

ASSESSING THE IMPACT OF PERDA NO 1 YEAR 2024 ON PBB-P2 TAXPAYER COMPLIANCE: EVIDENCE ON TAX KNOWLEDGE, SOCIALIZATION, TAX SANCTIONS, AND POLICY ADJUSTMENT



Syahru Siamunnisa¹
Universitas Swadaya Gunung Jati, Cirebon, Indonesia
syahru.122040136@ugj.ac.id

Dev Anand²
Universitas Swadaya Gunung Jati, Cirebon, Indonesia
dev.anand@ugj.ac.id

Abstract

Taxpayer compliance has become a critical issue in the context of regional tax reform following the enactment of Local Regulation No. 1 of 2024 in Cirebon City, particularly in relation to behavioral determinants of local property taxation (PBB-P2). This study aims to analyze the effects of tax knowledge, tax socialization, tax sanctions, and policy adjustment on individual taxpayer compliance. A quantitative approach was employed using a survey method, with data collected from 400 individual taxpayers registered at KPP Pratama Cirebon through purposive sampling. Questionnaires were distributed both offline and online. Data were analyzed using Structural Equation Modeling–Partial Least Squares (SEM-PLS) with SmartPLS version 4.1.1.7, including evaluation of the measurement model (outer model) and structural model (inner model) to assess validity, reliability, and hypothesized relationships. The findings reveal that tax knowledge, tax socialization, tax sanctions, and policy adjustment positively and significantly influence taxpayer compliance. Tax knowledge enhances understanding of rights and obligations, socialization strengthens awareness of tax responsibilities, sanctions reinforce compliance through deterrent effects, and adaptive policy adjustments provide greater certainty and convenience. These results highlight the importance of integrated educational, regulatory, and policy strategies to improve local tax compliance.

Keywords: Taxpayer Compliance, Tax Knowledge, Tax Socialization, Tax Sanctions, Policy Changes

INTRODUCTION

Fiscal decentralization has reinforced the role of local taxation as a fundamental instrument in achieving regional financial autonomy and sustainable development. Within the framework of Local Own-Source Revenue, the Rural and Urban Land and Building Tax (PBB-P2) constitutes a strategic and relatively stable revenue source, while simultaneously representing a direct fiscal relationship between local governments and citizens as taxpayers. Nevertheless, the effectiveness of PBB-P2 extends beyond regulatory design and administrative capacity, as it is critically shaped by taxpayer compliance behavior, which is influenced by cognitive, social, and regulatory dimensions. Consequently, policy adjustments in PBB-P2 may generate not only fiscal implications but also broader social consequences.

In recent years, increases in PBB-P2 rates have generated significant public concern across several regions in Indonesia. In Pati Regency, Central Java, a property tax increase of up to 250% provoked large-scale public protests due to perceptions of disproportionality. Similar reactions were observed in Jombang Regency, East Java, where sharp increases in Tax Due Notification Letters (SPPT) led to community demonstrations, and in Bone Regency, South Sulawesi, where farmers opposed higher tax burdens considered economically onerous. Comparable responses also emerged in South Tangerang and Bekasi, where citizens questioned the transparency and fairness of tariff adjustments. These events underscore that local fiscal reforms particularly tariff revisions and property value reassessments carry substantial social implications, especially in shaping perceptions of equity and influencing taxpayer compliance. The social dynamics arising from the adjustment of this regional regulation are reflected in tax revenue performance during the 2022–2024 period. To obtain an empirical understanding of the effectiveness of this policy implementation, a comparison between the revenue targets and actual realization of PBB-P2 revenues in Cirebon from 2022 to 2024 is presented. This comparison is intended to illustrate the extent to which tariff adjustments have influenced the level of taxpayer compliance.

Table 1.

Budget Data and Realization of PBB Revenue for Cirebon City 2022-2024

NO	KETERANGAN	TAHUN ANGGARAN	ANGGARAN (RP)	REALISASI (RP)	PRESENTASE
1	Pajak Bumi dan Bangunan Pedesaan dan Perkotaan	2022	35.408.450.000	35.566.286.916	100,46%
2	Pajak Bumi dan Bangunan Pedesaan dan Perkotaan	2023	35.763.920.174	35.435.642.763	99,08%
3	Pajak Bumi dan Bangunan Pedesaan dan Perkotaan	2024	70.421.248.093	48.883.174.095	69,42%

Empirically, based on data from the local government, the realization of PBB-P2 revenue in Kota Cirebon in 2024 reached approximately 69.42% of the budget target, representing the lowest realization percentage compared to the previous two years, during which the realization nearly met or even exceeded the established targets. This difference indicates a gap in fiscal policy effectiveness between 2022, 2023, and 2024.

