead the society to reluctant to fulfil their tax obligation, as follows:

1. Psychology, when tax payments are due at the end of the year coinciding with the highest period of consumption, people will psychologically refuse to fulfill their tax obligations;
2. History, people's perception that taxes are a product of colonialism this makes people refuse to pay taxes;
3. Religion, the view of religious leaders who justify about not paying taxes is not a sin this worsens the level of tax compliance;
4. Low of tax education, low levels of education make it more difficult to understand the importance of paying taxes, especially in developing countries;
5. Low social ethics, this indicated by the low fulfilment of tax obligations;
6. The absence of social taboo, obedience to the law is considered a weakness and lack of courage spread by fellow people in the society who then become the norm in society;
7. Low of prevention, the lack of information regarding law enforcement against tax evasion actors increases the public's sense of courage to commit tax violations;
8. Using cash, the spread of the cash payment increases the tax avoidance behaviour;
9. Commercial Influence, when suppliers and/or distributors want to hide their transactions by influencing the traders under them, the scheme further increases tax violations in that country;
10. A Very Complex Law, the more complex the law, the higher the law violation by the society;
11. Complex Procedure, the society will be compelled to violate the law due to the complexity procedures required for them to fulfil their tax obligations;
12. High Rate, the higher the rate prove to the higher tax avoidance.

The attribution theory related to subjective norms to the MSME taxpayers' compliance due to the attitude of the taxpayer in assessing the tax itself. How they determine to comply or not to comply to their tax obligation will depends on the internal and also the external influence. Theory of reasoned action applies to a behavior which is fully under control of the individual because there are factors that can hinder or encourage the realization of the intentions into behavior. Indicators of subjective norms in this study refer to Study from Elia Mustikasari in 2017 [20], as follows:

1. The influence of friends and co-workers. Friends and/or co-workers can greatly influence and motivate the behaviour of an individual in fulfilling all, partly or not fulfilling at all their tax obligations.
2. The influence of tax consultants. Tax consultants as partners of the Directorate General of Taxes through 4 associations of tax consultants in Indonesia are responsible for being a good agents of tax socialization that can affect the level of tax compliance of individual taxpayers and corporate taxpayers.
3. The influence of the officers of the Directorate General of Taxes. The front line of Indonesian taxation, namely officers from the Directorate General of Taxes, has a vital role in assisting taxpayers in fulfilling their tax obligations.

The influence of subjective norms to MSME taxpayer's compliance, according to Sudirman, Lannai & Hajering [3] in their study concluded that there is a positive and significant effect between subjective norms on taxpayer compliance. The same thing was stated by Darmawan & Adi [21] who found that the higher subjective norms, the more positive it will be with the high compliance of MSME taxpayers. Based on the theoretical review and the results of previous Study, the following study hypotheses can be formulated:

H1: Subjective norms has a positive and significant effect on MSME taxpayer's compliance.

When an individual gets a better knowledge about something, it will change their point of view regarding an action, the internal and external influence effect of the attribution theory and a combination of perceptions regarding pressure, rules and social norms of the theory of reasoned actions are playing a big role in tax socialization.

Indicators of tax socialization according to Arviana & Indrajati [22] through the use of media in providing information, providing taxation materials and information, providing information by officers at the tax service office, media used by service officers, counselling services at tax service offices.

The influence of tax socialization to MSME taxpayer's compliance, The Study of Handayani, Harimurti & Kristanto [4] has found that there is a positive and significant effect of the tax socialization to tax compliance. This is supported by a Study conducted by Maxuel & Primastiwi

[23] which stated that if the taxpayers is being given a comprehensive understanding through socialization, then they will have knowledge of the importance of paying taxes. Therefore, the more often taxpayers receive socialization, the taxpayer will understand more about taxation, so that compliance as a MSME taxpayer will be increased. Based on the theoretical review and the resultsof previous Study, the following Study hypotheses can be formulated:

H2: Tax socialization has a positive and significant effect on MSME taxpayers' compliance.

