Determinants of Taxable Enterprises Compliance in Bali, Indonesia

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Abstract

This study examines the determinants of compliance for taxable enterprises in Bali province. Taxable enterprises are parties appointed as collectors of value-added tax on the delivery of taxable goods and/or taxable services. Value-added tax is one type of tax that is more vulnerable to tax non-compliance. The three components of behavioral intention determinants based on the theory of planned behavior developed into attitudes (tax morale and taxpayer awareness), subjective norms (tax justice and trust in government), and perceived behavioral control (tax authority power, tax convenience, and tax information) were tested to determine their influence on the compliance intention of taxable enterprises. The theory of slippery slope as a supporting theory explains that if trust in the tax authority is low and the power of the tax authority is weak, it can lead to taxpayer behavior that tries to avoid taxes and reduce compliance. This research uses the probability sampling-proportional stratified random sampling method. The research sample was 100 taxable enterprises from the 10.697 population using the Slovin method. The results of the analysis show that tax morale, taxpayer awareness, tax justice, trust in government, tax authority power, tax convenience, and tax information have a positive effect on the compliance intention of taxable enterprises. The role of the theory of planned behavior, and the slippery slope theory are also strengthened by the results of the analysis, which overall explain that the compliance behavior of taxable enterprises is based on strong intentions, and the compliance intentions of taxable enterprises can increase if tax morale, taxpayer awareness, tax justice, trust in government, the power of tax authorities, tax convenience, and tax information increase.

Keywords: taxable enterprises compliance, theory of planned behavior, theory of slippery slope, determinants of intention.

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1. Introduction

Intentions in the tax sector play a crucial part in encouraging the level of voluntary tax compliance in every country, especially in Indonesia. Tax compliance intentions in Indonesia based on tax revenue data for semester I-2022 show very good performance with total revenue reaching IDR 868.3 trillion with details of Income Tax of IDR 562.6 trillion (72.9%), Value Added Tax (VAT) and Sales Tax on Luxury Goods amounting to IDR 300.9 trillion (38.2%), Land and Building Tax amounting to IDR 1.4 trillion (6.8%), and other taxes amounting to IDR 3.4 trillion (29.5%). Economists generally prefer the design of a Value Added Tax to be a tax on consumption because the main effect of a VAT is to drive a wedge between the price a consumer pays for a purchase and the price a supplier receives for the same sale. Value Added Tax is intended to tax individual consumption in a comprehensive, neutral, and efficient manner. VAT is a type of tax that is more susceptible to tax non-compliance, especially tax fraud resulting from poor law enforcement. Companies can also present fake tax invoices that allow taxpayers to minimize the tax burden, taxpayers even attempt to register personal gains through business entities to disguise personal consumption as company purchases(Alm, 2019). This statement is reflected in the following cases of criminals case of taxable enterprises in Bali Province.

The first case was carried out by KT as Director of CVRJ, KT was not reporting the delivery of Taxable Services and VAT that have been stored in the Notification Letter for the Value Added Tax period so the Value Added Tax deposited into the state treasury for the relevant tax period becomes nil or less than it should be, causing a state loss of IDR 1.1 billion. The next case was carried out by a person with the initials IKW through PT BDM, IKW is strongly...
suspected of having committed tax fraud cost the state IDR 832 million, and deliberately did not submit the Periodic Income Tax Notification Letter Article 4 paragraph (2) and the Additional Tax Period Notification Letter Mark.

The number of taxable enterprises in Bali Province continues to increase, but this increase is not accompanied by significant tax compliance. The compliance level of taxable enterprises tends to decrease from 2017 to 2022, this shows that the compliance intentions of taxable enterprises need to be investigated further.

Table 1. Level of Compliance in Reporting Periodic Value-Added Tax Notification Letters in Bali Province

<table>
<thead>
<tr>
<th>Year</th>
<th>Registered Taxable enterprises</th>
<th>Compliance Taxable enterprises</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>7,400</td>
<td>5,363</td>
</tr>
<tr>
<td>2018</td>
<td>7,919</td>
<td>5,507</td>
</tr>
<tr>
<td>2019</td>
<td>8,551</td>
<td>5,969</td>
</tr>
<tr>
<td>2020</td>
<td>9,001</td>
<td>6,021</td>
</tr>
<tr>
<td>2021</td>
<td>9,656</td>
<td>6,535</td>
</tr>
<tr>
<td>2022</td>
<td>10,697</td>
<td>7,357</td>
</tr>
</tbody>
</table>

Source: Regional Office of the Directorate General of Taxes, Bali Province, 2023

Based on Table 1, the number of taxable enterprises in Bali Province continues to increase, but this increase is not accompanied by significant tax compliance. The level of compliance of taxable enterprises tends to decrease from 2017 to 2022, this shows that the compliance intentions of taxable enterprises need to be investigated further. The theory of planned behavior (TPB) postulates three conceptually independent determinants such as attitude, subjective norms, and perceived behavioral control.