This phenomenon provides an important basis for further research on the factors influencing taxpayer compliance. The low level of compliance can be observed from the realization of PBB-P2 revenue, which remains below the target set in the Regional Revenue

and Expenditure Budget (APBD). The fiscal condition in Cirebon City demonstrates a disparity between the targeted and actual PBB-P2 revenues. This makes Cirebon City a relevant area for research. Suboptimal revenue performance may reflect variations in community compliance behavior regarding local tax obligations. These factors may originate from internal aspects, such as tax knowledge, which relates to taxpayers' understanding and awareness, as well as external aspects, such as tax socialization, the implementation of tax sanctions, and perceptions of changes in PBB-P2 rates. Therefore, this study aims to analyze the effects of tax knowledge, tax socialization, tax sanctions, and fiscal policy adjustments related to PBB-P2 on taxpayer compliance in Cirebon City in 2024.

Tax knowledge is a fundamental aspect that shapes taxpayer compliance behavior. It includes taxpayers' ability to understand tax regulations, calculation procedures, payment mechanisms, and the benefits of taxes for development. The higher an individual's understanding of tax obligations, the greater their awareness and willingness to comply with applicable regulations. Taxpayers with adequate knowledge tend to pay taxes on time and voluntarily, whereas a lack of understanding often leads to negligence, administrative errors, or even tax avoidance.

Tax socialization plays a crucial role in building communication between the government and the community. Through socialization activities, information regarding rights, obligations, and changes in tax policies can be clearly conveyed. Its impact on compliance is reflected in increased public understanding of the benefits of taxation and the objectives of fiscal policies, which ultimately strengthens trust and encourages active participation in tax payment. When socialization is conducted transparently and continuously, taxpayers feel more involved and develop a positive perception of the tax system.

Tax sanctions serve as a control mechanism used to enforce compliance. The implementation of sanctions functions as a deterrent for violators and ensures fairness for compliant taxpayers. The existence of sanction threats makes taxpayers more cautious and encourages them to fulfill their obligations in accordance with regulations. However, the effectiveness of sanctions depends on consistent enforcement and the sense of fairness perceived by the community. If sanctions are considered excessive or disproportionate, they may reduce trust in tax authorities.

Fiscal policy adjustments also have significant social impacts and directly influence perceptions of fairness and taxpayers' economic capacity. In the context of PBB-P2, fiscal policy adjustments are intended to align the tax burden with each taxpayer's financial capability. The impact can be dual in nature: if fiscal policy changes are perceived as reasonable and transparent, compliance may increase because the public understands the policy objectives. Conversely, if fiscal changes are viewed as unfair or inadequately communicated, they may trigger resistance and reduce taxpayers' willingness to fulfill their tax obligations.

Several previous studies have reported mixed findings. (D. I. et al., 2025), (Susanti, 2022a), and (Pravasanti, 2020) found that tax knowledge, tax sanctions, tax socialization, and fiscal policy changes have a significant effect on taxpayer compliance. In contrast, other studies conducted by (Astriani, 2023a) and (Rahman, 2023) concluded that these factors do not have a significant influence on taxpayer compliance. The existence of these inconsistent findings, combined with the current empirical conditions observed in Cirebon City, further

strengthens the rationale for examining the effects of tax knowledge, the effectiveness of tax socialization, tax sanctions, and fiscal policy changes on taxpayer compliance in paying PBB-P2 in Cirebon City in 2024.

REVIEW OF LITERATURE

Theory of Planned Behavior (TPB)

The Theory of Planned Behavior (TPB), developed by Icek Ajzen (1991), posits that individual behavior is primarily determined by behavioral intention, which in turn is influenced by three core components: attitude toward the behavior, subjective norms, and perceived behavioral control. Within the taxation context, taxpayer compliance behavior emerges when individuals possess a favorable attitude toward paying taxes, perceive social expectations supporting compliance, and believe they have sufficient capacity and opportunity to fulfill their tax obligations.

Attitudes toward taxation are shaped by beliefs that paying taxes contributes to public welfare and regional development. Subjective norms arise from social influences such as family, colleagues, and community members who regard tax compliance as appropriate and expected behavior. Perceived behavioral control reflects the extent to which taxpayers feel capable of complying, including their understanding of tax regulations and access to convenient payment systems.

Empirical evidence supports the relevance of TPB in explaining compliance behavior. Iyer (2021) demonstrates that positive attitudes toward government and perceived fiscal transparency enhance taxpayers' compliance intentions. F. et al. (2022) find that social norms and environmental influences significantly shape voluntary compliance behavior in developing countries. Furthermore, Suryani (2023) confirms that higher perceived behavioral control such as understanding tax procedures and the availability of digital payment facilities significantly increases taxpayers' intention to comply.

In the context of regional taxation, TPB provides a robust theoretical foundation for understanding that taxpayer compliance is not solely driven by legal obligation but also by intention formed through attitudes, social norms, and perceived control. This theoretical lens is particularly relevant in examining compliance behavior following fiscal policy adjustments at the local government level.