Attribution theory effect certainly will have a huge impact with a good tax administration service because it will make a good impression and encouragement for individual to realize and to fulfiltheir tax obligations due to their awareness of being appreciated and served, a bad service willreduce taxpayer's interest in fulfilling their tax obligations.

The influence of tax administration services to MSME taxpayer's compliance, according to Astana & Merkusiwati [5] and Nuzril, Handayani & Nuzula [13] that there is a positive effect of the implementation of tax administration service system to tax compliance, the compliance will be higher if the quality of the service is good and easy for taxpayers to fulfill their obligations.

Indicators of the effectiveness of tax administration is if it can overcome problems, as follows: ease of understanding service procedures, clarity and certainty for taxpayers, effective and efficient services, and speed and timeliness of services, and information disclosure [24]. Justice is an important element in the design of tax administration services, a system that can increase public trust will increase taxpayer voluntary tax compliance.

The ability of the officers regarding tax administration services is an absolute requirement to maintain the image of the institution, therefore it needs to be maintained so that things that can interfere with the satisfaction of the taxpayer do not happen. With good tax administration service system and easy to understand it will affect taxpayer compliance. Based on the theoretical review and the results of previous Study, the following Study hypotheses can be formulated:

H3: Tax administration services has a positive and significant effect on MSME taxpayers' compliance.

2. RESEARCH METHOD

The design of this research can be described as follows:

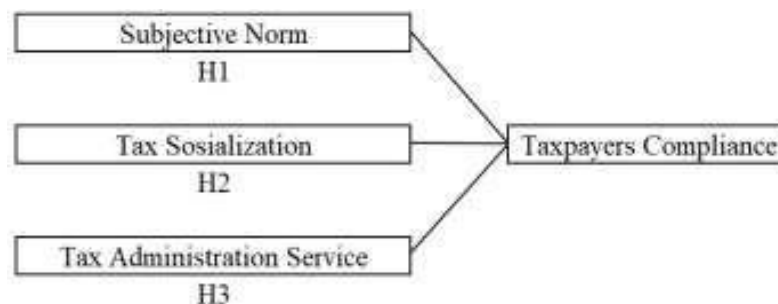


Figure 1. Research Design

Study methodology which will be studied has been designed to answer the Study problem formulation questions and test the selected hypotheses. The hypothesis will be tested through data analysis with the Partial Least Square (PLS) statistical analysis tool to estimate the path model using latent variables or constructs with various indicators Ghozali & Latan [25], to get the value of the latent variable.

Referring to the problems and Study objectives that have been described in the previous chapters, this Study is categorized as quantitative Study that uses primary data in the form of questionnaires, also the Study method used in this Study is quantitative (positivistic) methods. referred to as the positivistic method because it is based on the philosophy of positivism which views that reality/symptoms/phenomenon can be classified, relatively fixed, concrete, observable, measurable and the relationship of symptoms is causal. According to Sugiyono [26] Quantitative methods are used to examine certain representative populations or samples,

the Study process is deductive, whereto answer the problem formulation, concepts or theories can be formulated so that hypotheses can be formulated.

Based on the characteristics of this Study, this type of Study is correlational, according to Sekaran & Bougie [27] The Study is used to assess cause-and-effect relationships to make generalizations and then test the hypothesis on the relationship of all the variables studied (causal Study) through certain correlational or regression analysis, with the time dimension of the Study involving a certain time with a large number of samples (cross sectional).

The variables to be studied are Subjective Norms, Taxpayer Registration Services, and Tax Administration Services, as independent variables (X; X2; X3), namely variables that affect other variables (Y), while MSMEs' Individual Taxpayer Compliance is the dependent variable (Y).

