
THE EFFECT OF PUBLIC SERVICE QUALITY AND PUBLIC TRUST ON TAXPAYER COMPLIANCE IN WEST MAMUJU DISTRICT, SULAWESI

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ABSTRACT

This study aims to describe the influence of public service quality and public trust on taxpayer compliance in Mamuju Regency, West Sulawesi. The approach used is a quantitative approach. Data collection techniques using questionnaires, observation and direct documentation. The data analysis technique is descriptive analysis and inferential statistical analysis. This study used the theory (1) Parasuraman and Zeithaml (1990), Tangibles, Reliable, Responsiveness, Assurance, Emphaty, to measure the quality of public services. (2) Kim in Dwiyanto (2011), Credible commitment, sincerity, honesty, competence, justice, to measure public trust. (3) (Nolan-Flecha 2017, Novelskaitè and Pučètaité 2018), (Novelskaitè and Pučètaité 2018) and (Anderson 2015) in Haning, et al (2020), Registering Voluntarily For Tax, Integrity, Discipline, Filing Tax Returns On Time And Accurately, Behave Reporting Tax Correctly, Liabilities, Deterrence, Willingness To Pay Taxes On Time Liability, to measure taxpayer compliance. The results of this study indicate that: (1) the quality of public services has a positive and significant effect on taxpayer compliance, the better the quality of public services received will increase taxpayer compliance. (2) public trust has a positive and significant effect on taxpayer compliance, the higher public trust in the government is able to encourage increased taxpayer compliance.

Keywords

Quality of public services; public trust; taxpayer compliance; Mamuju District; West Sulawesi

Introduction

Taxes are the country's largest source of income, used to finance state spending and national development with the aim of achieving people's welfare and prosperity. Normatively, Tax is an obligatory contribution to the State that is owed by the taxpayer according to law, without receiving direct performance, where the use is to finance expenses related to the need for government administration and State expenditure. Tax revenue is the main source of state revenue, tax revenue is used for government financing and development. Revenue from the tax sector is expected to reduce dependence on foreign debt and revive the confidence of the Indonesian people. The state uses tax revenues to support development financing. It is hoped that tax revenue will continue to increase so that the country's development can run well.

An increase in tax revenue is achieved if an increase in the number of taxpayers occurs.

Efforts to maximize tax revenue cannot only rely

on the role of the Directorate General of Taxes and tax officials, but also requires an active role from the taxpayers themselves. Given the important role of taxes, the government, in this case the Directorate General of Taxes, has made various efforts to maximize tax revenue. One of the efforts made is through the reform of laws and regulations in the field of taxation by implementing a self-assessment system. The Self Assessment System requires taxpayers to register, calculate, pay and self-report the amount of tax due to them.

Taxes are dynamic in nature and follow developments in the social and economic life of the country and its people. Demands for increased revenues, improvements and fundamental changes in all aspects of taxation are the reasons for tax reform from time to time, in the form of improvements to taxation policies and tax administration systems, so that the tax base can be expanded so that the potential available tax revenue can be collected optimally. by upholding

the principle of social justice and providing excellent service to taxpayers.

Tax revenue grows every year, it does not mean that state tax revenue has reached the target. There are many factors that cause the target not to be achieved, including taxpayer compliance.

Taxpayer compliance greatly affects State tax revenue and revenue. Tax Compliance is defined as the ideal condition for a Taxpayer who meets tax regulations and reports his income accurately and honestly.(Harinurdin, 2009). From this ideal condition, tax compliance is defined as a condition for a Taxpayer who fulfills all tax obligations and exercises his taxation rights in formal and material compliance. One of the benchmarks for measuring the behavior of taxpayers is the level of compliance in carrying out the obligation to complete and submit Tax Returns (SPT) correctly and on time.

This research is limited to income tax compliance with individual taxpayers. PPH or Income Tax is a tax imposed on an individual or entity on income received or earned in a year. Meanwhile, an individual taxpayer is any individual who has an income above the non-taxable income. Everyone is required to register themselves and have a taxpayer identification number (NPWP), unless specified in law.

