

“Determinants of tax compliance: theory of planned behavior and stakeholder theory perspective”

Andi Nurwanah  <https://orcid.org/0000-0002-8024-9644>

 <http://www.researcherid.com/rid/Y-8342-2018>

AUTHORS

Sutrisno T.

Rosidi Rosidi  <https://orcid.org/0000-0002-5165-611X>

Roekhudin Roekhudin

ARTICLE INFO

Andi Nurwanah, Sutrisno T., Rosidi Rosidi and Roekhudin Roekhudin (2018). Determinants of tax compliance: theory of planned behavior and stakeholder theory perspective. *Problems and Perspectives in Management*, 16(4), 395-407. doi:[10.21511/ppm.16\(4\).2018.33](https://doi.org/10.21511/ppm.16(4).2018.33)

DOI

[http://dx.doi.org/10.21511/ppm.16\(4\).2018.33](http://dx.doi.org/10.21511/ppm.16(4).2018.33)

RELEASED ON

Monday, 24 December 2018

RECEIVED ON

Thursday, 29 November 2018

ACCEPTED ON

Monday, 17 December 2018

LICENSE



This work is licensed under a [Creative Commons Attribution 4.0 International License](https://creativecommons.org/licenses/by/4.0/)

JOURNAL

"Problems and Perspectives in Management"

ISSN PRINT

1727-7051

ISSN ONLINE

1810-5467

PUBLISHER

LLC "Consulting Publishing Company "Business Perspectives"

FOUNDER

LLC "Consulting Publishing Company "Business Perspectives"



NUMBER OF REFERENCES

45



NUMBER OF FIGURES

3



NUMBER OF TABLES

5

© The author(s) 2025. This publication is an open access article.



BUSINESS PERSPECTIVES



LLC "CPC "Business Perspectives"
Hryhorii Skovoroda lane, 10, Sumy,
40022, Ukraine

www.businessperspectives.org

Received on: 29th of November, 2018
Accepted on: 17th of December, 2018

© Andi Nurwanah, Sutrisno T, Rosidi
Rosidi, Roekhudin Roekhudin, 2018

Andi Nurwanah, Student of Doctoral
Program of Accounting Science,
University of Brawijaya, Indonesia.

Sutrisno T., Profesor, Accounting
Science, University of Brawijaya,
Indonesia.

Rosidi Rosidi., Dr., Accounting
Science, University of Brawijaya,
Indonesia.

Roekhudin Roekhudin., Dr.,
Accounting Science, University
of Brawijaya, Indonesia.



This is an Open Access article,
distributed under the terms of the
[Creative Commons Attribution 4.0
International license](https://creativecommons.org/licenses/by/4.0/), which permits
unrestricted re-use, distribution,
and reproduction in any medium,
provided the original work is properly
cited.

Andi Nurwanah (Indonesia), **Sutrisno T** (Indonesia), **Rosidi Rosidi** (Indonesia),
Roekhudin Roekhudin (Indonesia)

DETERMINANTS OF TAX COMPLIANCE: THEORY OF PLANNED BEHAVIOR AND STAKEHOLDER THEORY PERSPECTIVE

Abstract

The purpose of this research is to analyze and elaborate determinants of tax compliance in the perspective of the theory of planned behavior and stakeholder theory. This research is conducted on a population consisting of corporate taxpayers registered at the Directorate General of Taxes in the region of South Sulawesi. This research uses proportional random sampling to determine the samples. There are 560 respondents out of 1,000 exemplars of distributed questionnaires who are willing to participate. The analysis is conducted by using Partial Least Square (PLS). The result reveals that the behavior of the taxpayers has a positive and significant effect on the intention to tax compliance. The establishment of tax professional behavior to comply can encourage positive behavior of taxpayers, thus, the welfare of the society can be achieved. Subjective norm has a positive and significant effect on the intention to tax compliance. This research focuses on corporate taxpayers; hence, the researchers add social awareness based on stakeholder theory. This research depicts corporate taxpayers as entity that mingles with the society. Therefore, social awareness and cultural adaptation with the social environment through tax payment is a must.