The scale that is generally used in the preparation of the questionnaire is the ordinal scale or often called the Likert scale [28]. In this study, the researcher used a Likert Scale scoring system. The Likert scale measures ordinal because it can only make rankings but it cannot be known how many times one respondent is better or worse than another respondent in the scale value, while in the useof parametric statistics with regression analysis, the measurement scale commonly used is a minimum interval, so it is increased the level of measurement scale from ordinal to interval. This method is an attitude statement scaling that uses the response distribution as the basis for determining the scale value. There are five types of response alternatives on the Likert Scale, as follows: strongly disagree (STS - 1), disagree (TS - 2), neutral (N - 3), agree (S - 4), strongly agree (SS - 5).

This study uses an interval scale through a Likert scale so that it can be processed through Smart PLS 3.0. Likert scale is used to measure attitudes, opinions and perceptions of a person or group of people about social phenomena in accordance with this study [26].

Respondents answered questions from the questionnaire and then converted it through a Likert scale. The statement "strongly agree" has a higher level or preference than "agree" and "agree" is higher than "neutral"[28].

Table 2. Likert Scale Measurement

No	Information	Score
1	Strongly Agree (SS)	5
2	Agree (S)	4
3	Neutral (N)	3
4	Disagree (TS)	2
5	Strongly Disagree (STS)	1

3. RESULTS AND DISCUSSIONS

Variable Operationalization

Operationalization is a description of an exploratory framework that describes a variable or sub-variable for concepts, dimensions, metrics, and measures to obtain variable values. The

operationalization of variables in this study is a construct variable, namely a variable that cannot be measured directly, but is formed through the observed dimensions, usually these indicators are observed using a questionnaire [28]. According to Sugiyono in 2016 [29] variables are all forms of research conducted by researchers that aim to collect data and information so that researchers can draw conclusions. The variables in the study are divided into 2, as follows:

1. Independent Variable

The variable which is not influenced but the cause to the changes of the dependent variable. The independent variable in this study is Subjective Norms (X_1), Tax Socialization (X_2), Tax Administration Services (X_3)

2. Dependent Variable

The variable being tested and measured in an experiment, and is 'dependent' on the independent variable. This variable is being denoted with symbol "Y". The dependent variable in this study is MSMEs' Individual Taxpayer Compliance (Y).

Table 3. Classification of Latent Variables and Indicator Variables

Latent Variables	Indicator of Variables
Subjective Norm (X_1)	1. Influence of Friends and Coworkers
	2. Influence of Tax Consultants
	3. Influence of DJP Officials
Elia Mustikasari (2007)	
Tax Socialization (X_2)	1. Use of Media in Providing Information
	2. Provision of Tax Materials and Information
	3. Provision of Information by KPP Officers
	4. Media used by KPP Officers
Nerissa Arviana & Djeni Indrajati W (2018)	
Tax Administration Service (X_3)	1. Ease of Tax Administration Service Procedures
	2. Clarity and Certainty
	3. Effectiveness and Efficiency
	4. Speed and Accuracy
	5. Information Disclosure
Sedarmayanti (2017)	
Taxpayer Compliance (Y1)	1. Formal Compliance
	2. Material Compliance
Safri Nurmantu (2010)	

Data Collection Technique

The method of data collection is an important factor in the success of a study. This relates to how the data, sources and tools used in the research are collected. While the data collection tools used in this study were checklists, questionnaires, and others.

According to Sugiyono [29] Data collection techniques are the most important step in research, because the main purpose of research is to obtain data. Without knowing data collection techniques, researchers will not get data that meets the data standards set. In this research,

researchers collect data based on the source. The data collection techniques used include as follows:

Field Research

The main data or primary data sources are data sources that directly provide data to data collectors through field research. Researchers obtained data in this research by distributing questionnaires related to the variables to be studied which is MSME Individual Taxpayers registered at the North Jakarta Regional Tax Office.

Library Research

In this study, researchers conducted library research by collecting data related to research, collecting the necessary information through books, journals, articles, data from the internet, theses and research theses that had been carried out previously at the North Jakarta Regional Tax Office.