According to the Heider Attribution theory in Sarlito (2009). According to heider, a person's behavior is influenced by internal or dispositional attributions and external or environmental attributions. Researchers adopt this theory to explain the factors that affect taxpayer compliance. Taxpayer compliance is a form of taxpayer conscious behavior. Thus, taxpayer compliance is influenced by internal attributions and external attributions. Internal attributions cover all internal factors that influence taxpayer compliance behavior. Meanwhile, external attributions include all factors that influence ignorant behavior. The quality of public services and public trust are two external attributing factors that affect taxpayer compliance behavior.

The description of the theory is in line with the research findings (Haning, Mohamad Thahir, 2018)That taxpayer compliance is influenced by the performance of public services and public service trust. Apart from that research findings(S.

and ISL Rahayu, 2009) found that taxpayer compliance is influenced by the quality of service received by taxpayers.

Public services are all activities carried out by public service providers as an effort to fulfill public needs and the implementation of statutory provisions Good public service will provide comfort for taxpayers. The convenience of public services will encourage public trust which in turn will encourage tax compliance. Services are often used as a measure of the success of government agencies or organizations. Meanwhile, public trust is an important variable in the realization of good governance. Trust generates public legitimacy that can create social capital for the government which is used as an instrument to get political and social support in government activities.

Based on the description above, this study intends to assess the influence of public service quality and public trust on taxpayer compliance in Mamuju Regency using the basis of attribution theory and that is supported by the research findings.(Haning, Mohammad Thahir, 2020) and (US 2010. Rahayu, 2006)This research is limited to income tax compliance with individual taxpayers. PPH or Income Tax is a tax imposed on an individual or entity on income received or earned in a year. Meanwhile, an individual taxpayer is any individual who has an income above the non-taxable income. Everyone is required to register themselves and have a taxpayer identification number (NPWP), unless specified in law. Based on the description, this research entitled "The Effect of Public Service Quality and Public Trust on Taxpayer Compliance in Mamuju Regency, West Sulawesi".

Methodology

The approach used in this research is a quantitative approach to processing data obtained from the research location. The quantitative approach is the search for data / information from the reality of existing problems by referring to the proof of the concept / theory used.

The author uses quantitative methods because in this study, the authors describe the research results obtained in the field. After the observation data, documentation and distributed questionnaires are collected, where the data is presented using

quantitative descriptive techniques, namely the research method in the form of numbers or qualitative data which is extrapolated. Qualitative research emphasizes the depth of data obtained by researchers. Quantitative descriptive research is data obtained from a sample of the research population analyzed according to the statistical method used. In sampling the writer used the Slovin formula where the number of samples drawn from a population of 9,767 was 384. Descriptive research, namely research conducted to determine the value of the independent variable, either one or more variables without making comparisons. Descriptive research is made systematically, factually and accurately regarding the facts and characteristics of certain populations. Based on data collection techniques, researchers used survey research, where in this study the research asked written questions, both of which had been arranged in a questionnaire. The types of data used by the author in this study are primary and secondary data. Primary data sources are data sources that directly provide data to data collectors. In this study, primary data were obtained from data sources, namely from questionnaires (questionnaires) distributed by researchers. Meanwhile, secondary data sources are sources that do not directly provide data to data collectors, for example through other people or through documents. Secondary data in this study is data that can be searched for reading sources in the form of documents, reports, journals, or books related to the problem under study. After the data is collected then perform data analysis techniques. The data analysis used in this research is descriptive analysis and inferential statistical analysis. Descriptive analysis is used to describe the influence of public service quality and public trust on taxpayer compliance in Mamuju Regency, West Sulawesi. The description in question includes the frequency distribution which includes the highest score, lowest score, average score and standard deviation and percentage analysis using a Likert scale. Inferential statistical analysis was used to assess the research hypothesis with a research sample of 384, using multiple linear regression. This can be

done after testing the research instruments and testing the prerequisites.