Attitudes are described by tax morals and taxpayer awareness. Tax morality is the belief that someone must contribute to society by paying taxes. Taing & Chang (2021) reveal attitudes in the context of tax compliance are also described through taxpayer awareness. Purba (2021) stated subjective norms in tax compliance are associated with tax fairness and trust in government. Tax fairness is one of the reasons for voluntary tax compliance behavior (Oladipo et al., 2022).

The theory of the slippery slope states that trust in the government system and applicable laws also encourages taxpayers' willingness to pay taxes, when taxpayers have high trust in the system (Latif et al., 2020). The public will have a sense of trust if there is an equal fiscal exchange between tax costs and goods and services provided by the government (Malik & Younus, 2019)

Perceived behavioral control is associated with tax authority power, tax convenience, and tax information. In the theory of the slippery slope power is the taxpayer's perception of the potential of tax officials in detecting illegal tax evasion, increasing the power of the authorities will most likely result in enforced compliance (Handoko et al., 2020)

Perceived behavioral control also refers to tax convenience. The complexity of taxes in understanding tax regulations shapes taxpayers’ perception of not fulfilling the tax obligation, tax authorities must make simple regulations so that they are easy to understand and implement. Taing & Chang (2021) argue that tax convenience influences tax compliance intentions. The intention to control perceived behavior also refers to tax information because tax information is not just about reminding you of the obligation to pay taxes and how to fill out tax return, but also explains the function or realization and importance of taxes for the country (Halimah & Juitania, 2022).

Compliance intentions in perceived behavioral control are predicted through tax authority, tax convenience, and tax information because the level of taxpayer compliance cannot be separated from the power of the tax authority whose task is to eliminate behavior that violates and does not apply to tax laws, then high tax convenience can give rise to uncertainty in tax regulations which can hamper economic growth, while in terms of tax information because taxpayer confidence depends on the amount of information known (Collier et al., 2018). This research uses demographic factors as control variables (age, education, and gender) to analyze population structure and processes in a region.

This research develops research by Taing & Chang (2021) in Phnom Penh, Cambodia by examining tax compliance intentions which are influenced by seven determining factors based on the TPB to test the compliance intentions of taxable enterprises, and the theory of slippery slope as a supporting theory to explain the influence the power of tax authorities, and trust in the government in the compliance intentions of taxable enterprises. This research will
examine the compliance of Taxable enterprises in the province of Bali because many studies conducted on income tax compliance, but comparatively value-added tax compliance is neglected and most studies about compliance value added tax have been dedicated in developed countries, apart from that the compliance ratio of taxable enterprises in Bali province in carrying out value-added tax obligations is below the target set by the government, namely 80 percent-85 percent (Alshira’h et al., 2020).

2. Hypotheses

Tax morals arise purely and intrinsically, not based on coercion and threats, thus enabling taxpayers who are taxable enterprises to spend some of their wealth to carry out their Periodic VAT SPT reporting obligations. Taing & Chang (2021), Timothy & Abbas (2021), and Kemme et al. (2020) argue that low morale can cause taxpayers to avoid taxes in various ways, moral involvement in a person's intentions will tend to lead to honest behavior and obeying the rules, thus having an impact on tax compliance.

H1: Tax morale influences the compliance intentions of taxable enterprises

Taxpayer awareness is the result of an evaluation that gives rise to the intention to behave in compliance. Kartikasari & Yadhvara (2020) stated that awareness is important so that every taxpayer carries out their tax obligations well. The emergence of taxpayer awareness occurs when taxable enterprises are faced with the importance of paying taxes, as well as tax enforcement such as audits, sanctions, and tax fines carried out by the tax authority (Nurwanah et al., 2018).