Research's Subject and Object

1. Sample and Population

Population is the whole research subject [30]. Sugiyono [29] stated that that population is a generalization domain consisting of objects/subjects with certain characteristics determined by researchers in research to be studied and then can be drawn conclusions.

In this study, the population is MSMEs' Individual Taxpayer Compliance which registered at North Jakarta Regional Tax Office which the total amount of them is unknown. Therefore, for cost and time management efficiency, not all of them are being an object of this study. Thus, researcher use a sampling.

Sample is part of the size and characteristics of the population. Researchers can use samples taken from the following population, if the population is too large so researchers cannot study the entire population due to limited funds, manpower, and time [29]. According to Arikunto [30] stated that the determine factor before sampling are as follows:

If it is less than 100 then it is better to not doing the sampling so the study will use the whole population. If the total amount of the subject is massive, the researcher can take between 5%-10% or 10%-15% or more, it will also depend on the condition as follows:

- 1) Researcher capability of time, energy, and cost.
- 2) The coverage of the observation field of every subject and this will also be affecting the research's cost.
- 3) The risk bear by the researcher, the bigger the risk, the better for researcher to take a bigger amount of sample.

Thus, in this study, the researcher takes the sample of 100 respondent.

Sampling Technique

Sampling Technique in this study is using a non-probability sampling which not all of the population being given a chance to be a sample. The technique of this research is purposive

sampling which is a technique to define a sample with a certain consideration, selection of a group of subjects based on the previous known population characteristics and a certain criterion based on the purpose of this research. Respondent's criteria are as follows:

1. MSMEs' Individual Taxpayer who registered at North Jakarta Regional Tax Office;
2. The minimum of age of the respondent is 20 years.

For demographical data for the respondent are as follows gender, age, individual taxpayer status (employee, MSME, or freelance), annual income per year as an employee or freelance, annual gross sales for MSMEs', Tax ID ownership, and registered at North Jakarta Regional Tax Office.

Respondent Characteristic

The characteristic results of the questionnaires in this study amounted to 100 MSMEs registered at the North Jakarta regional tax office by gender with 72 men and 28 women, with 28 people at aged 20-29 years, 60 people in the range 30-39 years, and 12 people at 40-49 years, gross turnover of 45 people in the range of Rp. 250,000,000.00 up to Rp. 500,000,000.00 and 55 people in the range of Rp. 500,000,000.00 up to Rp. 750,000,000.00.

Manual interactive assumption generation

The results of Subjective Norm, Tax Socialization, Tax Administration Services and MSMEs Individual Taxpayer Compliance based on table 4.1 below indicate that the average respondent's answer is relatively the same as the standard deviation value <1.

Table 4. Descriptive Statistics

	N	Min	Max	Mean	Standard Deviation
X1	100	2	5	0.318	0.089
X2	100	2	5	0.146	0.086
X3	100	2	5	0.372	0.072

Source: Study Result 2022, with Smart PLS 4.0

Validity test according to Hair et. al in 2008 [31] that the loading factor with value higher than 0.5 is practically will be deemed valid, the result shows that all variable from subjective norms, tax socialization, tax administration services, and MSME's taxpayer compliance all deemed valid and can be used to be a measurement tool in this study with outer loading's value higher than 0.5 for every variable in this study.

