

Analysis of Land and Building Taxpayer Compliance in Palembang City

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Abstract

The number of land and building tax objects is increasing every year. Along with the development of Palembang City as the capital of South Sumatera Province. The realization of Land and Building Tax Revenues always does not reach the targets that have been set. This shows that the level of compliance of Land and Building Taxpayers in Palembang City is still relatively low. The purpose of this study is to determine the influence of trust and transparency on the godliness of land and building taxpayers in Palembang City. This study used a quantitative approach through a survey of 358 Land and Building Taxpayers from 9 sub-districts in Palembang City. A sampling of research using the sampling cluster technique with the determination of the number of respondents using the slovin formula. Data analysis techniques use a structural equation model (SEM) approach assisted by the application of LISREL 8.80. Based on the results of the analysis show that Trust has no positive effect and is significant to taxpayer compliance. This is because the trust of taxpayers is influenced by the responsible policy of the tax authority in resolving tax problems. Furthermore, Tax transparency has a positive and significant effect on taxpayer compliance. Transparency and the Trust of taxpayers have a positive and significant effect. Thus, tax management must be transparent in providing information and managing taxes openly to the public to improve taxpayer compliance for the people in Palembang City.

Keywords: Trust, Transparency, Taxpayer Compliance

1. Introduction

The Palembang City Government is one of the regions in South Sumatera Province that is experiencing rapid economic development. In line with the increasing activities that occur in the community and the growing potential of the City of Palembang, the largest potential of Palembang City Regional Original Income is sourced from taxes. Based on data from the Accountability and Performance Report of Government Agencies of the Palembang City Regional Tax Management Agency in 2020, it is explained that the regional tax revenue of Palembang City in 2020 was IDR 786,044,838,483.00 or 66.05% of the target of IDR 1,190,000,000,000.00.

Every year there is an increase in the amount of data collection on land and building tax objects but not all UN taxpayers are diligent in paying their Land and Building Taxes. The following describes the arrears of Land and Building Tax per sub-district area presented in Table 1.

Table 1
Recapitulation of Land and Building Tax Arrears
Based on Subdistricts in Palembang City in 2021

| No. | District | Number of Tax Objects in Arrears | Arrears Value (Rp) |
|-----|-------------------|----------------------------------|--------------------|
| 1. | Ilir Barat I | 7750 | 8.867.611.439 |
| 2. | Sukarami | 6,043 | 8.860.430.240 |
| 3. | Alang Alang Lebar | 4,604 | 10.909.632.205 |
| 4. | Ilir Timur I | 3,886 | 5.118.167.549 |
| 5. | Kalidoni | 3,586 | 3.159.585.554 |
| 6. | Ilir Timur III | 2,903 | 5.412.248.762 |
| 7. | Sako | 2670 | 2.397.352.273 |
| 8. | Kemuning | 2,161 | 1.896.232.644 |
| 9. | Jakabaring | 1,921 | 5.053.340.191 |
| 10. | Ilir Timur II | 1,515 | 2.179.840.841 |
| 11. | Seberang Ulu II | 1,454 | 380.995.121 |
| 12. | Gandus | 1,435 | 1.752.808.236 |
| 13. | Sematang Borang | 1,254 | 1.222.692.099 |
| 14. | Bukit Kecil | 1,089 | 3.285.026.469 |
| 15. | Ilir Barat I | 7750 | 8.867.611.439 |
| 16. | Kertapati | 726 | 672.420.546 |
| 17. | Plaju | 662 | 309.895.557 |
| 18. | Seberang Ulu I | 530 | 380.995.121 |
| Sum | | 45,103 | 63.105.190.578 |

Source: Palembang City Regional Tax Management Agency, 2021

Constraints that hinder the effectiveness of tax collection one of which is taxpayer compliance. Taxpayer compliance can be affected by various factors such as government policies and programs, (Nurkhin et al. 2018) taxpayer awareness regarding tax payments, tax sanctions, tax enforcement trust, transparency of tax information, administrative systems, and tax inspections. (Listiyowati 2018; Oladipupo & Obazee 2016).

The low revenue of the State is also due to a decrease in the level of public trust in the government. Trust is something that is expected from honesty in behavior (Sari 2020). Research on Yen and Jati (2019) shows that to be able to improve taxpayer compliance, namely by implementing transparent taxation. Tax transparency is expected to foster public trust and dispel the public's assumption that the taxes that have been paid will be misused for the benefit of certain parties. So that it can increase people's compliance in terms of paying taxes.