Taxpayer Compliance

Taxpayer compliance refers to a condition in which taxpayers fulfill all tax obligations and exercise their fiscal rights in accordance with prevailing regulations voluntarily and without coercion. Compliance encompasses accurate income reporting, correct tax calculation, timely payment, and proper submission of tax returns. Beyond the administrative dimension, compliance reflects honesty, punctuality, and fiscal legal awareness.

Soetjahyo et al. (2023) in Rahman (2023) emphasize that compliance represents a fundamental contribution to national and regional development, as tax revenues constitute a primary source of public financing. Accordingly, taxpayer compliance should be understood not merely as a legal requirement but as a behavioral manifestation of civic responsibility and moral commitment within the fiscal system.

Tax Knowledge

Tax knowledge refers to an individual's understanding of tax types, calculation mechanisms, legal obligations, and the broader benefits of taxation for public development. Adequate tax literacy fosters confidence and cultivates positive attitudes toward tax obligations, thereby encouraging voluntary compliance.

Lutfi (2023) argues that tax literacy significantly enhances compliance behavior through moral awareness and trust in government institutions. Similarly, Maseko (2021b) finds that fiscal education and tax guidance programs positively influence taxpayer compliance levels in developing countries. These findings underscore the cognitive dimension of compliance behavior, wherein informed taxpayers are more likely to internalize tax obligations as legitimate and necessary.

H1: Tax knowledge has a positive effect on taxpayer compliance.

Tax Socialization

Tax socialization refers to efforts undertaken by fiscal authorities to disseminate information, enhance understanding, and communicate the benefits of taxation to the public. Effective socialization strengthens awareness, shapes positive perceptions, and reinforces compliance intentions.

D. et al. (2022) demonstrate that transparent and interactive tax socialization improves perceptions of fairness and increases taxpayer compliance. Furthermore, D. et al. (2023) report that clear fiscal communication from government institutions enhances compliance intention by strengthening public trust in the tax system. Thus, socialization functions not only as an informational instrument but also as a mechanism for building psychological connections between taxpayers and authorities through transparency and mutual trust.

H2: Tax socialization has a positive effect on taxpayer compliance.

Tax Sanctions

Tax sanctions constitute a legal enforcement mechanism designed to deter non-compliance and reinforce fiscal responsibility. Proportional and fair sanctions may enhance perceptions of justice and strengthen compliance intentions.

K. et al. (2020) argue that proportional sanction enforcement creates a balance between deterrence and trust in institutional fairness. Likewise, A. et al. (2021) show that perceived fairness in sanction implementation mediates the relationship between tax morale and taxpayer compliance in developing countries. Therefore, the effectiveness of sanctions depends not only on enforcement intensity but also on taxpayers' perceptions of procedural justice and legitimacy.

H3: Tax sanctions have a positive effect on taxpayer compliance

Fiscal Policy Adjustment

Fiscal policy adjustment in the context of Pajak Bumi dan Bangunan Perdesaan dan Perkotaan (PBB-P2) includes tariff revisions, changes in property valuation (NJOP), payment mechanisms, and the implementation of digital administrative systems by local governments. Such adjustments influence taxpayers' perceptions of fairness, tax burden, and the benefits derived from compliance.

O. & Obazee (2021) indicate that local tax policy reforms can enhance compliance when accompanied by transparency and effective communication. Similarly, D. et al. (2023) find that well-managed and transparent regional tax adjustments strengthen perceptions of

fairness and voluntary compliance intentions. These findings suggest that structural policy changes, when implemented transparently and responsively, can positively shape behavioral responses to tax reform.

H4: Tax rates have a positive effect on taxpayer compliance

Based on the above description, the research framework model for this study is presented in Figure 1 below:

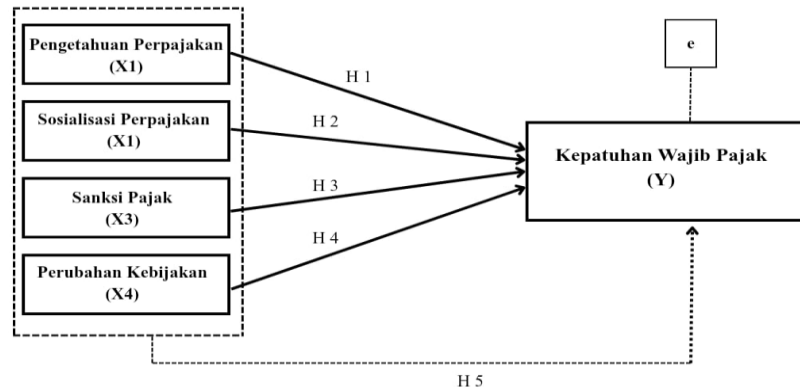


Figure 1.
Theoretical Framework

RESEARCH METHOD

This research use a quantitative research design, emphasizing theory testing through numerical measurement of variables and objective statistical analysis (Sugiyono, 2019). A quantitative approach is considered appropriate for examining the influence of tax knowledge, tax socialization, tax sanctions, and PBB-P2 policy adjustment on taxpayer compliance. The study utilizes primary data collected through the distribution of structured questionnaires to respondents. The questionnaire instrument applies a five-point Likert scale ranging from “Strongly Disagree” to “Strongly Agree,” enabling respondents to provide measurable evaluations of each statement.