Results

Descriptive Statistics Test Results

The results of the descriptive statistical test of this study can be described in the table as follows:

Table 1 Descriptive Statistics ResultsSource: SPSS output. 25.0 (2020)

Variebel	N	Min	Max	Mean	Std. Deviation
Quality of Public Services	384	44.00	96.00	75.6979	9.49219
Public Trust	384	44.00	96.00	77.3750	7.93347
Taxpayer Compliance	384	30.00	100.00	83.0143	5.67383
Valid N (listwise)	384				

Source: SPSS output. 25.0 (2020)

Based on table 4.1 above, Public Service Quality (X1) has a minimum value of 44.00% (Good Enough), a maximum value of 96.00% (Good), and a mean of 75.69% so that 75.69% is on a value scale indicating a good level of assessment of the quality of public services. The standard deviation value indicates a deviation of 9,49219 from the average value of the respondents' assessment. Public Trust (X2) has a minimum value of 44.00% (Good Enough), a maximum value of 96.00% (Good), and a mean of 77.37% so that 77.37% is on a value scale indicating a good level of assessment on public trust. The standard deviation value indicates a deviation of 7.93347 from the average value of the respondents' assessment. Taxpayer Compliance (Y) has a minimum value of 30.00% (Good Enough), a maximum value of 100% (Good), and a mean of 83.01% so that it is 83.01% is on a value scale which indicates a good level of assessment on Taxpayer Compliance. The standard deviation value indicates a deviation of 5.67383 from the average value of the respondents' assessment.

Results of Inferential Statistical Analysis

Research Instrument Test

a. Validity Test Results

The results of the validity test of this study are illustrated in the table as follows:

Table 2 Validity Test Results

Variable	State ment	r-table	Informati on
Quality of Public Services	1-5	0.1966	Valid
Public Trust	1-5	0.1966	Valid
Taxpayer Compliance	1-8	0.1966	Valid

Source: SPSS output. 25.0 (2020)

Based on the table above, it shows that all question items in the research variables in the questionnaire are valid and can be used as a research measurement tool. This is evidenced by the value of Corrected Item - Total or $r\text{-count} > r\text{-table}$ with a value of 0.1966.

b. Reliability Test Results

Reliability test results of this study are described in the table as follows:

Table 3 Reliability Test Results

Variable	Alpha Coefficient	Information
Quality of Public Services	0.831 > 0.601	Reliable
Public Trust	0.802 > 0.601	Reliable
Taxpayer Compliance	0.853 > 0.601	Reliable

Source: SPSS output. 25.0 (2020)

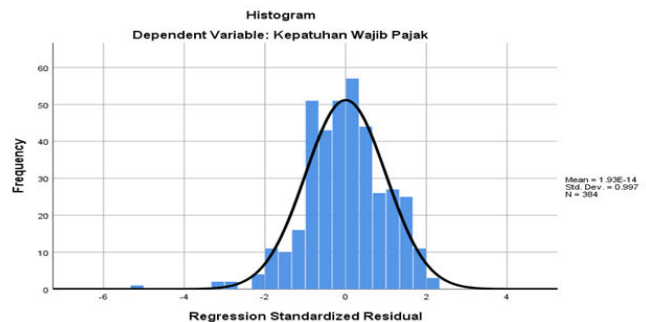
Based on the results of reliability testing, where the alpha coefficient value > 0.601 , indicates that all variables used as instruments in the study are reliable and can be used as a data collection tool.

Prerequisite Test

a. Normality test

Y Regression Normality Test Results

The results of the normality test of the research data are described as follows:



Picture 1 Result of Normality Test of Y Regression Histogram Graph

Source: SPSS output. 25.0 (2020)

The histogram graph shows that the data distribution pattern is normal. In addition, the normal probability plot graph shows the dots spreading around the diagonal line and the distribution follows the direction of the diagonal line.