Based on the background of the problems and research that has been carried out previously, it is important to research the Trust and Transparency Analysis of Land and Building Taxpayer Compliance in Palembang City.

1.1 Objectives

- 1) To find out the influence of trust on the compliance of land and building taxpayers in Palembang City
- 2) To find out the influence of transparency on the compliance of land and building taxpayers in Palembang City
- 3) To find out the influence of transparency on the trust of land and building taxpayers in Palembang city.

2. Literature Review

2.1 Trust

Trust is an important factor that affects compliance with the law. A trust relationship involves a transaction in which the truster faces the risk of loss if the *trustee* does not match expectations and loses several occasions if the transaction takes place without trust. The value of the trust as "*encapsulated interest*" a value by which the 'truster' is expected from the behavior of the 'trustee' depends on the motivation of the alleged trustee (Gunarto et al. 2018; Gunarto et al. 2021).

Trust is an expectation in the form of honesty and cooperation between the community and the government in exercising its power in making decisions regarding taxpayer compliance for the benefit of the state in realizing the

welfare of the people (Purnamasari 2017; Setiawan 2018). Therefore, the level of trust has a positive effect on taxpayer compliance.

Trust has three dimensions, namely: (1) Virtue refers to behavior that is based on moral goodness as a foundation in principle so that it is not only concerned with egocentric advantage; (2) Integrity is a firm attitude that refers to the principles, values in unshakable beliefs. For example, it is characterized by fairness, honesty, reliability, and so on; (3) Ability refers to the skills, competencies, and characteristics that allow a party to influence certain areas. (Schnackenberg & Tomlinson 2016)

2.2 Transparency

Transparency is based on freedom in obtaining information. The information relates to the direct public interest that is required (Hayati 2017; Tambuwun et al. 2018). Transparency in taxes has the meaning of all information presented to various parties such as the management, use, acquisition, and utilization of tax revenues that have the aim of not causing the perception and suspicion of the public toward the government. (Putra 2017)

Transparency and tax compliance have a mutually influential relationship. This happened due to the disclosure of information in the disclosure in the payment of land and building taxes (Okwara 2020).

The dimension of transparency is as follows:

Accurate disclosure or preparation of information

Disclosure is a central dimension of transparency. This concept of openness implies that information must be shared openly to be transparent.

The clarity in management and use

The understanding of the information received or given must be clear to be transparent. Therefore, clarity in the information provided makes the information obtained easy to understand.

Accuracy in the utilization of tax acquisition utilization

The accuracy of information is the cornerstone of transparency. Information that cannot be said to be transparent if it is deliberately fabricated or biased. The disclosure of inaccurate information results in exerting influence on transparency and encouraging a scandal in the public (society). Therefore accuracy makes the information obtained more reliable (Schnackenberg & Tomlinson 2016).

2.3 Taxpayer Compliance

Obedience means submission, obedience, or obedience to teachings, or rules. So taxpayer compliance can be interpreted as the observance and compliance of the taxpayer in carrying out his tax rights and obligations by the provisions of the applicable tax legislation. Taxpayer Compliance can be defined as a circumstance in which the Taxpayer must carry out all his tax obligations and rights (Rahman 2019). Compliance requires voluntary compliance as the backbone of the self-assessment system, where the taxpayer is responsible for establishing his tax obligations and then accurately and timely paying and reporting his taxes (Lestari et al. 2019)

Increasing transparency in government is becoming a key strategy to foster trust (Schnackenberg & Tomlinson, 2016). One of the pillars of trust is transparency. public trust is an important dimension to improve the legitimacy and performance of democratic government Then another dimension of tax compliance is (1) Registering as a taxpayer voluntarily with the Tax Service Office; (2) Conducting bookkeeping or recording; (3) Calculate the outstanding taxes correctly and make payments on time; and (4) Fill out the Notification Letter (SPT) following the laws and regulations and report on time (Febriani & Kusmuriyanto 2015)

3. Methods

This research uses quantitative research methods. The research design used was an explanatory survey, which sought to analyze the effect of Trust and Transparency on Land and Building Taxpayer Compliance. As for thinking, the paradigm of this study can be shown in figure 1.

