

Literature Review of The Influence of Tax Service Quality and Tax System Modernization on Taxpayer Compliance By Moderating On Taxpayer Satisfaction

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Article Info	ABSTRACT
<p>Corresponding Author: Alya Syafikah Rani E-mail: 202110315119@mhs.ubharaja.ya.ac.id</p>	<p>Previous research or relevant research is very important in a research or scientific article. Previous research or relevant research serves to strengthen the theory and phenomenon of the relationship or influence between variables. This article reviews the factors that influence taxpayer compliance, namely the quality of tax services and modernization of the tax system and tests the role of taxpayer satisfaction as a moderating variable in a tax accounting literature study. The purpose of writing this article is to build a hypothesis of the influence between variables to be used in further research. The results of this literature review article are: 1) The quality of tax services affects taxpayer compliance; 2) System modernization affects taxpayer compliance; 3) Taxpayer satisfaction strengthens the influence of the quality of tax services on taxpayer compliance; 4) Taxpayer satisfaction strengthens the influence of tax system modernization on taxpayer compliance</p> <p>Keywords: Tax Service Quality, Tax System Modernization, Taxpayer Compliance, Taxpayer Satisfaction</p>

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INTRODUCTION

Tax compliance is an important element in the government's fiscal sustainability. A high level of tax compliance has a positive impact on state revenues that can be used to fund regional development and welfare. However, tax compliance remains a major challenge in Indonesia.

Data from Central Statistics Agency (2024) shows an increase in tax revenue from year to year as reported by the Central Statistics Agency (2024) showing that in 2022 tax revenue was 77.35%, in 2023 tax increases to 80.41%, and in 2024 tax revenue increases to 82.44% of total state revenue. However, the cases of tax violations that occur indicate that there are still many taxpayers who do not fully understand and carry out their obligations as taxpayers. Previous studies have shown a relationship between the quality of tax services, modernization of the tax system, and taxpayer compliance. However, the research results are still diverse and there are some cons.

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Based on the background, the problems that will be discussed can be formulated in order to build a hypothesis for further research, namely: 1) Does the quality of tax services affect taxpayer compliance?. 2) Does modernization of the tax system affect taxpayer compliance?. 3) Can taxpayer satisfaction moderate the influence of tax service quality on taxpayer compliance?. 4) Can taxpayer satisfaction moderate the influence of tax system modernization on taxpayer compliance?.

METHOD

THEORITICAL REVIEW

Theory of Planned Behavior

The theory of planned behavior explains the psychological framework used to understand human behavior based on individual beliefs, attitudes, and intentions. Taxpayers who realize the importance of paying taxes for the running of the country automatically fulfill their tax obligations. In fulfilling their tax obligations, taxpayers want reciprocity and trust in fulfilling the normative expectations of others and the environment, thus motivating them to continue to act obediently. Strengthening compliance through service quality and tax modernization.

Technology Acceptance Model

The Technology Acceptance Model introduced by Davis in 1989 is an application of the Theory of Action (TRA) specifically designed to model technology acceptance by users. The TAM model was developed and used as a framework to understand the adoption of information technology in its context. TAM explains two factors that have a major impact on technology integration. The first factor is perceived usefulness, the extent to which users believe that using the item will improve their performance, and the second factor is perceived ease of use of the technology. The level of user confidence that the system is easy to use and learn. Therefore, the use of this technology will increase taxpayer registration compliance and make it easier for them to fulfill their tax obligations (Hadian et al., nd, 2023).

Compliance Theory

The theory of obedience was developed by Stanley Milgram (1963). This theory describes the condition in which a person follows the rules and orders that have been set. Regarding legal obedience, social education has two perspectives, namely the instrumental perspective and the normative perspective. The theory of obedience has been studied in the sciences. social sciences, particularly in psychology and sociology, and emphasizes the importance of socialization processes in influencing individual compliance behavior. People tend to follow laws that they believe are appropriate and in line with corporate norms (Hertati, nd, 2021).