The population of this study comprises all Individual Taxpayers (WPOP) registered in 2024, totaling 147,129 taxpayers. The sampling technique employed is purposive sampling, a non-probability sampling method in which respondents are selected based on specific criteria relevant to the research objectives (Sugiyono, 2019). This technique was chosen to ensure that the selected respondents possess characteristics aligned with the study context, namely: (1) registered as active PBB-P2 individual taxpayers in 2024, (2) having received or been affected by the implementation of Local Regulation No. 1 of 2024, and (3) having made at least one PBB-P2 payment transaction. These criteria ensure that respondents have adequate experience and understanding of the policy changes being examined.

Although the population size is large, the sample size was determined using the Slovin formula to obtain a representative minimum number of respondents:

$$n = \frac{N}{1 + Ne^2}$$

$$n = \frac{147.129}{1 + 147.129(0,05)^2} = 398,915$$

. Thus, with a 5% margin of error, the minimum required sample size is 398.915, which is rounded to 400 respondents. These 400 purposively selected respondents serve as the primary data source for analyzing the influence of tax knowledge, tax socialization, tax sanctions, and PBB-P2 policy adjustment on taxpayer compliance.

Data Analysis Technique

Data analysis in this study employed the Structural Equation Modeling–Partial Least Squares (SEM-PLS) method using SmartPLS version 4 software. The analysis was conducted through the evaluation of the measurement model (outer model), the structural model (inner model), and hypothesis testing.

The evaluation of the outer model included convergent validity, discriminant validity, and construct reliability tests. Meanwhile, the evaluation of the inner model involved the assessment of R-Square (R²) and F-Square (F²) values. Hypothesis testing was performed using the bootstrapping procedure to examine the path coefficients, T-statistics, and p-values in order to determine the significance of the proposed relationships.

RESULT AND DISCUSSION

Outer Model

Convergent Validity Test

The assessment of convergent validity is based on the loading factor and the Average Variance Extracted (AVE) values, with acceptance criteria of > 0.70 and > 0.50, respectively. Constructs meeting these thresholds are considered to have adequate capability in explaining the variance of their indicators.

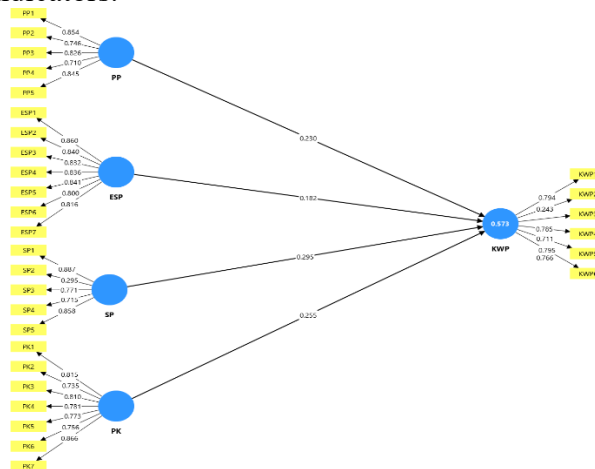


Figure 2.
Results of the First-Stage Convergent Validity Test

The results of the first-stage convergent validity test using the Partial Least Squares (PLS) method indicate that not all indicators meet the required validity criteria. The recommended outer loading threshold for convergent validity assessment is ≥ 0.70. Based on the analysis, indicator SP2 under construct X3 and indicator KPW2 under construct Y exhibit

outer loading values below this threshold, suggesting that they do not adequately represent their respective constructs.

Accordingly, both indicators were removed from the measurement model to improve construct quality. Following this elimination process, a second-stage convergent validity test was conducted to ensure that all remaining indicators satisfied the established convergent validity criteria.