Keywords

behavior, subjective norm, social awareness, behavior
and corporate taxpayers compliance

JEL Classification

H26, G32, H25

INTRODUCTION

Tax is one of the instruments in dynamic fiscal policies. The application depends on the current state of economy, both domestic and international. Since the first tax reform in 1984, there is a hope that the sustainability of tax revenues as a main source of National Budgeting and Financing (APBN in Indonesian) can be maintained. Minister of Finance during 2012 emphasizes that tax revenue is not only directed to increase the state revenue; it is also directed to give limited stimulus in order to support a better economic growth.

Quality of economic growth can be achieved by constructing a conducive-business atmosphere (Sukamdani, 2017). Annually, the corporate leaders of General Taxes are required to always increase revenues from tax sector to balance with the increase in funding needs for state development (Rahayu, 2007). The government has conducted various efforts to increase tax revenues (Nurmanto, 2007). Less effective efforts in increasing tax compliance affect awareness and compliance of the taxpayers. Tarjo and Kusumawati (2006) state that the low tax compliance can be observed from annual target of tax revenues, which is yet to be achieved. There are even some taxpayers who have not submitted their Annual Tax Return (SPT). Tax compliance is one of the indicators of revenue realization, which is in accordance with the target set.

Percentage of revenues during 2011 until 2016 keeps decreasing over the year. In a row, starting in 2011 until 2016, the percentage of tax revenue achieved has reached 97.24%, 94.35%, 92.56%, 91.88%, 81.99%, and 81.27% of the targeted revenue (www.pajak.go.id). As the main source of revenue, it never reaches the target. The condition has a significant impact on state's financial situation.

Low taxpayer compliance in Indonesia during 2015 is observed from the tax ratio. Tax ratio is a ratio between the amount of tax revenue and Gross Domestic Product (GDP) in a given period. It is used to assess the level of compliance in tax payments. In Indonesia, GDP has been increasing over the years. It does not only come from domestic products and services, but also from foreign investment. In Indonesia, tax revenue is assessed to figure out tax ratio from central tax. Meanwhile, in OECD, tax ratio is assessed based on central, regional, and natural resources taxes. Such is the reason of low tax ratio in Indonesia compared to other countries (Widodo & Austin, 2015).

The higher tax ratio of a country is, the higher taxpayer compliance in paying taxes will be. Tax ratio in Indonesia reaches 11-12% of GDP. It is relatively low compared to ideal tax ratio, which lies around 15-17%. Mulyani (2016) points out that Indonesia has lower tax ratio compared to its neighboring countries such as the Philippines (12.9%), Singapore (14%), Thailand (16.5%), and Malaysia (16.1%). Based on the detail, there are two main implications regarding low tax ratio. First, the tax compliance in Indonesia is low. Second, the tax revenue is relatively low compared to the existing tax base. Pramudito (2016) states that low tax ratio cannot be addressed as the fault of Directorate General of Taxes, because matters concerning tax is the duty of every citizen to develop this country.

Directorate General of Taxes (2015) emphasizes that the tax compliance in Indonesia is in bare minimum. Based on data from Ministry of Finance, only 5 million out of 12 million corporate taxpayers (non-individuals) have generated the profits. Out of 5 million, only 550 thousand or 11% of them routinely hand out Corporate Income Tax Return. A survey conducted by Directorate General of Taxes shows that level of tax compliance has not reached 80%. Furthermore, there are 144,870 of registered corporate taxpayers in the regions of South, West, and Southeast Sulawesi in 2017, whereas only 106,364 hand out the CITR report. In other words, the percentage of tax compliance is only 73% due to some others who have not fulfilled their respective tax obligations (Bamba, 2017). Taking it into consideration, the Directorate General of Taxes in South Sulawesi, West Sulawesi and Southeast Sulawesi (Sultanbatara) in 2018 indicates that they would take a large number of tax dodgers despite no further statement regarding the exact amount of tax obligations. The action is conducted for non-compliant taxpayers.