Literature Review

Taxpayer Compliance

The act of fulfilling the obligations of individual taxpayers by paying taxes in accordance with applicable general tax regulations. The higher the level of taxpayer tax compliance, the higher the state revenue and vice versa. The failure of a taxpayer to fulfill his tax obligations can be intentional or unintentional. The success of tax implementation is

certainly supported by the fulfillment of taxpayer tax obligations. In general, tax compliance can be divided into two parts. The first is administrative or formal compliance. This includes the extent to which taxpayers comply with procedural and administrative tax requirements, such as reporting obligations and the timing of tax submission and payment. Second, technical or material compliance is related to the accuracy of calculating tax obligations (Aryafu'adi et al., 2024)

Quality of Tax Services

Service quality refers to the fulfillment of customer expectations and needs, and a service is considered quality if it is able to provide products and services that meet customer needs and expectations. The quality of tax services is the ability of the Directorate General of Taxes (DGT) to provide optimal tax services to taxpayers so that taxpayers are satisfied with the services provided by DGT. Efforts to improve service quality include improving technical services for tax officials, developing infrastructure such as creating integrated service areas (TPT), and developing information systems and technology to facilitate taxpayer tax payments (Ermawati et al., 2022).

Modernization of Tax

System Modernization of the administration system is one of the efforts of the tax authorities to update the facilities and infrastructure of the tax system through the development of the system. accurate and up-to-date taxpayer knowledge and information. With the modernization of the tax system, it is hoped that taxpayers can better fulfill their tax obligations. Therefore, the modernization of the tax management system is a management effort to improve tax services to taxpayers by improving the organizational structure and utilizing employee skills and information technology to improve taxpayer compliance. Improve the image of the tax authorities, increase tax revenues, and help taxpayers fulfill their tax obligations more effectively, efficiently, safely and quickly (Aryafu'adi et al., 2024)

Taxpayer Satisfaction

Taxpayer satisfaction refers to a situation where taxpayers want their tax desires, expectations, and needs to be met. Taxpayer satisfaction is a measure of the extent to which tax officials provide services to taxpayers who carry out tax activities. If all expectations and needs are met, taxpayers will be satisfied with tax services (Aji, 2021).

According to Rohmawati (2020), user satisfaction is taxpayer satisfaction caused by the functionality provided by the system. This is defined as the satisfaction felt by taxpayers because the services provided by the system can be felt by taxpayers. feel. Modernization of the tax system, especially in terms of e filing, e-form, e-SPT, and the quality of tax services. Taxpayer satisfaction shows that the modernization of the tax system has succeeded in meeting the needs of taxpayers. Taxpayer satisfaction comes from the benefits they get from the system that makes the work of taxpayer users easier, including saving time and costs.

Table 1. Previous Research

No	Author (Year)	Previous research results	Similarities with Difference with this article this article	Similarities with Difference with this article this article
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1	(Fitri, 2020)	Quality of service tax, audit Quality of service Inspection and modernization taxes and modernization administration system taxation influence mandatory compliance personal tax	Quality of service and modernization administration system taxation have an impact on taxpayer compliance	Inspection tax influential to taxpayer compliance
2	(Afifah, 2020)	quality of service, e taxation system and tax socialization have an impact on taxpayer satisfaction significantly.	quality of service and e-taxation system have an impact on taxpayer satisfaction	tax socialization have an impact on taxpayer satisfaction
3	(Tena, 2024)	Quality service have a significant impact towards satisfaction taxpayer	Quality service influential significant to taxpayer satisfaction	-
.4	(Hertati, 2021)	Level of knowledge taxation and system modernization administration taxation positive influence towards compliance taxpayer	system modernization administration taxation positive influence towards compliance taxpayer	Level of knowledge taxation positive influence towards compliance taxpayer
5	(Ndruru et al., 2024)	Quality of service taxation, system modernization taxation and taxpayer awareness have a significant impact towards compliance taxpayer	Quality of service taxation, system modernization taxation influential significant to taxpayer compliance	taxpayer awareness have a significant impact towards compliance taxpayer
6	Dodi (2020)	Knowledge taxation, services tax authorities, implementation of e-filling has an effect positive toward taxpayer compliance	e- filling implementation positive influence towards compliance taxpayer	Knowledge taxation and tax services positive influence towards compliance taxpayer

Research methods

The method of writing this scientific article is using qualitative methods and literature reviews.. Reviewing theories and relationships or influences between variables from books

and journals both individually and in groups.offlinein the library and inon linesourced from Mendeley, Google Scholar and other online media.

In qualitative research, literature review must be used consistently with methodological assumptions. This means that it must be used inductively so as not to direct the questions asked by the researcher. One of the main reasons for conducting qualitative research is that the research is exploratory in nature, (Ali & Limakrisna, 2013).