H2: Taxpayer awareness influences taxable enterprises’ compliance intentions

A person must carry out this behavior with one's motivation to follow (motivation to comply) with what one wants to do. Disobedient behavior among taxpayers will arise when taxpayers feel that the tax authority does not treat taxpayers fairly among other taxpayers. This shows that the perception of tax fairness is an encouragement that arises from the taxpayer's social environment which perceives that taxes are fair so that taxpayers are willing to carry out tax obligations as they should (Oladipo et al., 2022). If entrepreneurs perceive the government as accountable and transparent in using tax revenues then they will take the initiative to behave Obedience will appear naturally, and voluntarily (Abdul & Mcfie, 2018).

H3: Tax fairness influences the compliance intentions of taxable enterprises

The decline in the level of public compliance in the field of taxation is due to reduced trust and the emergence of poor perceptions of government performance. The theory of the slippery slope revealed that increasing trust can increase the power of the tax authority because the public indirectly supports tax officials, and makes the authority's work easier. This shows that social trust reflects an individual’s acceptance of authority (Malik & Younus, 2019). Every law enforcement carried out by the government can encourage voluntary tax compliance. Great trust in the government will produce a cooperative attitude and provide the intention to behave in compliance with tax regulations. It can be assumed that increasing real performance by the government can help increase taxpayers' sense of confidence after paying taxes (Latief et al., 2020).

H4: Trust in the government influences the compliance intentions of taxable enterprises.

Perceptions of legitimate power stem from the taxpayer's belief that tax authority has expertise. On the other hand, with coercive power, the tax authority can ensure taxpayer participation in the form of forced compliance. The application of maximum power cannot be achieved if, in the exercise of its power, the tax authority is not trusted by taxpayers, the reciprocal relationship between trust and power is important, if trust in the tax authority decreases, any action in the name of the authority tax will be considered invalid (Malik & Younus, 2019).

H5: The power of the tax authority influences the compliance intentions of taxable enterprises.

A complex tax system limits the possibility of taxable enterprises as taxpayers to comply with tax obligations because it will lead to higher compliance costs and obstacles for taxpayers that reduce compliance preferences. The complexity of understanding tax regulations can make taxpayers lazy in carrying out tax obligations, so tax authorities must make regulations in simple language so that they are easy for taxpayers to understand and implement. Tax convenience arises when there is a less detailed explanation, and changes occur dynamically, but now a detailed explanation of a tax policy is the most important thing compared to changes in the tax sector, so it can be assumed that there is tax convenience that is easy to understand. then the intention of taxable enterprises to comply with tax regulations will increase (Taing & Chang, 2021).
H6: Tax convenience influences taxable enterprises' compliance intentions

The main beliefs of taxable enterprises depend on the amount of information known, the availability of clear tax information, and information that is easy to understand and easy to obtain are several factors that can increase the compliance intention of taxable enterprises. Tax information must be accurate and adequate. The strategies that must be considered when you want to disseminate tax information are counseling, how to disseminate information, and the information media used. This shows that taxable enterprises' perceptions regarding tax information can influence taxable enterprises' compliance intentions in carrying out tax obligations (Halimah & Juitania, 2022).

H7: Tax information influences the compliance intentions of taxable enterprises

3. Research Method and Materials

The research design uses a quantitative approach with a level of explanation in the form of associative research with a causality type. When the sample, type, and data source have been determined, the data that has been obtained is then tested using SEM-PLS. After obtaining the test results, the results are interpreted to answer the research problem formulation so that the objectives and benefits of the research can be achieved. This research was carried out on registered taxable enterprises at each tax service office in the province of Bali. The compliance ratio of taxable enterprises in carrying out value-added tax obligations is below the target set by the government, namely 80 to 85 percent. The increase in the number of taxable enterprises should have a direct impact on the compliance ratio in carrying out value-added tax reporting. The sample determination method is proportional stratified random sampling. The number of samples used was 100 respondents, examined using questionnaires.

Tax morality in this research is the perception of taxable enterprises that originate from pure and intrinsic motives, not based on coercion and threats. The indicators used to measure tax morale are quoted from Dharmawan & Adi (2021), namely ethics, feelings of guilt, life principles, and violating procedures.

Taxpayer awareness in this research is the perception of taxable enterprises, according to the stimulus provided by the taxation system and provisions. The indicators used to measure taxpayer awareness are quoted from Oladipo et al. (2022) which consists of knowledge about the risk of tax avoidance, the usefulness of taxes, and the importance of paying tax.

Tax justice in this research is the perception of taxable enterprises that arises when carrying out tax obligations voluntarily because the tax authority treats taxpayers fairly. Measurement of tax fairness quoted from Oladipo et al. (2022) which consists of horizontal justice, vertical justice, administrative justice, personal justice, and general justice.