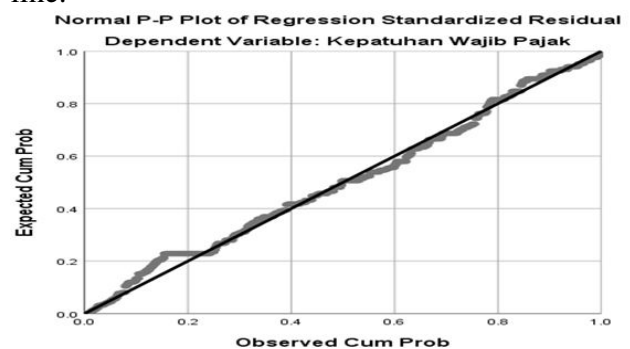


Figure 2 Normality Test Results Probability Plot Regression Y Source: SPSS output. 25.0 (2020)

Looking at the two graphs above, it can be concluded that the regression model in this study can be used because it fulfills the assumption of normality.

Results of the Regression Normality Test X

The results of the normality test of the research data are described as follows:

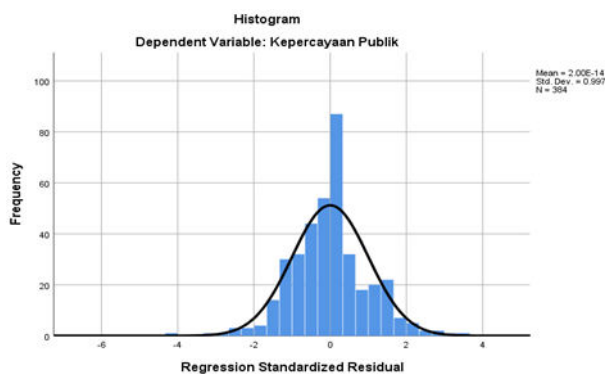


Figure 3 Result of Normality Test of X Regression Histogram Graph

Source: SPSS output. 25.0 (2020)

The histogram graph above shows that the data distribution pattern is close to normal. In addition, the normal P-Plot graph shows the dots spreading around the diagonal line and the distribution follows the direction of the diagonal line.

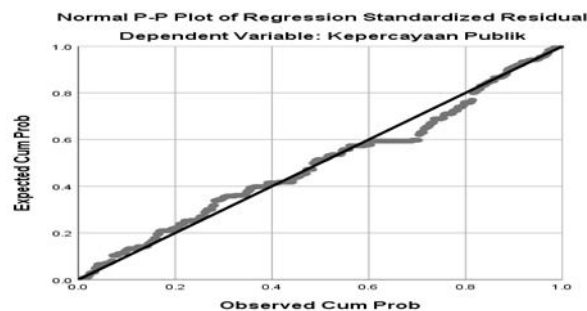


Figure 4 Test Results for Normality Normal Probability Variable X

Source: SPSS output. 25.0 (2020)

Looking at the two graphs above, it can be concluded that the regression model in this study can be used because it fulfills the assumption of normality.

b. Linearity Test Results

The results of the linearity test of this study are described in the table as follows

Table 4 Linearity Test Results

	<i>Deviation From Linearity ≥ 0.05</i>	Information
Public Service Quality * Taxpayer Compliance	0.000	Not Linear
Public Trust * Taxpayer Compliance	0.000	Not Linear
Public Service Quality * Pulik Trust	0.000	Not Linear
Taxpayer Compliance * Pulik Trust	0.000	Not Linear

The table above shows that the School Literacy Program for Learning Outcomes is linearly related, while Reading Interest for Learning Outcomes, School Literacy Programs on Science Literacy, Reading Interest in Science Literacy, and Learning Outcomes on Science literacy are not linearly related. Thus it can be said that the relationship between school literacy programs and learning outcomes can be explained using a linear model. Meanwhile, the relationship between reading interest and learning outcomes, school literacy program towards scientific literacy, reading interest towards scientific literacy, and

scientific literacy on learning outcomes can be explained using a quadratic pattern.