Conceptual Framework

Based on the formulation of the problem, theoretical studies, relevant previous research and discussion of the influence between variables, the framework for thinking in this article is obtained as below.

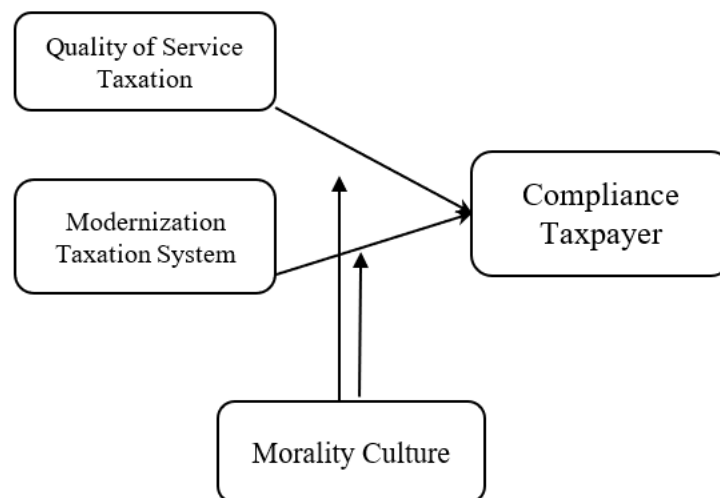


Figure 1. Conceptual Framework

RESULTS AND DISCUSSION

Based on the relevant theoretical studies and previous research, the discussion of this article. this literature reviewin taxation concentration are:

The Influence of Tax Service Quality on Taxpayer Compliance

Service Quality is a tax service that is intended to provide convenience, security, and all the support needed by Taxpayers to fulfill their obligations and rights in the field of taxation (tax services) (Ingrid et al., 2023). Deva's research (2021) shows that the quality of tax services has a positive effect on taxpayer compliance. The quality of service affects taxpayer compliance because the services provided by tax officers or the facilities provided are adequate, taxpayers feel that they are given convenience and pleasure so that taxpayers comply with tax reporting.

The Impact of Tax System Modernization on Taxpayer Compliance

According to research by Putri et al., Tanjung (2023) stated that the modernization of the tax system has a positive and significant influence on taxpayer tax compliance. This is in accordance with Tanjung's research (2023) which has a positive influence on taxpayer

compliance. Modernization of the system provides convenience to taxpayers in payment, reporting to services through an online system, so that taxpayers do not need to come and queue to carry out their tax obligations to the tax office, so that they can save energy and save time. With this system modernization, taxpayers are compliant with tax payments and tax reporting.

The Influence of Tax Service Quality on Taxpayer Compliance Moderated by Taxpayer

Satisfaction Taxpayer satisfaction affects the quality of tax services. Achieving the level of taxpayer satisfaction related to tax compliance requires superior quality because taxpayer satisfaction is what taxpayers experience (Tena, 2024). If the service which is given to taxpayers, whether the officers are friendly or the facilities provided are complete, it will make taxpayers feel satisfied, the existence of this taxpayer satisfaction makes taxpayers comply with their tax obligations.

The Effect of Tax System Modernization on Taxpayer Compliance Moderated by Taxpayer Satisfaction

Taxpayer satisfaction refers to a situation where a taxpayer wants his/her tax desires, wishes, and needs to be met. Taxpayer satisfaction is a measure of how well tax officers serve taxpayers who carry out their tax activities. Taxpayers will be satisfied with tax services if all their expectations and needs are met (Aji, 2021). The existence of a modernization of the tax system that makes it easier for taxpayers to report their taxes, so that taxpayers do not need to come and queue at the tax office. Tax modernization includes; e-filing, e-form, e-SPT. The satisfaction of taxpayers influences that the modernization of the tax system has succeeded in meeting taxpayer compliance.

CONCLUSION

Based on the theory, relevant articles, and discussions, the following hypotheses can be formulated for further research: 1) The quality of tax services affects taxpayer compliance. 2) Modernization of the tax system affects taxpayer compliance. 3) The quality of tax services affects taxpayer compliance which is moderated by taxpayer satisfaction. 4) Modernization of the tax system affects taxpayer compliance which is moderated by taxpayer satisfaction.

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