Trust in the government in this research is the taxable enterprise's perception of the government in the form of actions, attitudes, and morality which are reflected in government policies that support the interests of society. The measurement of trust in the government is quoted from Dharmawan & Adi (2021) which consists of trust in the government system, trust in the legal system, and trust in the tax collection system.

The power of the tax authority in this research is the perception of taxable enterprises regarding the capacity of the government or the directorate general of taxes to carry out legal coercion and prosecution as a determinant of tax compliance. Measuring the power of the tax authority is quoted from Dharmawan & Adi (2021) namely the persuasive approach and the coercive approach.

Tax convenience in this research is the perception of taxable enterprises regarding the ease or difficulty in understanding tax administration provisions and tax regulations. Measures of tax convenience are quoted from Dharmawan & Adi (2021), namely the level of ease of tax administration, the level of ease of tax regulations, completeness of instructions, and the frequency of changes to tax regulations.

Tax information in this research is the perception of taxable enterprises regarding information, statements, ideas, or symbols that contain values, meanings, and messages, both data, facts, and explanations regarding the field of taxation. Measuring tax information is quoted from Dharmawan & Adi (2021) which consists of counseling, how to disseminate information, and the information media used.

The compliance intention of taxable enterprises in this research is the desire or initiative of taxable enterprises to behave in compliance or non-compliance as value-added tax collectors by applicable laws. The measurement of compliance intentions of taxable enterprises is quoted from Dharmawan & Adi (2021) which consists of the tendency to behave in compliance and the decision to comply with taxes.
4. Results and Discussion

4.1. Results

Distribution of questionnaires begins on May 22 2023 to July 14 2023 or the equivalent of 40 working days. 142 questionnaires were distributed, 26 questionnaires were not filled out and were not returned, 116 questionnaires were filled out, and 16 questionnaires were filled out but were incomplete, so 100 questionnaires could be analyzed. Calculation of this data produces a response rate of 82 percent for respondents and a return rate that can be analyzed (usable response rate) of 70 percent. The response of taxable enterprises in research can be said to tend to be good, although there are several reasons for taxable enterprises to be reluctant to participate, such as refusing to participate, admitting that they have already filled it out, and there are other preoccupations that require them to refuse to participate.

The highest percentage in the age distribution was 36 percent, namely in the 26 to 35-year age range, while the lowest percentage was 16 percent in the 17 to 25-year age range. This means that the majority of taxable individuals and/or corporate entrepreneurs in each Bali Regional Tax Service Office sampled are respondents aged 26 to 35 years. The distribution of respondents based on gender shows that the percentage of women and men is 50 percent each. This shows that the taxable enterprises in the research sample have a balanced number of men and women. Based on education level, the highest percentage is 61 percent, so the majority of taxable enterprises in the sample have a Bachelor’s degree. Grouping respondents based on registered Tax Service Offices showed that the highest percentage was 21 percent at the West Denpasar Primary Tax Service Office so that the majority of respondents in the research sample were registered taxable enterprises at the West Denpasar Primary Tax Service Office.

The interval value of the tax moral variable (X1) is 4.35 or close to 5.00, which means that the majority of respondents strongly agree with the tax moral questionnaire statement. The highest interval value is found in the indicator of violating ethics with an average value of 4.38. This shows that taxable enterprises know, follow, and comply with their tax obligations as value-added tax collectors, while the lowest interval value is 4.31, which means that there are still taxable enterprises who do not feel guilty or anxious if avoid obligations as value-added tax collectors.

The interval value of the taxpayer awareness variable (X2) is 4.31 or close to 5.00, which means that the majority of respondents strongly agree with the questionnaire statement regarding taxpayer awareness. The highest interval value is the knowledge indicator regarding the risk of tax avoidance with a value of 4.36, which means that the majority of taxable enterprises agree with the risks obtained when avoiding value-added tax, as well as knowing and understanding the collection mechanism, payment and reporting of value-added tax, as well as the possibility of being audited, apart from that the lowest interval value is for the tax usefulness indicator, namely 4.25, which means that there are still taxable enterprises that do not know the usefulness of the value-added tax paid to provide goods and services. needed, as well as protecting domestic production.