The head of Extension Service (P2) Public Relations of the Sultanbatara Regional Office (Bamba, 2015) states that the amount of tax revenue has not yet met the expectations of growth, which is 34%. It can only grow as much as 18%. Eka and Frans (2017) emphasize that the awareness in tax compliance in South Sulawesi is still low compared to those in Java that contributes to tax revenue as much as IDR 1,000 billion.

According to James et al. (2005), in order to encourage the awareness, we need to understand non-economic factors affecting the behavior of taxpayers by using psychological approach. This way, changing the behavior cannot be done directly. Instead, it must be conducted by antecedents or the trigger of behavior (Hartono, 2008).

Empirical studies of corporate taxpayer compliance are conducted by several researchers such as Slemrod (1989), Bradley (1994), Magro and Anne (1999), Siahaan (2005), Mustikasari (2008), Harinurdin (2009). In general, studies incorporate taxpayer compliance use tax professionals as respondents. Tax professionals are experts in the field of taxation who work for and on behalf of corporations and have duties to carry out tax obligations, as well as tax planning.

Considering the importance of tax compliance, especially corporate tax compliance in conducting their tax obligations in accordance with the regulations of the government, this study assesses the behavior of corporate taxpayers through the perspective of theory of planned behavior, as well as stakeholder theory.

The assignment of tax professionals in corporates to elaborate corporate tax compliance is based on four criteria. First, attitude is a tendency learned personally, which means it is not a tendency of corporation or organization, so the chosen respondents should be able to represent the corporations. Second, tax professionals are qualified tax specialists who represent the management of corporations in handling the entire aspects related to taxation. Third, tax professionals are required to create and conduct effective and efficient system of internal tax information to construct auditable and reliable tax report. Fourth, tax professionals do systematic and comprehensive approach in order to fulfill the obligations of tax compliance.

1. EMPIRICAL STUDIES

This research uses perspective from theory of planned behavior. This theory emerges due to high gaps in the display of behaviors (Ajzen, 2005). Theory of planned behavior shows that the behavior of a person is encouraged by three factors. The first factor is behavioral belief, which is an outcome belief, and evaluation of results. Confidence and evaluation of results will form a variable attitude towards a certain behavior. The second one is normative belief. It is an individual belief in the normative expectations of other people such as family, friends, corporate leaders, tax officers, and tax consultants. Normative expectation forms a subjective norm of a behavior. Third is the control belief, which is personal belief about the existence of things that encourage their behavior and perceptions of how strongly the two affect their behavior. Control belief forms a perceived behavioral control. Regarding the theory of planned behavior, someone will consider attitudes, subjective norm, and control perceived behavior in constructing their intention to comply with the rule (Ajzen, 1991).

Theory of planned behavior has penetrated into various fields, including taxation. In Indonesia, there are some researches in the field of taxation that use the framework of theory of planned behavior. Some researchers prove that empirically, the attitude of tax compliance, subjective norm, perceptual behavior, and perceptions of taxpayers towards the government have certain effect on the intention to comply with the tax obligations (Damayanti et al., 2015). Harinurdin (2009) states that the perception of behavioral control has direct but insignificant impact on tax compliance, but behavioral

control perception has significant positive effect on intention. Aryati (2012) empirically reveals that optimistic attitude of taxpayers has positive impact on tax compliance. Research conducted by Bobek and Hatfield (2003), as well as Mustikasari (2008), empirically proves that subjectivity and perceived behavioral control are variables that influence the tax compliance. Meanwhile, Benk et al. (2012) cannot prove empirically that attitudes have positive effect on tax compliance. Trivedi and Shehata (2005), Langham et al. (2012) are also incapable of empirically proving that perceived behavioral control has positive effect on tax compliance.