Hypothesis Test Results

Quality of Public Services and Public Trust in Taxpayer Compliance

a. Results of Multiple Linear Regression Analysis

The test results with SPSS for the Multiple Regression equation are described in the following:

Table 5 Taxpayer Compliance Regression Equation Coefficientsa

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	1,575	0.122		12,891	0.000
	Quality of Public Services	0.276	0.042	0.365	6,630	0.000
	Public Trust	0.376	0.050	0.415	7,537	0.000

a. Dependent Variable: Taxpayer Compliance

Source: SPSS output. 25.0 (2021)

The table above shows the Taxpayer Compliance regression equation as follows:

$$KWP = 1,575 + 0.276KPP + 0.376KP$$

The linear regression equation Y for each variable in this study, namely, the constant is 1.575 constants, which means that if there is no change in the independent variables (KPP and KP), then the dependent variable (KWP) is 1.575. Public Service Quality (X1) 0.276 is the coefficient of Public Service Quality (X1) which means that if there is an increase in Public Service Quality of 0.276, Taxpayer Compliance will increase by 0.276. Public Trust (X2) 0.376 is the coefficient of Public Trust (X2) which means that if there is an increase in Public Trust by 0.376, Taxpayer Compliance will increase by 0.376.

With the contribution of five indicators of public service quality as follows:

1. The Tangibles indicator has an effect of 100% on the quality of public services
2. Reliable indicator has an effect of 70% on the variable quality of public services
3. Responsiveness indicator has an effect of 71% on the variable of public service quality
4. The assurance indicator has an effect of 84% on the variable of public service quality
5. The Emphaty indicator has an effect of 83% on the variable quality of public services

The contributions of the five Public Confidence indicators are as follows:

1. The credible commitment indicator has an effect of 88% on Public Trust
2. The indicator of sincerity has an effect of 73% on the variable of public trust
3. The Honesty indicator has an effect of 100% on the Public Trust variable
4. The competency indicator has an effect of 65% on the public trust variable
5. Indicator of Justice has an effect of 87% on the Public Trust variable

Contribution of Taxpayer Compliance Indicators as follows:

1. Indicator of registering voluntarily as a taxpayer has an effect of 100% on taxpayer compliance
2. Indicator Having integrity as a taxpayer has an effect of 84% on the taxpayer compliance variable
3. The indicator of having honesty as a taxpayer has an effect of 96% on the taxpayer compliance variable
4. The indicator of submitting an annual reporting letter has an effect of 100% on the taxpayer compliance variable
5. Behavior indicator to report tax correctly as a taxpayer has an effect of 94% on taxpayer compliance
6. The indicator of reporting all tax obligations has an effect of 91% on the taxpayer compliance variable
7. Deterrence indicator has an effect of 75% on the taxpayer compliance variable.
8. The indicator of Willingness to pay tax obligations on time has an effect of 98% on the taxpayer compliance variable.

b. Simultaneous Test Results

The simultaneous test results of this study are illustrated in the table as follows:

Table 6 Summary of Simultaneous Test Estimation Results

Variable	Test result	Decision
F- ratio	225,306	Significant
(Prob- ratio)	0.000	Significant
N	384	

Source: SPSS output. 25.0 (2021)

The description of the table above, the results of testing the hypothesis of this study are described as follows:

Third Hypothesis Testing (H)

Table 6 shows that the variables of Public Service Quality and public trust in Taxpayer Compliance have a significant level of = 0.000, which is less than 0.05, this result means that simultaneously Public Service Quality and Public Trust have a significant effect on taxpayer compliance. Meanwhile, the F-count shows the value +225,306

which mean Public Service Quality and public trust have a positive effect on Taxpayer Compliance. So it can be said that Public Service Quality and public trust has a positive and significant effect on Taxpayer Compliance. Thus it can be said that H is supported.

Determination Coefficient Test Results

The results of the determination test of this study are illustrated in the following table.

Table 7 Determination Test Results

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
Y	736a	0.542	0.539	0.24339

Source: SPSS output. 25.0 (2021)

The result of the determination coefficient test above, the value of Adjusted R Square for Taxpayer Compliance is 0.539 which indicates that Taxpayer Compliance is influenced by the Quality of Public Services and Public Trust by 53.9%.