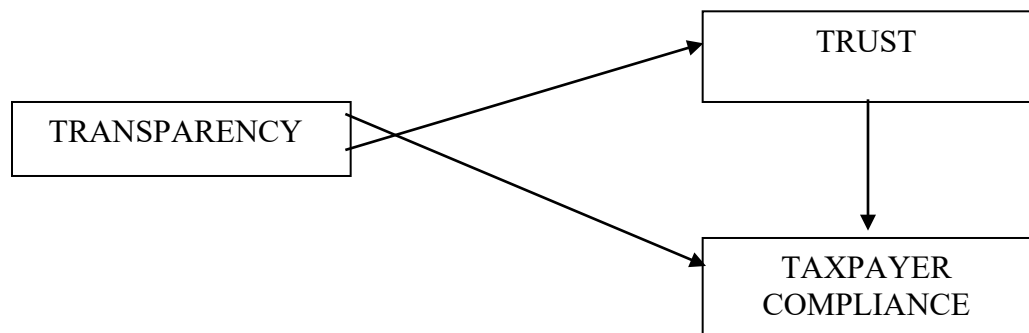


Figure 1. Research Thinking Framework

4. Data Collection

The research location is at the Palembang City Regional Tax Management Agency. The target population is land and building taxpayers located in nine sub-districts of the eighteen sub-districts in Palembang City, from each of these sub-districts two villages with the highest arrears tax objects are selected, and from these sub-regions, fifty percent are taken to become the target population of 3423 land and building taxpayers from Sematang Borang District, Gandus, Jakabaring, Kertapati, Ilir Barat 2, Seberang Ulu 1, Seberang Ulu 2, Bukit Kecil and Plaju by the UN Outstanding Tax Return (SPPT) issued by the Palembang City Regional Tax Management Agency in 2021. The study sample was 358 taken by cluster sampling technique in slovin calculations. Researchers use the cluster sampling technique because the area of the data source studied is too large, to determine the respondents who will be used as a data source based on the population area that has been Set(Sugiyono 2018).

Data collection in this study used questionnaires. The research instruments used are described in Table 2 below.

Table 2 Research Instruments of Trust and Transparency Towards Land and Building Taxpayer Compliance

| No. | Variable | Dimension | Indicator | Statement Items |
|-----|--------------|---|-------------------------------------|---|
| 1. | Trust | The Level of Trust is the level of taxpayers' expectations of the prevailing government system based on established norms and values. | 1. Policy 2. Integrity | 1. The existing tax law system has been implemented correctly and fairly 2. I believe in the government system in managing taxes in an orderly, efficient, transparent, and responsible manner 3. I believe that taxes are used for the performance of the functions of governmental duties 4. I believe that the taxes I pay are used for the welfare of the people 5. I believe in the collection and reallocation of taxes used for development. |
| 2. | Transparency | Transparency is the disclosure of information disclosure. | 1. Informativeness 2. Disclosure | 1. Socialization /counseling carried out by the Regional Tax Management Agency (BPPD) regarding the new provisions of taxation to the community (UN taxpayers) is going well. |

| | | | | |
|----|---------------------|---|---|---|
| | | | | <ol style="list-style-type: none"> 2. BPPD has carried out tax socialization every year. 3. Information regarding the amount of tax revenue in Palembang City for each fiscal year is quite clear and can be known to the public. 4. The public needs to know /be informed about the amount of tax revenue in Palembang City 5. The allocation of tax revenues carried out by the government has been used for the welfare of the people through the construction of infrastructure and public facilities (roads, schools, hospitals, etc.) |
| 3. | Taxpayer Compliance | Compliance of a compliant taxpayer is a taxpayer who obeys or is obedient in carrying out the fulfillment of his taxation rights and tax obligations correctly. | <ol style="list-style-type: none"> 1. Compliance registers. 2. Compliance in reporting tax returns on time 3. Compliance in paying tax arrears | <ol style="list-style-type: none"> 1. I pay taxes on time 2. I report any changes (renovations) to my own land/house to the officer 3. I settle tax arrears when I am late in making tax payments on time 4. I filled out the tax object notification letter (SPOP) correctly and submitted the filled SPOP to the BPPD Office or tax officer appointed by BPPD |

Analysis using structural equation modeling (SEM) method with LISREL 8.80 software. Structural equation modeling is a second-generation multivariate analysis technique that combines factor analysis and path analysis to allow researchers to test and estimate simultaneously the relationship between multiple exogenous and endogenous variables with many indicators (Gunarto, 2018).