The interval value of the tax fairness variable (X3) is 4.29 or close to 5.00, which means that the majority of taxable enterprises stated that they strongly agree with the questionnaire instrument. The highest average value is found in the horizontal justice indicator with a value of 4.32, which means that taxable enterprises in the province of Bali know that for types of business that have relatively the same transactions, they have received a value-added tax rate that reflects horizontal justice, whereas The lowest interval value is the vertical justice indicator of 4.25, which means that there are still taxable enterprises who feel that the amount of value added tax paid is not by their capabilities.

The interval value of the variable trust in the government (X4) is 4.16 or close to 4.20 so the majority of taxable enterprises agree with the questionnaire statement regarding trust in the government. The highest average value is found in the indicator of trust in the government system, namely 4.18, which means that the majority of taxable enterprises in the Bali region feel that the government has managed value-added tax revenues well, and has the desire to carry out value-added tax obligations as they should when politicians and People’s representatives have carried out their functions and authority well, and strongly agree that corrupt behavior is a reason to avoid value-added tax obligations. The lowest interval value is found in the indicator of trust in the legal system with a value of 4.13, which means that taxable enterprises in the Bali region feel that law enforcement within the Directorate General of Taxes is currently not selective, and the legal system is running well for the benefit of people.

The interval value of the tax authority power variable (X5) is 4.24 or close to 5.00, which means that the majority of taxable enterprises strongly agree with the questionnaire statement regarding the tax authority’s power. The highest interval value is the persuasive approach indicator with an average value of 4.27. This shows that every taxable
enterprise in the Bali region feels that the tax officers in their authority care about entrepreneurs and understand the value-added tax material so that taxpayers can understand it well, completely, and clearly and always pay attention to taxpayers' objections regarding sanctions or fines. Very well imposed regarding value-added tax. The coercive approach indicator is the indicator with the lowest interval value, namely 4.20, which means that taxable enterprises in the Bali region feel that supervision by tax officers makes entrepreneurs feel afraid, lose opportunities to avoid value-added tax obligations, and are unable to operate their businesses properly.

The interval value of the tax convenience variable (X6) is 4.20 or close to 5.00, which means that the majority of taxable enterprises are strongly agree with the questionnaire statement about tax convenience. The highest average value is the indicator of the level of ease in tax administration forms with an average value of 4.22 which shows that the majority of taxable enterprises in the Bali region can adapt easily to the current digitization of value-added tax, in addition to filling out value-added tax forms can be done easily, so it can be said that the level of tax convenience can be overcome easily. The tax convenience indicator with the lowest average value is the frequency of changes to tax regulations indicator valued at 4.17. There are taxable enterprises that do not quickly understand every change in tax regulations that occurs dynamically.

The tax information variable (X7) is measured by 3. The interval value of the tax information variable (X7) is 4.35 or close to 5.00, which means that the majority of taxable enterprises strongly agree with the questionnaire statement. The highest average value is found in the extension indicator, valued at 4.38, which means that every taxable enterprise in the Bali regional tax service office feels that the extension officer can help in overcoming value-added tax problems, and directly or indirectly provide support to implement value-added tax compliance. The indicator for how to disseminate information is the indicator with the lowest interval value, namely 4.31, which means that there are taxable enterprises in the Bali region that do not feel that the value-added tax information available via social media is currently packaged very well so how information is disseminated needs to be noted. For taxable enterprises to be packaged creatively, and innovatively so that it is easy to understand, and easy to obtain without having to go to the tax service office where taxable enterprises are registered.

The interval value of taxable enterprises' compliance intentions (Y) is 4.39 or close to 5.00, which means that the majority of taxable enterprises strongly agree with the questionnaire statement regarding taxable enterprises' compliance intentions. The highest average value was obtained from the indicator of the decision to comply with taxes, which means that taxable enterprises in Bali Province have carried out their value-added tax obligations because tax collection is aimed at equitable development, and they feel that not doing so is an act that is contrary to the law. The indicator for the taxable enterprise's compliance intention variable which has the lowest average value is the indicator of the tendency to behave obediently, valued at 4.38, which means that the taxable enterprises have the willingness and are trying to fulfill their obligations as an additional tax collector. Value, apart from that, taxable enterprises also have an understanding if they do not fulfill their value-added tax obligations as they should, and are willing to recruit professional staff to present value-added tax reports that are correct, complete, and clear. Empirical models are presented in Figure 1.

The coefficient of determination (R2) amounting to 0.883, which means that this research model is strong or 88.3 percent of the variability in taxable enterprises' compliance intentions can be explained by research variables.