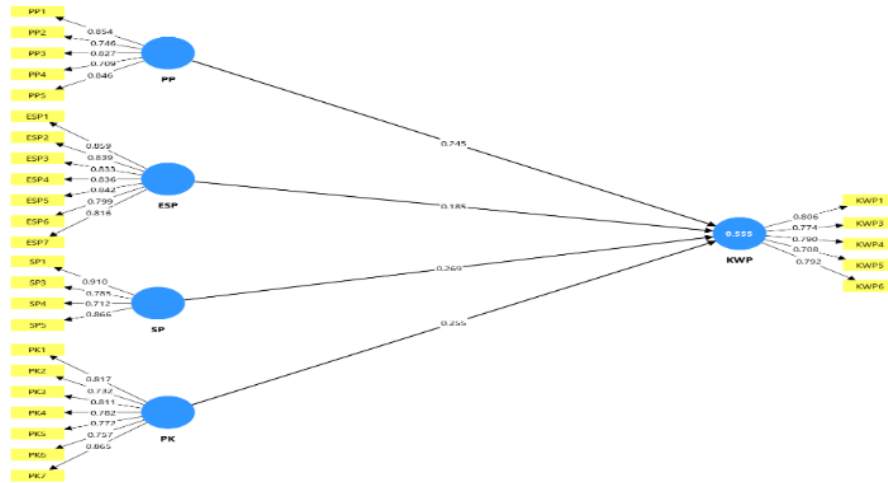


Figure 3.
Results of the Second-Stage Convergent Validity Test

Table 3.
Outer Loading

	ESP	KWP	PK	PP	SP	
ESP1	0.859					Valid
ESP2	0.839					Valid
ESP3	0.833					Valid
ESP4	0.836					Valid
ESP5	0.842					Valid
ESP6	0.799					Valid
ESP7	0.816					Valid
KWP1		0.806				Valid
KWP3		0.774				Valid
KWP4		0.790				Valid
KWP5		0.708				Valid
KWP6		0.792				Valid
PK1			0.817			Valid
PK2			0.732			Valid
PK3			0.811			Valid
PK4			0.782			Valid
PK5			0.772			Valid
PK6			0.757			Valid
PK7			0.865			Valid
PP1				0.854		Valid
PP2				0.746		Valid
PP3				0.827		Valid
PP4				0.709		Valid
PP5				0.846		Valid
SP1					0.910	Valid
SP3					0.785	Valid
SP4					0.712	Valid
SP5					0.866	Valid

Table 4.
AVE Value

Variabel	Average variance extracted (AVE)	Keterangan
ESP	0.693	Valid
KWP	0.601	Valid
PK	0.627	Valid
PP	0.638	Valid
SP	0.676	Valid

The results of the second-stage convergent validity test indicate that all indicators have satisfied the established measurement criteria. All outer loading values exceed 0.70, demonstrating that the indicators strongly reflect their respective latent constructs. In addition, the Average Variance Extracted (AVE) values for each construct are greater than 0.50, indicating that the constructs explain the majority of the variance in their indicators. Accordingly, the measurement model can be considered to have achieved convergent validity, and the research instrument is deemed appropriate for subsequent analysis.

Discriminant Validity

Discriminant validity was evaluated through cross-loading analysis, the Fornell Larcker criterion, and latent variable correlation.

Cross Loading

Discriminant validity testing using cross loadings was conducted by comparing the loading value of each indicator on its assigned construct with its loadings on other constructs. An indicator is considered to meet the discriminant validity criterion if it demonstrates the highest loading on the construct it is intended to measure relative to other constructs.

Table 5.
Cross Loading Results

	Tax Socialization	Taxpayer Compliance	Policy Changes	Tax Knowledge	Tax Penalties	Information
ESP1	0.859	0.468	0.341	0.421	0.451	Valid
ESP2	0.839	0.377	0.417	0.278	0.315	Valid
ESP3	0.833	0.452	0.305	0.406	0.399	Valid
ESP4	0.836	0.400	0.346	0.315	0.265	Valid
ESP5	0.842	0.357	0.358	0.312	0.362	Valid
ESP6	0.799	0.492	0.374	0.387	0.341	Valid
ESP7	0.816	0.452	0.400	0.434	0.364	Valid
KWP1	0.459	0.806	0.509	0.553	0.511	Valid
KWP3	0.412	0.774	0.448	0.454	0.372	Valid
KWP4	0.420	0.790	0.483	0.504	0.547	Valid
KWP5	0.362	0.708	0.397	0.345	0.426	Valid
KWP6	0.356	0.792	0.439	0.395	0.470	Valid
PK1	0.435	0.585	0.817	0.542	0.506	Valid
PK2	0.269	0.380	0.732	0.287	0.378	Valid
PK3	0.357	0.465	0.811	0.366	0.396	Valid
PK4	0.296	0.456	0.782	0.422	0.304	Valid

PK5	0.320	0.386	0.772	0.283	0.392	Valid
PK6	0.328	0.477	0.757	0.342	0.328	Valid
PK7	0.374	0.474	0.865	0.368	0.487	Valid
PP1	0.468	0.593	0.465	0.854	0.566	Valid
PP2	0.236	0.397	0.369	0.746	0.300	Valid
PP3	0.382	0.483	0.429	0.827	0.449	Valid
PP4	0.256	0.381	0.238	0.709	0.234	Valid
PP5	0.381	0.453	0.387	0.846	0.432	Valid
SP1	0.412	0.508	0.432	0.420	0.910	Valid
SP3	0.374	0.496	0.418	0.507	0.785	Valid
SP4	0.253	0.488	0.385	0.340	0.712	Valid
SP5	0.376	0.490	0.431	0.420	0.866	Valid

The cross-loading results indicate that each indicator exhibits the highest loading on its respective construct compared to other constructs. Therefore, the discriminant validity criterion is considered to be satisfied.

Fornell–Larcker dan Latent Variable Correlation

Table 6.