5. Results and Discussion

5.1 Confirmatory Factor Analysis

Analysis of the measurement model on each variable was carried out by confirmatory factor analysis (CFA= *Confirmatory Factor Analysis*) of the LISREL 8.8 program. CFA analysis was performed to determine the indicator's ability to explain latent variables. The amount of the indicator in explaining the latent variable is expressed by the load factor (*loading factor*). The greater the value of the *loading factor* indicates that the indicator the better at measuring what should be measured or called the more valid. If the *loading factor* value is greater than 0.5 then the indicator is valid.

Reliability tests are carried out by calculating construct reliability or *Construct Reliability (CR)* and *Average Variance Extract (AVE)* with the criteria that an instrument or variable is declared to have good reliability if the $CR \geq 0.7$ and the $AVE \geq 0.5$. If the CR value is between 0.6 – 0.7 its reliability is still acceptable if the indicator has good validity.

The CR value is calculated by the following formulation.

$$CR = \frac{(\sum \lambda)^2}{(\sum \lambda)^2 + \sum e} \quad \text{where } \sum e = \sum (1 - \lambda^2)$$

$$\text{While } AVE = \frac{\sum \lambda^2}{\sum \lambda^2 + \sum e}$$

The CFA model will be formed in several stages until it gets a *fit* CFA measurement model, meaning it meets the various criteria of the model match so that the model shows valid and reliable. (Gunarto, 2018)

5.1.1 Measurement Model Analysis Results on Trust Variables

The initial CFA model for the Trust variable consisted of 5 indicators. The results of data processing with the LISREL 8.8 program obtained estimated values for *factor loading* as shown in Figure 2.

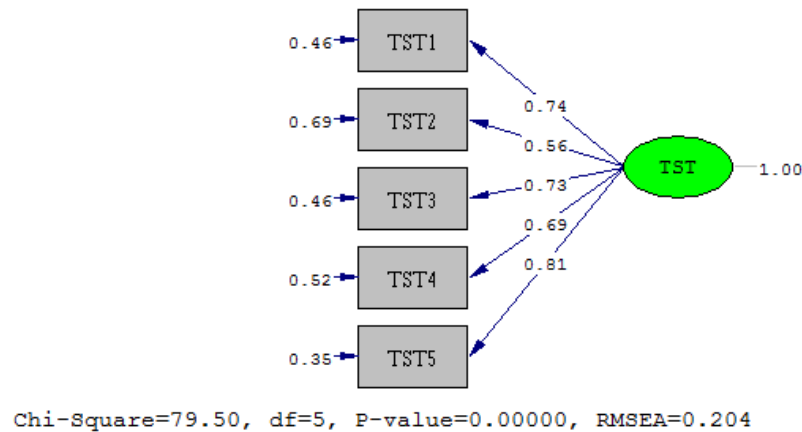


Figure 2. Preliminary Estimates of the Trust CFA Model

Based on the CFA results for the Trust variable obtained *the value of the loading factor* for all indicators was greater than 0.5. This indicates that all the indicators forming the Trust variable are valid. The reliability values of the Trust variables are described in Table 3.

Table 3. The Value of *the Loading Factor* and the Reliability Value of the Trust Model

| Indicator | Factor loading (λ) | Squares Factor loading (λ^2) | Error (e) | Information |
|---------------------------------------|------------------------------|--|------------|-----------------|
| TST1 | 0,74 | 0,54 | 0,4 | Valid |
| TST 2 | 0,56 | 0,31 | 0,6 | Valid |
| TST 3 | 0,73 | 0,53 | 0,4 | Valid |
| TST 4 | 0,69 | 0,47 | 0,5 | Valid |
| TST 5 | 0,81 | 0,65 | 0,3 | Valid |
| Sum | 3, 53 | 2,5 | 2,2 | |
| <i>Construct Reliability (CR)</i> | | 0,72 | | Reliable |
| <i>Average Variance Extract (AVE)</i> | | 0,53 | | |

Based on Table 3. The initial model of CFA Trust with 5 indicators can be declared already valid since all indicators have a *factor loading* value (λ) of more than 0.5. The reliability value indicates that the Trust variable with 5 indicators is already reliable because the CR value is ≥ 0.7 (CR=0.72) and the AVE value is ≥ 0.5 (AVE=0.53). This means that the indicators formulated in the initial model of measuring the Trust variable are valid and reliable.