This study focuses on corporate taxpayer compliance that it develops corporate behavior using corporate taxpayers' social awareness. Tax compliance can be encouraged by emphasizing the importance of social awareness. It provides guidance that the corporation is not an entity that only concerns about itself. Instead, a corporation is an entity which is obliged to adapt culturally to their social environment to engage in harmonious relationship with public. Mangoting et al. (2015) state that taxpayers bind their freedom towards the government in some sort of contract. It requires the corporation to provide economic resources for mutual welfare. Benefit of tax payment for the taxpayers is a better environment.

The role of taxpayers in financing the constructions in the country needs to be encouraged by raising awareness about tax compliance. Tax payment for the government will help to finance the construction either in cities or rural areas. This study uses approach based on stakeholders theory, especially organizational behavior of the internal stake-

holders in an organization (Gudono, 2016, p. 269). Parameter of corporate success in the perspective of social awareness is prioritizing of moral and ethics. In other words, a corporation achieves the best result without sacrificing other communities. One of the main morals is good treatment towards others. Corporation that run by applying the aforementioned moral will be beneficial towards the society.

Corporate social awareness in paying taxes will affect tax compliance. Previous researches concerning social awareness have been conducted by Gangl et al. (2015), Jimenez and Iyer (2016), as well as Calvet and Alm (2014), Gangl et al. (2015) empirically proves that understanding in cooperation in social inlemma can be a way for a corporate to encourage voluntary cooperation and commit to guarantee public supplies. Jimenez and Iyer (2016) explain the effect of social norm towards tax compliance through personal internalization. Emergence of sympathy, as well as empathy, can also encourage tax compliance (Calvet & Alm, 2014).

Awareness of tax compliance needs to be encouraged continuously in order to reach targeted tax revenue. Factors that affect tax compliance, especially for corporate taxpayers, need to be analyzed. Based on the details elaborated above, the purpose of this research is 1) to analyze the effect of taxpayers' behavior on tax compliance; 2) to analyze the effect of subjective norm on tax compliance; 3) to analyze the effect of social awareness on tax compliance.

2. LITERATURE AND HYPOTHESES

A corporation is part of several elements that make up society in the social system. It creates a reciprocal relationship between the corporation

itself and the stakeholders. In other words, the corporation has to perform its role in two directions: meeting the needs of the corporation itself and the stakeholders.

Freeman and McVea (2001) suggest that stakeholders as groups or individuals can influence or be influenced by organizational efforts in achieving their goals. The main stakeholders consist of those who have a contractual relationship with the organization and are influenced by the actions of organization despite having no contractual relationships. Therefore, the corporation has an indirect relationship with the community over the benefits of tax payment.

The behavioral approach uses the concept of willingness. It emphasizes the behavior of taxpayers to comply with tax obligations in accordance with government regulations (voluntary compliance). James and Alley (1999) conclude that two approaches should be mutually supportive. In other words, a policy that can accommodate the unification of economic approach and behavioral approach is needed to increase tax compliance voluntarily. The relevance of tax compliance and welfare is represented in the following figure:

2.1. Attitude, behavioral intention, and tax compliance

Ajzen (2005) defines attitudes as dispositions to respond favorably or unfavorably to objects, people, institutions, or events. A positive attitude will encourage tax compliance, whereas negative attitude will trigger a tax non-compliance (Marti, 2010). According to theory of planned behavior, personal attitudes towards behavior are derived from beliefs about consequences of said behavior, namely behavioral beliefs.