4.2. Hypothesis Testing

4.2.1. The Influence of Tax Morals on Taxable Enterprises' Compliance Intentions

Based on Table 1, H1 accepted showing that the higher the tax morale of each taxable enterprise, the higher the taxable enterprise's intention to comply in carrying out value-added tax obligations.

The positive relationship between tax morale and taxable enterprises' compliance intentions is influenced because taxable enterprises feel that not collecting, depositing, and reporting Periodic VAT Returns correctly and on time is a violation of procedures, there is a commitment not to avoid value-added tax obligations that still have to be paid, paid, and feel that the value-added tax obligation is an obligation as a citizen. Not only that, there is a feeling of guilt when not being honest in reporting value-added tax, and the feeling of anxiety when avoiding value-added tax obligations can affect the level of compliance of taxable enterprises in carrying out value-added tax obligations, in addition to the feeling that they comply with and follow tax regulations. Value addition is a must (Timothy & Abbas, 2021). Not only that, taxable enterprises will not avoid value-added tax obligations even though they have the opportunity to do so, and there is an understanding that taxable enterprises must collect, deposit, and report value-added tax obligations regularly. The theory of planned behavior confirms that if the morale of taxable enterprises is
low, this will also have an impact on reducing compliance intentions in carrying out their obligations as value-added tax collectors (Taing & Chang, 2021).

Figure 1. Empirical Model of Direct Influence (in Indonesia)

4.2.2. The Influence of Taxpayer Awareness on Taxable Enterprises' Compliance Intentions

Table 2 shows that H2 is accepted. A positive relationship between taxpayer awareness and taxable enterprises' compliance intentions will be formed if entrepreneurs are aware that the value-added tax paid aims to protect domestic production, as well as to provide goods and services needed by the community, in addition to the perception that when taxable enterprises implement Value added tax obligations according to procedures can save businesses from excessive tax burdens. Not only this, beliefs about the behavior of delaying payments and reporting and reducing the value-added tax that should be paid can be detrimental to the state, as well as the possibility of being
audited if the wrong action is taken, and awareness of the risks that arise when committing tax evasion such as sanctions and fines imposed when performing wrong actions. The theory of planned behavior confirms that the emergence of taxpayer awareness can occur when taxable enterprises are faced with situations where it is important to pay taxes or tax enforcement such as audits, sanctions, and tax fines carried out by the tax authority (Karrikasari & Yadnyana, 2020)

Table 2. Hypothesis Test Results

<table>
<thead>
<tr>
<th>Sample</th>
<th>T Stat.</th>
<th>PValue</th>
</tr>
</thead>
<tbody>
<tr>
<td>X1 -&gt; Y</td>
<td>0.203</td>
<td>4.039</td>
</tr>
<tr>
<td>X2 -&gt; Y</td>
<td>0.235</td>
<td>3.654</td>
</tr>
<tr>
<td>X3 -&gt; Y</td>
<td>0.275</td>
<td>3.913</td>
</tr>
<tr>
<td>X4 -&gt; Y</td>
<td>0.114</td>
<td>2.075</td>
</tr>
<tr>
<td>X5 -&gt; Y</td>
<td>0.187</td>
<td>2.855</td>
</tr>
<tr>
<td>X6 -&gt; Y</td>
<td>0.112</td>
<td>2.001</td>
</tr>
<tr>
<td>X7 -&gt; Y</td>
<td>0.126</td>
<td>2.156</td>
</tr>
<tr>
<td>Age -&gt; Y</td>
<td>0.027</td>
<td>0.701</td>
</tr>
<tr>
<td>Gender -&gt; Y</td>
<td>-0.004</td>
<td>0.089</td>
</tr>
<tr>
<td>Education -&gt; Y</td>
<td>0.039</td>
<td>1.136</td>
</tr>
</tbody>
</table>