The following are the results of the compatibility test with the Goodness of Fit in the Trust model, the results are shown in Table 4.

Table 4. *Goodness of Fit* (GOF) Results In End of Trust Model

| No | Criterion | Limit Value | Result | Conclusion |
|----|---|----------------------------|--------|--------------|
| 1 | χ^2 -chi square, or Significance probability | $p\text{-value} \geq 0,05$ | 0,000 | Marginal Fit |
| 2 | GFI | $> 0,90$ | 0,92 | Fit |
| 3 | AGFI | $> 0,90$ | 0,75 | Marginal Fit |
| 4 | CFI | $> 0,90$ | 1,00 | Fit |
| 5 | TLI or NFI | $> 0,90$ | 0,91 | Fit |

| No | Criterion | Limit Value | Result | Conclusion |
|----|-----------|-------------|--------|------------|
| 6 | RMR | $\leq 0,10$ | 0,02 | Fit |
| 7 | RMSAndA | $\leq 0,08$ | 0,02 | Fit |

Table 4. it is known that the final model of CFA Trust formed already meets all statistical criteria of *goodness of fits* (GOF) such as GFI, CFI, TLI, RMR, and RMSEA so that the final model of Trust measurement already meets the criteria of a good measurement model (*fit*) and can be used as a manifest for trust variables.

5.1.2 Measurement Model Analysis Results on Transparency Variables

The initial CFA model for transparency variables consisted of 5 indicators. The results of data processing with the LISREL 8.8 program obtained estimated values for *factor loading* as shown in Figure 3.

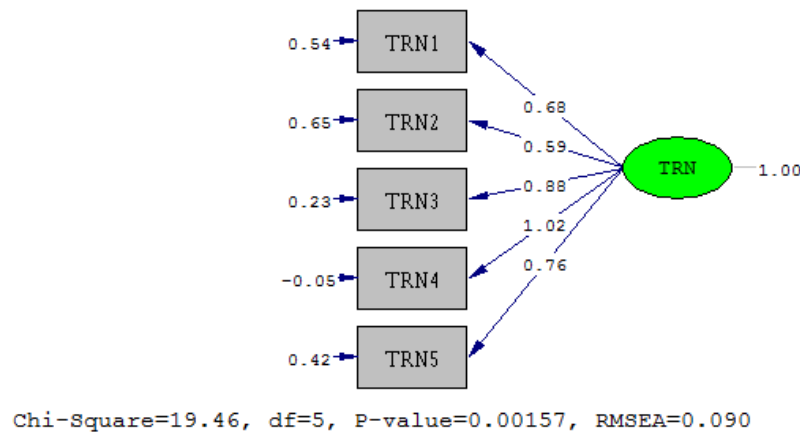


Figure 3. Results of the Initial Estimate of the Transparency CFA Model

Based on the CFA results for the Transparency variable obtained *factor loading* values for all indicators greater than 0.5. This indicates that all indicators forming the Transparency variable are valid. The reliability values of the Transparency variable are described in Table 5.

Table 5. Value of *Loading Factor* and Reliability Value of Transparency Model

| Indicator | Factor loading (λ) | Squares Factor loading (λ^2) | Error (e) | Information |
|---------------------------------------|------------------------------|--|-------------|-----------------|
| TRN1 | 0,68 | 0,46 | 0,53 | Valid |
| TRN2 | 0,59 | 0,34 | 0,65 | Valid |
| TRN3 | 0,88 | 0,77 | 0,22 | Valid |
| TRN4 | 1,02 | 1,04 | -0,04 | Valid |
| TRN5 | 0,76 | 0,57 | 0,42 | Valid |
| Sum | 3,93 | 3,2 | 1,79 | |
| <i>Construct Reliability (CR)</i> | | 0,81 | | Reliable |
| <i>Average Variance Extract (AVE)</i> | | 0,64 | | |

According to Table 5. The initial model of CFA Transparency with 5 indicators can be declared already valid since all indicators have a *factor loading* value (λ) of more than 0.5. The reliability value indicates that the Transparency variable with 5 indicators is already reliable because the CR value is ≥ 0.7 (CR=0.81) and the AVE value is ≥ 0.5 (AVE=0.64). This means that the indicators formulated in the initial model of measuring the Transparency variable are valid and reliable.