The Study path diagram was made using Smart PLS 4.0 software with the variables of Subjective Norms, Tax Socialization, Tax Administration Services and MSME Individual Taxpayer Compliance as follows:

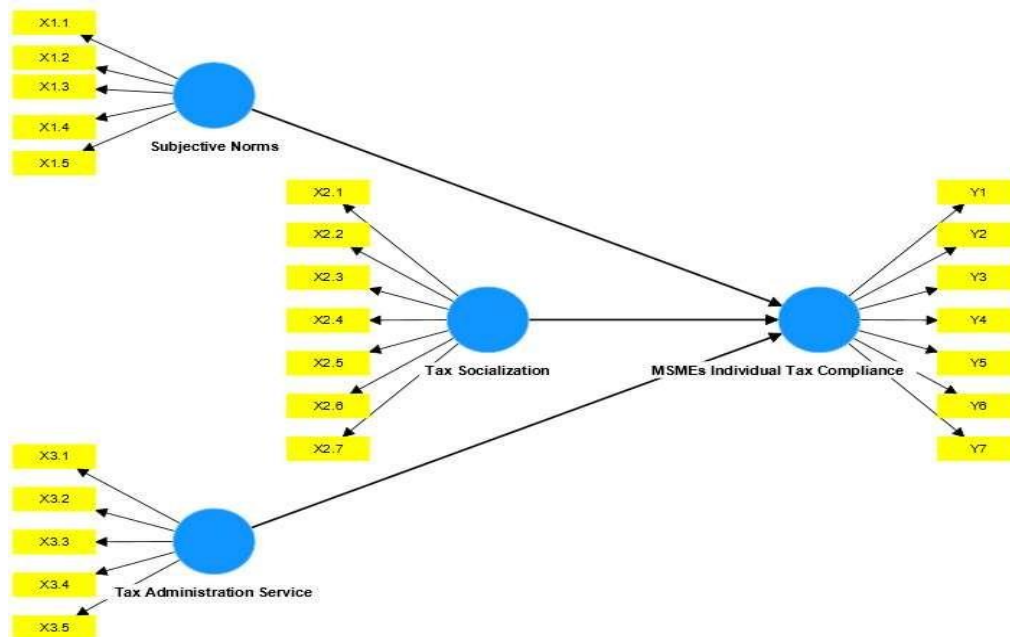


Figure 2 Path Diagram
 Source: Smart PLS 4.0

The result of Average Variance Extracted with criteria > 0.5 to fulfil the validity test presented is as follows:

Table 5. Average Variance Extracted (AVE)

Variable	Average Variance Extracted (AVE)
MSMEs Individual Tax Compliance	0.597
Tax Administration Services	0.604
Subjective Norms	0.617
Tax Socialization	0.597

Source: Study Result 2022, with Smart PLS 4.0

Discriminant validity

According to Fornell & Larcker in 1981 [32] which quoted by Arhjari in 2004 [33] the value shows of square root of average variance extracted and according to Narimawati & Sarwono [34] the cross-loading value which pass the validity test should be higher at the intended construct than the correlation value of the latent variables in the other constructs. Result presented as follows:

Table 6. Fornell Larcker Criterion

Variable	MSMEs Individual Tax Compliance	Tax Administration Services	Subjective Norms	Tax Socialization
MSMEs Individual Tax Compliance	0.773			
Tax Administration Services	0.601	0.777		
Subjective Norms	0.579	0.488	0.786	
Tax Socialization	0.537	0.576	0.576	0.773

Source: Study Result 2022, with Smart PLS 4.0

Reliability Test

According to Hair et. al [31] a reliable questionnaire if the minimum value produce is at 0.7 even though the level at 0.6 will be still accepted, and will be deemed bad if the level is below 0.6. The result of Cronbach Alpha dan Composite Reliability test as follows:

Table 7. Cronbach Alpha & Composite Reliability

Variable	Cronbach's Alpha	Composite Reliability (rho_a)
MSMEs Individual Tax Compliance	0.886	0.889
Tax Administration Services	0.834	0.836
Subjective Norms	0.845	0.846
Tax Socialization	0.887	0.894

Source: Study Result 2022, with Smart PLS 4.0

According to the results above, all variable used as an instrument of this study is reliable and canbe used as a data collection tool shown at the Cronbach Alpha value of all the variable is higher than 0,6 so the measurement results is trustworthy.