Latent Variable Correlation, AVE, and Square Root of AVE

Variable	Tax Socialization	Taxpayer Compliance	Policy Changes	Tax Knowledge	Tax Socialization	√AVE	Information
Tax Socialization	1	0.522	0.436	0.445	0.433	0.832	Valid
Taxpayer Compliance	0.522	1	0.591	0.589	0.605	0.775	Valid
Policy Changes	0.436	0.591	1	0.483	0.508	0.792	Valid
Tax Knowledge	0.445	0.589	0.483	1	0.515	0.798	Valid
Tax Socialization	0.433	0.605	0.508	0.515	1	0.822	Valid

Based on the discriminant validity assessment using the Fornell–Larcker criterion, all constructs demonstrate square root of Average Variance Extracted (\sqrt{AVE}) values that exceed their respective inter-construct correlation values. The \sqrt{AVE} values for each construct Tax Socialization (0.832), Taxpayer Compliance (0.775), Policy Adjustment (0.792), Tax Knowledge (0.798), and Tax Sanctions (0.822) are higher than the correlations among constructs within the model.

These findings indicate that each construct possesses adequate discriminant power and is empirically distinct from the other constructs. Therefore, the measurement model can be concluded to have satisfied the discriminant validity requirement based on the Fornell–Larcker approach.

Reliability Test

**Table 7.
 Composite Reliability**

Variable	Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)	Average variance extracted (AVE)	Keterangan
Sosialisasi Perpajakan	0.926	0.930	0.940	0.693	Reliable
Kepatuhan Wajib Pajak	0.834	0.841	0.882	0.601	Reliable
Perubahan Kebijakan	0.901	0.909	0.922	0.627	Reliable
Pengetahuan Perpajakan	0.858	0.878	0.897	0.638	Reliable
Sanksi Pajak	0.836	0.837	0.892	0.676	Reliable

The results of the reliability test indicate that all Composite Reliability values for the variables tax socialization, taxpayer compliance, policy adjustment, tax knowledge, and tax sanctions exceed 0.70. Therefore, all constructs in the model meet the composite reliability criterion and are considered reliable for further analysis.

Inner Model

R-Square

**Table 8.
 R-Square Test**

Dependent Variable	R-square	R-square adjusted
KWP	0.555	0.550

The R-square test results indicate the proportion of variance in the dependent variable that can be explained by the independent variables included in the model. The dependent variable, Taxpayer Compliance, demonstrates an R-square value of 0.555 and an adjusted R-square value of 0.550. An R-square value of 0.555 implies that 55.5% of the variance in Taxpayer Compliance can be explained by the independent variables in the model, while the remaining 44.5% is attributed to other factors not included in this study.

F-Square

The F-square (f^2) test is conducted to measure the effect size or the contribution of each independent variable to the dependent variable when a particular variable is included in or excluded from the model. Referring to Cohen’s criteria, an f^2 value of ≥ 0.02 indicates a small effect, ≥ 0.15 indicates a medium effect, and ≥ 0.35 indicates a large effect.

**Table 9.
 F-Square Test Results**

Variable	ESP	KWP	PK	PP	SP
Tax Socialization		0.055			
Taxpayer Compliance					
Policy Changes		0.094			

Tax Knowledge	0.086
Tax Socialization	0.102

The Tax Socialization variable shows an f^2 value of 0.055, indicating a small effect on Taxpayer Compliance. The Policy Adjustment variable demonstrates an f^2 value of 0.094, which also falls within the small effect category, although its contribution is relatively higher than that of Tax Socialization. Furthermore, Tax Knowledge records an f^2 value of 0.086, signifying a small effect on Taxpayer Compliance. Meanwhile, Tax Sanctions obtain an f^2 value of 0.102, representing the highest effect size among the independent variables; however, it still remains within the small effect category.

Thus, it can be concluded that each independent variable individually provides a limited contribution to Taxpayer Compliance. These findings suggest that variations in Taxpayer Compliance are better explained by the collective influence of multiple factors within the model. Consequently, improvements in compliance cannot be attributed predominantly to a single determinant, but rather to the combined contribution of several interacting variables.

Hypothesis Testing

Table 10.
Hypothesis Test Result

Path Coefficient	Original sample (O)	T statistics (O/STDEV)	P values	Information
(H1) PP -> KWP	0.245	5.114	0.000	Proven
(H2) ESP -> KWP	0.185	3.722	0.000	Proven
(H3) SP -> KWP	0.269	6.288	0.000	Proven
H4) PK -> KWP	0.255	5.302	0.000	Proven

Based on the path coefficient results, all independent variables are found to have a positive and statistically significant effect on Taxpayer Compliance (KWP). This is evidenced by T-statistics values exceeding the critical T-table value of 1.96 and p-values of 0.000 (< 0.05).

These results indicate that all proposed hypotheses (H1, H2, H3, and H4) are supported, confirming that tax knowledge, tax socialization, tax sanctions, and tax rates positively and significantly influence Taxpayer Compliance.