The following results of the match test with *Goodness of Fit* on the Transparency model obtained results as in Table 6.

Table 6. Goodness of Fit (GOF) Transparency Results

| No | Criterion | Limit Value | Result | Conclusion |
|----|--|----------------------------|--------|--------------|
| 1 | χ^2 -chi square, or Significance probability | $p\text{-value} \geq 0,05$ | 0,002 | Marginal Fit |
| 2 | GFI | > 0,90 | 0,98 | Fit |
| 3 | AGFI | > 0,90 | 0,94 | Fit |
| 4 | CFI | > 0,90 | 0,99 | Fit |
| 5 | TLI or NFI | > 0,90 | 0,99 | Fit |
| 6 | RMR | $\leq 0,10$ | 0,03 | Fit |
| 7 | RMSEA | $\leq 0,08$ | 0,09 | Marginal Fit |

Table 6. it is known that the final model of CFA Transparency that is formed already meets the statistical criteria of *goodness of fits* (GOF) such as GFI, AGFI, CFI, TLI, and RMR so the final model of transparency measurement has met the criteria of a good measurement model (*fit*) and can be used as a manifest for transparency variables.

5.1.3 Measurement Model Analysis Results on Taxpayer Compliance Variables

The initial CFA model for taxpayer compliance variables consisted of 4 indicators. The results of data processing with the LISREL 8.8 program obtained estimated values for *factor loading* as shown in Figure 4.

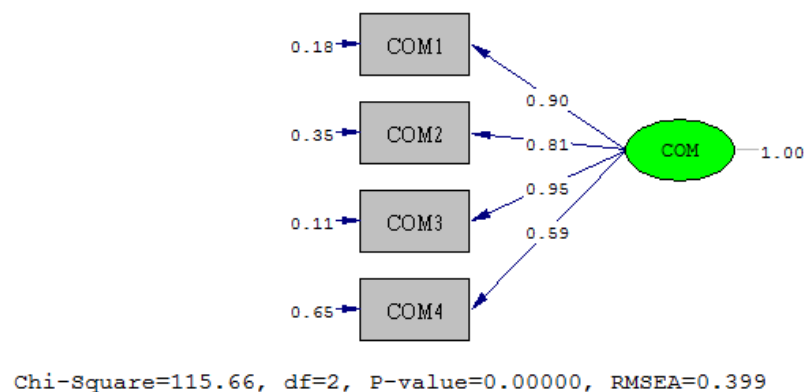


Figure 4. Preliminary Estimates of the Taxpayer Compliance CFA Model

Based on the CFA results for the Taxpayer Compliance variable, the *factor loading* value for all indicators is greater than 0.5. This indicates that all indicators forming the Transparency variable are valid. The reliability values of the Transparency variable are described in Table 7.

Table 7. Value of Loading Factor and Reliability Value of Taxpayer Compliance Model

| Indicator | Factor loading (λ) | Squares Factor loading (λ^2) | Error (e) | Information |
|-----------------------------------|------------------------------|--|-------------|-----------------|
| WITH1 | 0,90 | 0,81 | 0,19 | Valid |
| WITH 2 | 0,81 | 0,65 | 0,34 | Valid |
| WITH 3 | 0,95 | 0,90 | 0,09 | Valid |
| WITH 4 | 0,59 | 0,34 | 0,65 | Valid |
| Sum | 3,25 | 2,71 | 1,28 | |
| <i>Construct Reliability (CR)</i> | | 0,86 | | Reliable |

Based on Table 7 The initial model of CFA Transparency with 5 indicators can be declared already valid since all indicators have a *factor loading* value (λ) of more than 0.5. The reliability value indicates that the Taxpayer Compliance variable with 5 indicators is already reliable since the CR value is ≥ 0.7 (CR=0.86) and the AVE value ≥ 0.5 (AVE=0.67). This means that the indicators formulated in the initial model of measuring the Taxpayer Compliance variable are valid and reliable. The following results of the match test with *Goodness of Fit* on the Taxpayer Compliance model obtained results as in Table 8