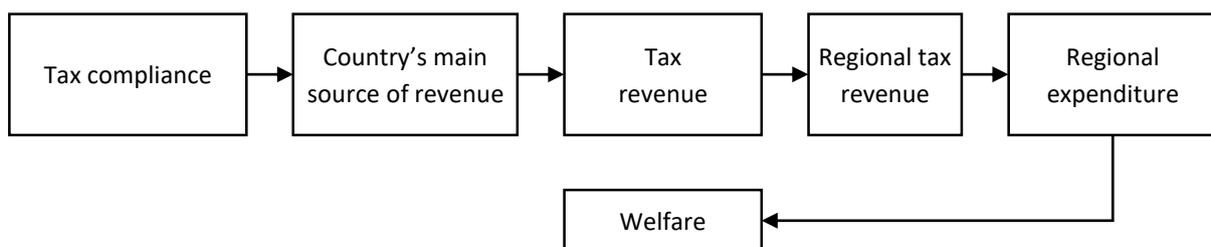


Figure 1. Relevance of tax compliance and welfare

Determinants of intentions related to personal factors are attitudes toward personal behavior (Hartono, 2008, p. 31). Research conducted by Ozer and Yilmaz (2011) reveals that attitudes have better predictive abilities than subjective norm and perceptual control. Hidayat and Nugroho (2010), Smart (2012), Aryati (2012), Bidin et al. (2011) have proved empirically that attitudes have positive influence on intention. The more positive attitude of taxpayers has to comply with the tax obligations, the greater the intention to fulfill them. Other research conducted by Mustikasari (2008) points out that if attitude of tax disobedience is positive, the not-to-comply intention will be high. Based on the explanation, the research hypothesis is formulated as follows:

H1: Attitudes have positive effect on intention to conduct tax compliance.

2.2. Subjective norm, behavioral intention and compliance with taxpayers

Ajzen and Fishbein (1988) suggest that subjective norm affects intentions based on social pressure to engage or not to engage behavior. Subjective norm is a function of expectations that are perceived by individuals where one or more people around them (siblings, peers) approve a certain behavior and motivate the individual to comply (Ajzen, 1991).

Subjective norm is built through the influence of the people around, the influence of friends, the influence of tax consultants, the influence of tax officers, the influence of corporate leaders. The greater subjective norm will increase the tax professionals behaving non-compliant (Mustikasari, 2008). The findings of the study conducted by Bobek and Hatfield (2003) suggest that subjective norm has a positive and significant effect on tax non-compliance intentions. The attitude of the taxpayer to behave positively or negatively compliant that has been formed from the knowledge and experience of tax professionals or the experiences of others will form the intention of tax professionals to comply and not comply with the prevailing tax laws and regulations. However, this intention can change due to the influence of surrounding people. If the attitude of the tax profes-

sional towards tax compliance is positive, but the corporate leaders do not support his attitude, then, the intention of the professional tax can change exactly the opposite way (Bobek & Hatfield, 2003; Blanthorne, 2000; Mustikasari, 2008). Based on the explanation, the research hypothesis is formulated as follows:

H2: Subjective norm has positive effect on behavioral intention for taxpayer compliance.

2.3. Social awareness, behavioral intention and taxpayer compliance

The role of taxpayers in financing development should be developed by increasing public awareness about the obligation to pay taxes. This study uses stakeholder theory, especially behavioral in organizations (Gudono, 2016, p. 269). The success parameter of a company in the viewpoint of social awareness is to prioritize moral and ethical principles, namely achieving the best results without harming other groups of people. Companies that work by putting forward moral and ethical principles will provide the greatest benefits to society. The company's social awareness in paying taxes will have an impact on tax compliance.

Freeman and McVea (2001) suggested that a group or individual can influence and be influenced by organizational efforts in realizing goals. Contractual relations between taxpayers and the government in paying taxes indirectly affect society. In stakeholder theory known as diffuse stakeholders, all parties may be influenced by the actions of the organization, even though they do not have contractual relations with the organization (Gudono, 2016, p. 269). So, higher the taxpayer's social awareness will increase the intention of tax professionals to behave compliantly.

H3: Taxpayer social awareness has positive effect on behavioral intention of taxpayer compliance.