Structural Model Test

According to Indahyanti [35] structural model test's aim to test the presence or the absence of influence between the construct variables. This Study model is done by using R^2 to assess how much variation level of the independent variable to the dependent variable. The results of testing the R^2 value in this study are as follows:

Table 8. Coefficient of Determination (CD)

Variable	R²	R² Adjusted
MSMEs Individual Tax Compliance	0.48	0.464

Source: Study Result 2022, with Smart PLS 4.0

The coefficient of determination of Subjective Norms, Tax Socialization, Tax Administration Services on MSMEs Individual Taxpayer Compliance is amounting to 0,480 (48%) according to Chin in 1998 [36] with criteria between 0,33 to 0,67 showing that the model in this study is within a moderate level of influence and also that MSME Taxpayers' Compliance can be explained by Subjective Norms, Tax Socialization, and Tax Administration Services can be explained by 48% and the remaining 52% out of MSME Taxpayers' Compliance can be explained by other variables which is not included in this study.

According to Hair et al [37] coefficient of the inner model level will show a significant level in the hypotheses test, where the coefficient level should be higher that the value of t statistic (1,96) to two tailed tests with alpha level at 5%, the result shows that all variable of subjective norms, tax socialization, tax administration services and MSME taxpayers' compliance in this study will be deemed significant with a significant level higher than 1,96.

Hypothesis testing is done by assessing the results of t statistics at a 95% confidence level, 5% significance level and the path coefficient (Beta) of each effect between the hypothesized variables in this study using the two-tailed test which has a significance level of 1.96. The following table will present the results of testing the effect between variables used by researcher for testing research hypotheses as follows:

Table 9. The Results of Hypotheses Test

Descriptive Statistics	t-Statistics (O/STDEV)	p-Values	Test Results	Decision
Subjective Norms	3.600	0.000	Positive and Significant	Hypotheses 1 accepted
Tax Socialization	1.692	0.091	Negative and Not Significant	Hypotheses 2 rejected
Tax Administration Services	5.011	0.000	Positive and Significant	Hypotheses 3 accepted

Source: Study Result 2022, with Smart PLS 4.0

Discussion

1. The Influence of Subjective Norms to MSMEs Individual Tax Compliance (H1)

The result of this study shows that the proposed hypotheses is accepted that there is a positive and significant influence of Subjective Norms to MSMEs Individual Tax Compliance who registered at North Jakarta Regional Tax Office amounting to (0.319) with t-statistics (3.600 > 1.96) and p-value (0.000 < 0.05). Refer to the attribution theory, the behaviour of taxpayer who is willing to fulfil their tax obligation is being influenced of the internal and external factor which is the awareness build by themselves and other taxpayer around them, also the theory of reasoned action which make them decide to fulfil or not to fulfil their tax obligation by comparing the benefit and the harm of doing so. These results align with the study of Sudirman, Lannai & Hajering [3] and Darmawan & Adi [21].

2. The Influence of Tax Socialization to MSMEs Individual Tax Compliance (H2)

The result of this study shows that the proposed hypotheses is rejected that there is a negative and not significant influence of Tax Socialization to MSMEs Individual Tax Compliance who registered at North Jakarta Regional Tax Office amounting to (0.145) with t-statistics ($1.692 < 1.96$) and p-value ($0.091 > 0.05$). The ineffectiveness of tax socialization can also be caused by various factors, in this study one of the causes is that the socialization carried out by the North Jakarta Regional Office through social media is still less effective because it cannot reach through all taxpayer registered, especially MSMEs at the Jakarta Regional Tax Office, are active in the social media. On the other hand, the level of tax socialization carried out by the local government does not have much influence on the obedience level of the taxpayers to fulfill their tax obligation, according to attribution theory and theory of reasoned action, it is very essential to build up the awareness of the taxpayer through tax socialization which not only focus to deliver a new regulation. If someone has good awareness, they will be more obedient in carrying out their tax obligations. The results of this study are supported by research conducted by Winerungan [10] which states that tax socialization does not affect the compliance of individual taxpayers registered at KPP Pratama Manado and Bitung, it is due to a lack of public awareness of the importance of taxes for sustainable development of the country.