Table 8. Goodness of Fit (GOF) Results of Taxpayer Compliance

| No | Criterion | Limit Value | Result | Conclusion |
|----|--|----------------------------|--------|--------------|
| 1 | χ^2 -chi square, or Significance probability | $p\text{-value} \geq 0,05$ | 0,00 | Marginal Fit |
| 2 | GFI | $> 0,90$ | 0,91 | Fit |
| 3 | AGFI | $> 0,90$ | 0,94 | Fit |
| 4 | CFI | $> 0,90$ | 0,91 | Fit |
| 5 | TLI or NFI | $> 0,90$ | 0,91 | Fit |
| 6 | RMR | $\leq 0,10$ | 0,03 | Fit |
| 7 | RMSAndA | $\leq 0,08$ | 0,04 | Fit |

Table 8 it is known that the final model of the Taxpayer Compliance CFA that is formed already meets the statistical criteria of *goodness of fits* (GOF) such as GFI, AGFI, CFI, TLI, RMR, and RMSEA so that the final model of measuring Taxpayer Compliance already meets the criteria of a good measurement model (*fit*) and can be used as a manifest for taxpayer compliance variables.

5.1.4 Results of Structural Model Analysis on Full Model

After a confirmatory factor analysis (CFA) of each variable, a full model for the structural model was then carried out. The estimation results for the full analysis of the structural model are shown in Figure 5.4

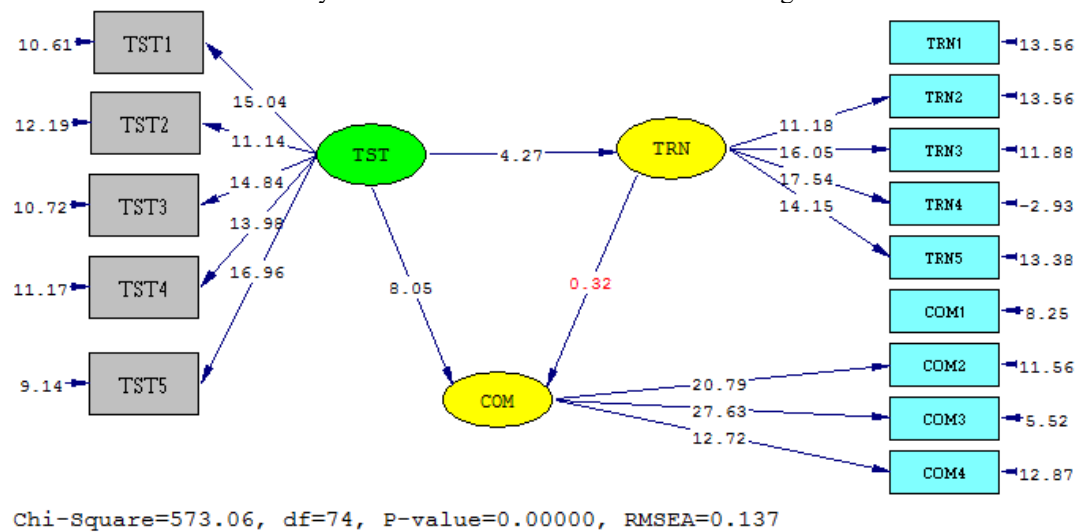


Figure 5. Full Model Test Results.

Based on the test results for measurement models and structural models, all parameters are tested with t-test statistics where the test is significant if the t-value obtained is more than 1.96, and vice versa if the t-count value obtained is smaller than 1.96 then the parameter is not statistically significant. Furthermore, Figure 5.4 shows that all indicators forming latent variables are significant, since obtained t values are greater than 1.96, while the test results for structural models, that is, the relationships between latent variables are significant and some are insignificant. Figure 5. It shows that transparency in tax management will increase the level of trust and compliance of taxpayers, but statistically, trust

does not have a significant effect on the compliance of land and building taxpayers. This shows that the more transparent tax management, the more taxpayer compliance will increase.

5.2 Discussion

5.2.1 The Influence of Trust on Land and Building Taxpayer Compliance

The results showed There was no effect of trust in Land and Building Taxpayer Compliance because the t-value of 0.32 was smaller than the t-table of 1.96. This means there is no significant influence between Trust in Taxpayer Compliance.

Trust is a concept related to the individual's desire to give high confidence to others. Mutual respect, respect, information sharing, and providing mutual assistance is a forms of trust in individuals. In addition, it requires an elegant and mature attitude to accept dissimilarity, disapproval, and inter-personal conflict in maintaining the beliefs that have been formed together (Lawal 2017).