Discussions

This study found that the quality of public services and public trust berpositive and significant impact on taxpayer compliance. The results of this study mean that the quality of public services and public trust can simultaneously be a determining factor in increasing taxpayer compliance. the better the quality of public services received and the higher the public trust received will increase taxpayer compliance. These results are due to the quality of public services, public trust and taxpayer compliance, which are appreciated positively by respondents. As seen in the respondent's assessment table 5.5 above, namely Public Service Quality, Public Trust and Taxpayer Compliance has an average rating above sixty percent which means the respondent gives a good assessment of the quality of public services, Public Trust and Compliance of taxpayers in Mamuju district. Taxpayer compliance means reporting the tax base (income) and calculating the tax payable correctly and actually, submitting the SPT and paying the accrued tax in a timely manner.

According to Chaizi Masucha in(Kurniawan, 2018), tax compliance can be assessed from a number of things, namely taxpayer compliance in registering, Compliance for remitting notification letters, Compliance in calculating and paying taxes owed and Compliance in payments and arrears.

Taxpayer compliance that is meant is compliance with income tax collected on individual taxpayers. Income tax is a tax imposed on an individual or entity on income received or earned in a year. Meanwhile, an individual taxpayer is any individual who has an income above the non-taxable income. Everyone is required to register themselves and have a taxpayer identification number (NPWP), unless specified in law.

The income taxpayer compliance assessment used is compliance to register voluntarily as a taxpayer, assessment of integrity in taxpayers, assessment of honesty in paying taxes, assessment of the timeliness of submitting annual reporting documents, assessing the accuracy of submitting annual reporting documents. An assessment of all taxpayer obligations that must be reported correctly and within a predetermined time, and an assessment of the taxpayer's ability in self-control from tax irregularities.

Regulation of the Minister of Finance of the Republic of Indonesia No.74 / PMK 03/2012 Article 2, to be able to be designated as a Taxpayer with certain criteria, the Taxpayer must meet the requirements, namely Timely in submitting Tax Returns, Do not have tax arrears for all types of taxes, except arrears tax that has obtained a license to pay in installments or postpone tax payments, the Financial Statements are audited by a Public Accountant or government financial supervisory institution with an Unqualified opinion for 3 (three) consecutive years and; Never been convicted of committing a criminal offense in the field of taxation based on a court decision that has permanent legal force for the last 5 (five) years.

Taxpayer compliance can be measured by various indicators. According to (Nolan-Flecha 2017) compliance can be seen from three things, namely registering voluntarily as a taxpayer, having integrity as a taxpayer and having honesty as a taxpayer. According to (Novelskaitė and Pučėtaitė

2018) taxpayer compliance can be measured from two things, namely filing an SPT on time and accurately. According to (Batrancea, 2019) Taxpayer compliance can be assessed from the behavior of reporting taxes properly, reporting all tax obligations and deterrence. Meanwhile, according to (Anderson, 2015) in (Haning et al, 2020) a taxpayer is said to have tax compliance if he has the willingness to pay tax obligations on time.

These results are in line with the research findings Haning et al (2020) stated that public service performance and public trust have a significant effect on taxpayer compliance. This result implies that tax compliance will increase along with the increase in service performance that is felt by the community and the public trust given by the community. So it can be said that the better the quality of service, the taxpayer compliance in fulfilling obligations will increase. This is also in line with the theory stated by Devano and Rahayu (2006), the factors that affect taxpayer compliance in paying taxes, one of which is the quality of service provided to taxpayers. The better the quality of service and public trust in the government, the more taxpayer compliance will increase in fulfilling their obligations.

Conclusion

Public Service Quality and Public Trust simultaneously have a positive and significant effect on Taxpayer Compliance. These results mean that increased taxpayer compliance in Mamuju district can simultaneously be driven from the Quality of Public Services and Public Trust.

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