4.2.3. The Influence of Tax Fairness on Taxable Enterprises' Compliance Intentions

Table 2 shows Hypothesis 3 is accepted meaning tax fairness influences the compliance intentions of taxable enterprises. This shows that the higher the perception of tax fairness, the greater the intention to comply with taxable enterprises in carrying out value-added tax obligations. A positive relationship between tax justice and taxable enterprises' compliance intentions is formed when there is a sense of fairness because the higher the economic capacity of a business, the higher the value of value-added tax that must be paid so a feeling arises that the value added tax paid has fulfilled the principles of social justice for all. Indonesian people, apart from that, there is a perception that the applicable tax system reflects the principle of justice, as well as the opinion that the value-added tax paid is by the entrepreneur's ability to pay. Not only this, when the tax authorities in their power do not discriminate between entrepreneurs in handling problems in the field of value-added tax, it can also increase the intention of compliance of taxable enterprises in carrying out value-added tax obligations, apart from that there is a feeling that the value-added tax rate for the type of business is different. The relatively equal values reflect fairness and the applicable law explains procedures regarding value-added tax fairly, and entrepreneurs with relatively the same types of transactions have the same value-added tax rates. A person must carry out this behavior with one's motivation to follow (motivation to comply) with what one wants to do. Tax justice is a perception of pressure that arises from the environment of taxable enterprises to carry out their obligations as value-added tax (VAT) collectors because every taxable enterprise perceives that the government is accountable and transparent in using tax revenues, so the intention to implement value-added tax compliance will increase (Oladipo et al., 2022).

4.2.4. The Influence of Trust in the Government on Taxable Enterprises' Compliance Intentions

Table 2 shows Hypothesis 4 is accepted meaning trust in the government influences the compliance intentions of taxable enterprises. Based on the results of the analysis, trust in the government has a positive effect on taxable enterprises' compliance intentions. This shows that a higher sense of trust in the government will have an impact on increasing the intention of taxable enterprises to carry out value-added tax obligations. A positive relationship between trust in the government and compliance intentions of taxable enterprises can occur if there is no corrupt behavior that causes taxable enterprises to avoid value-added tax obligations, in addition to the existence of law enforcement that is not selective within the Directorate General of Taxes, good management by the government to value added tax revenues. Not only that, transparency in disclosing value-added tax receipts at the place where taxable enterprises are registered is also an important factor in increasing the intention to comply with taxable enterprises, the behavior of politicians and people's representatives who carry out their functions and authority well, and taxable enterprises who feel that the system laws and the collection system have functioned well, prioritizes the people, and is allocated as much as possible for the interests of the people. Increasing trust in the government can increase the power of the tax authority because the public indirectly supports tax officers, and makes their work easier as part of the government. The decline in the level of public compliance in the field of taxation is due to reduced trust
and the emergence of poor perceptions of government performance (Malik & Younus, 2019). This shows that trust in the government reflects the intention of taxable enterprises to carry out value-added tax obligations by statutory regulations. Having great trust in the government can make taxable enterprises intend to comply with tax regulations because trust produces a cooperative attitude (Latief et al., 2020).

### 4.2.5. The Influence of Tax Authority Power on Taxable Enterprises' Compliance Intentions

Table 2 shows Hypothesis 5 is accepted meaning the power of the tax authority influences the compliance intentions of taxable enterprises. The better the behavior of the tax authorities in exercising their powers, the impact will be on increasing the compliance intention of taxable enterprises in carrying out their value-added tax obligations. A positive relationship between the power of the tax authority and the compliance intention of taxable enterprises can occur when there is an approach that makes taxable enterprises intend to carry out value-added tax obligations, there is an understanding of the risk of not being able to run a business if they do not carry out value-added tax obligations, there is supervision by tax officials which means that entrepreneurs do not have the opportunity to avoid taxes, there is supervision by tax officers which makes entrepreneurs feel reminded to carry out their value-added tax obligations, and tax officers always pay attention to taxpayers' objections to sanctions and fines related to value added tax. The theory of the slippery slope explains that if the maximum exercise of power cannot be achieved, and if the tax authority in its powers is not trusted by taxpayers, then any action on behalf of the tax authority will be considered invalid. Perceptions of legitimate power stem from the taxpayer's belief that the tax authority has expertise. On the other hand, with coercive power, the tax authority can ensure taxpayer participation in the form of forced compliance. This shows that the maximum power of the tax authority can reflect the compliance behavior of taxable enterprises in carrying out value-added tax obligations through intention. When entrepreneurs feel that the tax authority can be trusted in its power as a law enforcer, this will indirectly influence the intention of taxable enterprises to fulfill their value-added tax obligations, and cooperation between entrepreneurs and the tax authority will be well established so that tax compliance can increase voluntarily without any coercion (Malik & Younus, 2019).