Social norms affect the intention of compliance indirectly through internalization as personal norms. The research results from Jimenez and Iyer (2016) explained that trust in the government has a significant influence on the perceived fairness of the tax system and compliance decisions. When social norms have the power to support tax compliance to increase, personal norms of tax compliance also increase. This has a positive impact that leads to a subsequent increase in compliance intentions in taxpayers.

Tax authorities as policymakers have as much responsibility as they do to prevent identity theft. In addition, the response and performance of the tax authorities seen in the public also affect the public's confidence in paying taxes by their obligations. Research by Farrar et al.(2020) shows trust results mediate a positive relationship between tax and compliance authorities' responses, but the effect of this mediation depends on the level of responsibility of tax authorities for identity theft. When the taxpayer feels that the tax authorities are to blame for identity theft, the higher responsiveness by the tax authorities does not significantly affect compliance through trust. However, when tax authorities are not blamed for identity theft, higher responsiveness by tax authorities significantly affects compliance through trust.

5.2.2 The Influence of Transparency on Land and Building Taxpayer Compliance

The results showed that the effect of Transparency on Land and Building Taxpayer Compliance was 0.47 with a t-value of 8.05. Statistically, it can be stated that there is a significant influence because the t-value is greater than the t-table which is 1.96. This means that the higher the Transparency, the more Land and Building Taxpayer Compliance will be.

Taxpayer compliance with tax obligations needs to be considered. Taxpayer Compliance is defined as a state of taxpayers fulfilling all tax obligations and exercising tax rights. The high level of taxpayer compliance in paying taxes is expected to help the State sustain the Country's economy. Taxpayer compliance is inseparable from the role of the State in responding to taxpayers regarding the implementation of tax obligations (Fitriansyah & Muji 2020)

Meaningful transparency requires that information be comprehensive, relating to taxpayer priorities, and form the basis of dialogue between taxpayers and governments. As a tax authority that plays an important role in providing tax information, the driving force of public forums, dialogue around taxes, and supports greater tax literacy in involving the public as taxpayers. Therefore, tax transparency is only meaningful if it can be easily accessed and understood by taxpayers and is related to their daily experiences and priorities. The results of the study from van den Boogaard et al., (2022) found that taxpayers want not only basic information about tax liabilities or aggregate income collected but information about how much income should be collected and how income is spent. At the same time, taxpayers do not want the information to be shared with them through one-way forms of communication, but rather want to have room for dialogue and interaction with tax officials and the government, including through public meetings and radio call-in programs. the government manifestly demonstrates a response to citizens' concerns, even on a small scale, while partnering with civil society to foster trust, dialogue, and expanded knowledge. The government needs to ensure that the information shared with taxpayers is meaningful and easily accessible to realize that taxpayer compliance in paying land and building tax increases.

5.2.3 The Influence of Transparency on Land and Building Taxpayer Trust

The results showed that there was an effect of Transparency on the Trust of Land and Building Taxpayers of 0.25 with a t-value of 4.37. Statistically, it can be stated that there is a significant influence because the t-value is greater than the t-table which is 1.96. This means that the higher the Transparency, the more TrustTransparency gives the government a great opportunity to improve taxpayer compliance. When the taxpayer feels that the government is not transparent it will then react by trying not to pay the tax. Research results conducted on tax transparency and taxpayer trust affect taxpayer compliance, this means that with tax transparency and taxpayer trust together, it will increase taxpayer compliance (Rahma 2019).

6. Conclusion

Taxpayer compliance is a state in which the taxpayer is aware to carry out his obligation to pay taxes by applicable regulations. Taxpayer compliance is related to tax revenue because the increasing compliance of taxpayers will indirectly affect state or regional revenues. However, there are cases of tax evasion that make taxpayers think that the tax revenue collected by the government is mostly used for personal interests, not for public interests or regional development.

It takes taxpayer trust in the government so transparency is needed to increase that trust. If the government provides clear information regarding the use of tax revenue funds, it can improve taxpayer compliance. Tax transparency is the openness of the government in allocating or using funds from tax revenues for regional development or other needs of local governments. The existence of transparency carried out by the government creates trust so that with transparency carried out the government can increase the trust of taxpayers who have been paid by taxpayers used as well as possible by applicable regulations. Tax transparency affects taxpayer compliance. The more transparent the information managed by the government, the more compliant the taxpayer will be to his tax obligations and the avoidance carried out by the taxpayer will also decrease. Thus transparent tax governance will increase trust and trust will increase taxpayer compliance.

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