The Effect of Tax Knowledge on Taxpayer Compliance (H1)

The path coefficient of 0.245, with a T-statistics value of 5.114 and a p-value of 0.000, indicates that tax knowledge has a positive and statistically significant effect on taxpayer compliance. This finding implies that a higher level of taxpayer understanding regarding tax regulations, procedures, and obligations is associated with a higher level of compliance. Therefore, Hypothesis 1 is supported.

From the perspective of the Theory of Planned Behavior (TPB), tax knowledge contributes to the formation of attitude toward behavior. Taxpayers who comprehend the benefits and importance of taxation are more likely to develop favorable attitudes toward fulfilling their tax obligations, which subsequently strengthens their intention and actual compliance behavior.

The Effect of Tax Socialization on Taxpayer Compliance (H2)

The path coefficient of 0.185, with a T-statistics value of 3.722 and a p-value of 0.000, demonstrates that tax socialization has a positive and significant effect on taxpayer compliance. This result suggests that more intensive and effective socialization efforts lead to higher levels of compliance. Accordingly, Hypothesis 2 is accepted.

Within the TPB framework, tax socialization is closely associated with subjective norms. Socialization initiatives help shape collective understanding and reinforce social expectations that paying taxes is an essential civic obligation. As these norms become internalized, individuals are more likely to engage in compliant behavior.

The Effect of Tax Sanctions on Taxpayer Compliance (H3)

The path coefficient of 0.269, with a T-statistics value of 6.288 and a p-value of 0.000, indicates that tax sanctions exert a positive and statistically significant influence on taxpayer compliance. This finding suggests that firm and consistent enforcement of sanctions can enhance compliance levels. Thus, Hypothesis 3 is supported.

In the TPB context, tax sanctions relate to perceived behavioral control. The existence of sanctions creates awareness of potential consequences for non-compliance, thereby encouraging taxpayers to regulate their behavior to avoid penalties and remain compliant.

The Effect of Policy Adjustment on Taxpayer Compliance (H4)

The path coefficient of 0.255, with a T-statistics value of 5.302 and a p-value of 0.000, reveals that policy adjustment has a positive and significant effect on taxpayer compliance. This implies that updated and well-adapted tax policies aligned with taxpayers' conditions can improve compliance. Consequently, Hypothesis 4 is accepted.

From the TPB perspective, policy adjustment influences both attitude toward behavior and perceived behavioral control. Clear, transparent, and simplified tax procedures foster positive attitudes toward taxation and enhance taxpayers' perception of ease in fulfilling their obligations, thereby encouraging compliant behavior.

CONCLUSION

Based on the research findings and hypothesis testing using the Structural Equation Modeling–Partial Least Squares (SEM-PLS) approach, it can be concluded that tax knowledge, tax socialization, tax sanctions, and policy adjustment have positive and statistically significant effects on taxpayer compliance. Accordingly, all proposed hypotheses in this study are supported.

Adequate tax knowledge encourages taxpayers to understand their obligations and the benefits of taxation, thereby fostering positive attitudes toward compliance. Tax socialization plays a crucial role in enhancing awareness and understanding of the importance of fulfilling tax responsibilities. Tax sanctions are shown to be a strong determinant of compliance due to the clear consequences associated with violations. Furthermore, adaptive and comprehensible policy adjustments provide certainty and administrative convenience, enabling taxpayers to fulfill their obligations more effectively.

These findings are consistent with the Theory of Planned Behavior, which posits that compliance behavior is influenced by attitude toward the behavior, subjective norms, and perceived behavioral control. Therefore, efforts to enhance taxpayer compliance should focus on strengthening tax education, implementing continuous and transparent socialization

programs, enforcing fair and firm sanctions, and designing responsive policies aligned with taxpayers' needs and capacities.