### 4.2.6. The Effect of Tax Convenience on Taxable Enterprises' Compliance Intentions

Table 2 shows Hypothesis 6 is accepted meaning tax convenience influences the compliance intentions of taxable enterprises. The simpler the level of tax convenience in carrying out value-added tax obligations can increase the compliance intention of taxable enterprises in fulfilling value-added tax obligations. This positive relationship between tax convenience and compliance intentions of taxable enterprises can occur when taxable enterprises do not need a lot of time to carry out calculations, deposits and reporting of value-added tax, there are changes in the frequency of tax regulations in the value-added tax sector that can be understood easily, the amount value added tax can be calculated easily, it is easy to deal with the digitization of value added tax, there is the ease in understanding the value added tax law even though changes are made continuously, taxable enterprises find filling out forms easy to do without having to recruit experts, and feel that the instructions regarding the value added tax form can be understood well. High tax convenience can present taxable enterprises with difficulties in fulfilling tax obligations, a complex tax system can limit taxable enterprises as taxpayers from complying with value-added tax obligations because it will lead to higher compliance costs and obstacles for taxpayers, which reduces compliance preferences. Tax convenience arises when there is a lack of detailed explanation, and changes occur dynamically, but now a detailed explanation of a tax policy is the most important thing compared to changes in the tax sector. The majority of entrepreneurs know and master tax regulations so that tax convenience can be overcome easily, thus having an impact on the compliance intentions of taxable enterprises (Taing & Chang, 2021).

### 4.2.7. The Influence of Tax Information on Taxable Enterprises' Compliance Intentions

Table 2 shows Hypothesis 7 is accepted meaning tax information affects taxable enterprises' compliance intentions. The better the quality of tax information received by taxable enterprises, the more impact it will have on taxable enterprises' compliance intentions in carrying out value-added tax obligations. This positive relationship between tax information and taxable enterprises' compliance intentions shows that entrepreneurs feel that counseling officers and outreach through seminars, training, and media both online and offline help entrepreneurs in overcoming tax problems, in addition to providing direct or indirect counseling, can directly motivate entrepreneurs to carry out compliance in terms of value-added tax. Not only that, but the ease of accessing information about value-added tax without having to go to the tax service office can also increase the compliance intention of taxable enterprises, the existence of information that has been packaged creatively and innovatively on social media can help taxable enterprises easily understand developments regarding taxes. value added, apart from that, short messages via banners and print media motivate entrepreneurs to carry out value-added tax obligations. Tax information must be accurate
and adequate. This shows that the main beliefs of taxable enterprises depend on the amount of information known, the availability of clear tax information, and information that is easy to understand and easy to obtain are several factors that can increase the compliance intentions of taxable enterprises (Halimah & Juitania, 2022).

4.2.8. Demographic Variables

Table 2 shows that demographic factors, namely age, gender, and education, do not affect the compliance intentions of taxable enterprises. This reflects that the demographic factors used cannot influence the relationship between the variable tax morale, taxpayer awareness of tax justice, trust in the government, the power of the tax authority, tax convenience, and tax information with the taxable enterprise's compliance intention variable because tax compliance has arisen when there are intentions such as the tendency to behave compliantly, and the decision to comply with taxes.

For Results, provide sufficient detail to allow the results to be meaningful and informative. For Discussion, this should explore the significance of the results of the work, not repeat them. A combined Results and Discussion section is often appropriate. Avoid extensive citations and discussion of published literature.

5. Conclusion

The results of the analysis show that tax morale, taxpayer awareness, tax fairness, trust in the government, the power of the tax authority, tax convenience, and tax information have a positive effect on the compliance intentions of taxable enterprises. In contrast, demographic factors do not have a significant effect on the compliance intentions of taxable enterprises, this shows that there is no influence of other variables that can influence the compliance intentions of taxable enterprises in carrying out value-added tax obligations.

Several limitations in this research are first, geographical limitations where the research area covers registered taxable enterprises in Bali Province, so that further research can test the research model in other areas to confirm the results of the analysis. Second, this research uses a quantitative approach so combining quantitative and qualitative approaches (questionnaires, case studies, and interviews) is recommended to produce in-depth insights and accurately validate the findings. Third, this research relies heavily on data collection obtained from surveys to avoid biased and dishonest data. The research questionnaire can be supported by anonymity, because taxation is a sensitive matter, and there is a possibility that taxpayers will fill it out under compulsion.

Every serviced office in Bali Province can pay attention to several factors to improve services, such as trust in the government through certainty in the legal system in force so that it is in favor of the people, the power of the tax authority by emphasizing entrepreneurs if they cannot run their business in peace if they do not carry out their tax obligations, tax convenience related to the clarity of each instruction regarding the value added tax form, and tax information through the information media used to motivate taxpayers, as well as the dominant factors, namely tax morale, taxpayer awareness, and tax justice.

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