3. The Influence of Tax Administration Services to MSMEs Individual Tax Compliance (H3)

The result of this study shows that the proposed hypotheses is accepted that there is a positive and significant influence of Tax Administration Services to MSMEs Individual Tax Compliance who registered at North Jakarta Regional Tax Office amounting to (0.362) with t-statistics ($5.011 > 1.96$) and p-value ($0.000 < 0.05$). By referring to the attribution theory, it is clear that the behaviour of the taxpayer can be influenced by the external factor which is the tax administration services, a good services will increase the voluntary tax compliance, and according to the theory of reasoned action which explain the effect of the tax administration services to the behaviour of the taxpayer to fulfil their tax obligation as expected with a good services delivered by the tax officer. This result is aligned with the study of Astana & Merkusiwati [5], and Nuzril, Handayani & Nuzula [13].

Table 10. F-Square

	MSMEs Individual Tax Compliance
Subjective Norms	0.124
Tax Socialization	0.023
Tax Administration Services	0.159

Source: Study Result 2022, with Smart PLS 4.0

A guideline to assess the f-square (effect) according to Hair et. al (2017) is the value (0.02 = low), (0.15 = moderate), and (0.35 = high). The result of this study shows that the influence of the Subjective Norms to MSMEs Individual Tax Compliance has a low to moderate structural influence level amounting to (f-square = 0.124). The influence of Tax Socialization to MSMEs Individual Tax Compliance has a low structural influence level amounting to (f-square = 0.023).

The influence of Tax Administration Services to MSMEs Individual Tax Compliance has a moderate structural influence level amounting to (f-square = 0.159).

Table 11. SRMR

	Saturated Model	Estimated Model
SRMR	0.082	0.082
d_ ULS	2.025	2.025
d_ G	1.005	1.005
Chi-square	507.744	507.744
NFI	0,687	0,687

Source: Study Result 2022, with Smart PLS 4.0

SRMR value is the average of all differences between the tested data and the indirectly correlated model. An average value of zero (SRMR = 0) indicates there is no difference between the tested data and SRMR = 0 indicates a perfect fit. According to Worthington [38], SRMR value which is still considerate to be a fit model is with a value of < 0.10, and according to Schermelleh et. al [39] SRMR value which lower than 0.10 will be still acceptable. The result of this study can be seen on Table 11 SRMR value amounting to 0.082, this means the model proposed is fit and close to the empirical data and the estimated results of the model correlation matrix are close to the empirical data correlation matrix.

4. CONCLUSIONS AND SUGGESTIONS

Conclusions

According to the result of this study and data analysis, the conclusions is as follows:

1. Subjective Norms has a positive and significant influence to MSMEs Individual Tax Compliance which registered in North Jakarta Regional Tax Office. This has shown at the value of the T statistic amounting to 3,600 higher than 1,96.
2. Tax Socialization has a negative and not significant influence to MSMEs Individual Tax Compliance which registered in North Jakarta Regional Tax Office. This has shown at the value of the T statistic amounting to 1,692 lower than 1,96.
3. Tax Administration Services has a positive and significant influence to MSMEs Individual Tax Compliance which registered in North Jakarta Regional Tax Office. This has shown at the value of the T statistic amounting to 5,011 higher than 1,96.

Suggestions

Limitation of this research is the instrument used which is a questionnaire so the data collected only describes the opinion of the taxpayer as an object of this research, and the limited time spend on this research so that researcher did not control the physical and psychological conditions of the respondent when they were filling out the questionnaire also the results of this study on the Tax Socialization variable show a low statistical t-value, which means that there are iance registered at the North Jakarta Regional Tax Office, so that further researchers are expected to be able to explore other variables that might affect the MSMEs Individual Tax Compliance.

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