REFERENCES

- Addai, B., Amankwaa, A., & Osei, R. (2023). Tax education and taxpayer compliance: Evidence from developing economies. *Journal of Tax Administration*.
- al., A. et. (2021). Taxpayer Education and Tax Complinance : Evidence From Nigeria. *International Journal of Finance Reporting and Accounting*.
- al., D. et. (2022). Transparent Tax Socialization. *Journal of Public Finance*.
- al., D. et. (2023). Fiscal Communication and Compliance. *Asian Journal of Public Policy*.
- al., D. I. et. (2025). Determinants of Tax Compliance in Indonesia. *Indonesian Tax Journal*.
- al., F. et. (2022). The Influence Of Social Norms and Perceived Fairnes On Voluntary Tax Compliance. *Cogent Business & Management*.
- al., K. et. (2020). Fair Tax Penalties and Compliance. *International Tax Journal*.
- Appiah, K., Boateng, F., & Asante, S. (2024). Tax policy reforms and taxpayer compliance in emerging markets. *International Journal of Public Administration*.
- Astriani. (2023a). Non-significant Tax Factors. *Jurnal Riset Akuntansi*.
- Astriani, D. (2023b). Pengaruh sosialisasi perpajakan terhadap kepatuhan wajib pajak. *Jurnal Akuntansi Dan Pajak*.
- Atmanti, R. D. (2024). Pengaruh sanksi pajak terhadap kepatuhan wajib pajak orang pribadi. *Jurnal Paradigma Akuntansi*.
- Febriana, L. (2025). Dampak perubahan kebijakan pajak terhadap kepatuhan wajib pajak. *Jurnal Ekonomi Dan Kebijakan Publik*.
- Imtiyazari, Mustoffa, & Hidayah. (2022). Pengaruh Pengetahuan Perpajakan, Kesadaran Wajib Pajak, Tingkat Ekonomi, Sanksi Perpajakan, dan E-System terhadap Kepatuhan Wajib Pajak PBB di Desa Jenangan. *ISOQUANT: Jurnal Ekonomi, Manajemen Dan Akuntansi*. <https://doi.org/10.24269/iso.v7i1.1865>
- Iyer, J. &. (2021). Attitudes and Tax Compliance Intentions. *Journal of Economic Psychology*.
- Karina, S., Putri, A., & Rahman, F. (2024). Pengaruh Kesadaran Wajib Pajak Dan Sanksi perpajakan serta pengaruhnya terhadap kepatuhan wajib pajak daerah. *Jurnal Ilmu Administrasi*.
- Kastlunger, B., Dressler, S., Kirchler, E., & Mittone, L. (2020). Tax compliance and the impact of sanctions: A behavioral approach. *Journal of Economic Psychology*.
- Lutfi. (2023). Enhancing VAT compliance in the retail industry: The role of socio-economic determinants and tax knowledge moderation. *Journal of Open Innovation: Technology, Market, and Complexity*.
- Maseko. (2021a). An analysis of factors affecting tax compliance among SMEs in Zimbabwe. *Journal of Economics and Behavioral Studies*. <https://ojs.aaresearchindex.com/index.php/JEBE/article/view/112>
- Maseko. (2021b). Fiscal Education and Taxpayer Compliance. *Developing Economies Review*.
- Naiyeju, J. K., Ogunlana, O., & Babatunde, M. (2021). Effect of tax education on taxpayer compliance in Nigeria. *African Journal of Accounting and Social Science Studies*.

- Obazee, O. &. (2021). Tax Fairness and Tax Complinance of SMEs in Nigeria. *Europian Journal Of Accounting Auditing and Finance Reaserch*.
- Obazee, U. (2021). Tax penalties and taxpayer compliance: An empirical analysis. *International Journal of Finance and Accounting*.
- Olaoye, C. (2022). Tax reforms and compliance behaviour among SMEs. *Journal of Accounting Research*.
- Pertiwi, A. (2025). Pengaruh perubahan kebijakan perpajakan terhadap kepatuhan wajib pajak. *Jurnal Kebijakan Fiskal*.
- Pravasanti. (2020). The Role of Tax Socialization, Education, and Government Support in MSME Compliance in Teras Malioboro. *Jurnal Perpajakan Indonesia*.
- Rahman. (2023). Taxpayer Behavior Factors. *Jurnal Ilmu Administrasi Negara*.
- Saputri, & Khoiriawati. (2023). Pengaruh Pengetahuan Perpajakan terhadap Kepatuhan Pajak Bumi dan Bangunan (PBB-P2). *Jurnal SoSebi*.
<https://ejournal.uinsatu.ac.id/index.php/sosebi/article/view/4917>
- Soetjahyo, S., Cahyono, D., & Sanosra, A. (2023). Taxpayer Knowledge, Service Quality, Tax Sanctions, and Awareness in Enhancing Property Tax Compliance in Jember Regency. *Sentralisasi: Jurnal Ilmu Ekonomi Dan Kebijakan Publik*.
<https://ejournal.um-sorong.ac.id/index.php/sentralisasi/article/download/3840/2016/17238>
- Suci, T., Ramadhani, P., & Putra, Y. (2024). Pengaruh sanksi pajak terhadap kepatuhan wajib pajak daerah. *Jurnal Riset Akuntansi Daerah*.
- Suryani, K. &. (2023). Perceived Control and Compliance. *International Journal of Public Administration*.
- Susanti. (2022a). Tax Knowledge and Compliance. *Jurnal Akuntansi Multiparadigma*.
- Susanti, E. (2022b). Pengaruh Tarif Pajak, Kualitasd Pelayanan Fiskus, Pengetahuan dan sosialisasi pajak terhadap kepatuhan wajib pajak. *Jurnal Manajemen Dan Akuntansi*.
- Zahro, & Machdar. (2023). Pengaruh Pengetahuan Perpajakan terhadap Kepatuhan Wajib Pajak. *Jurnal Riset Ekonomi Dan Akuntansi*.
<https://jurnal.itbsemarang.ac.id/index.php/JREA/article/view/2819>