2.4. Social awareness and taxpayer compliance

Freeman and McVea (2001) state that stakeholders, as a group or individual, can influence or be influ-



Figure 2. Interests linkage among the corporations, the government and the society

enced by organizational efforts in realizing their goals. The main stakeholders are those who have a contractual relationship with the organization and are influenced by the actions of the organization, even though they have no contractual relationship with the organization. The contractual relationship of the company as a corporate taxpayer with the government and society can be seen in Figure 2.

The closest environment gives a vital influence to the determination of social awareness level. The intended environment is the society where the organization grows. This happens because there are values about social awareness in the environment. Implanted values will influence taxpayers to always help and care for others.

Research on social awareness was carried out by Gangl and Kirchler (2015). The study empirically proved that understanding cooperation in social dilemmas can be utilized by the authority to encourage voluntary cooperation and commitment to guarantee the provision of public goods. In addition, the presence of sympathy and empathy has a positive effect on tax compliance (Calvet & Alm, 2014). Based on the description, the research hypothesis was formulated as follows:

H4: Taxpayers social awareness has a positive effect on taxpayer compliance.

2.5. Taxpayers, behavioral intention and compliance

Behavioral intention is a mediating variable in shaping the behavior (Ajzen, 1991). This means that in general, human beings act in accordance with intention or tendencies. Intention is the tendency or decision of tax professionals who handle taxes to conduct compliant behavior.

Such behavior will raise social awareness to the environment.

Langham et al. (2012) empirically proved that intention to comply has a positive effect on tax compliance. Blanthorne's (2000) study also empirically proved that intention has a positive effect on tax non-compliance. In Indonesia, research on tax compliance has also empirically proven that the intention to comply influences compliance behavior, and vice versa, the intention not-to-comply influences tax disobedience (Mustikasari, 2008; Dewi, 2007; Harinuridin, 2009). This shows that if the tax professional who handles taxes has a high tax compliance intention, the corporate tax compliance is high. Likewise, the behavior of tax non-compliance is a behavior based on the not-to-comply intention so that the less of tax professional no-to-comply intention is, the less the corporate tax compliance will be. Based on the explanation, the research hypothesis was formulated as follows:

H5: Behavioral intention positively affects taxpayer compliance.

3. METHOD

Based on the literature review and previous research, this study aims to test the hypothesis of the influence of tax professional behavior and social responsibility of taxpayers on taxpayer compliance. The model developed in this study involves five latent variables, namely the attitude taxpayer attitude, subjective norm, taxpayer's social awareness, behavioral intention and taxpayer compliance.

This study will examine the hypotheses of the influence of tax professional behavior on tax-

payer compliance. This study is an empirical study using analysis to obtain an overview of the effect of tax professional behavior on taxpayer compliance. Tests are carried out using Partial Least Square (PLS). The researcher uses PLS in order to test and develop models to predict research models.

The population in this study is corporate taxpayers registered in the Directorate General of Taxes in South Sulawesi. The research respondents are tax professionals. Tax professionals who handle taxes are considered the most knowledgeable about tax regulations and preparation of corporate tax reporting, since their main task is to fulfill corporate tax compliance. Tax professionals do tax planning to calculate the amount of tax to be paid, reduce tax obligations and minimize costs related to taxation. The sampling technique used is proportional random sampling. Out of 1000 exemplars of distributed questionnaires, 560 respondents participated.

In this study, behavioral variables under the theory of planned behavior (TPB) framework are used to explore behavioral beliefs and social awareness using stakeholder theory; respondents who encourage taxpayer awareness that tax payment is for the development and the public prosperity. This research also creates the awareness of taxpayers to encourage voluntary compliance.

3.1. Measurement

The taxpayer compliance is measured using 6 indicators, which refer to the opinion of Harinurdin (2009). The behavioral intention is measured using 6 indicators which refer to Harinurdin (2009), Damayanti et al. (2015) attitude to behave is measured using 7 indicators, which refer to Mustikasari

(2008), subjective norm is measured using 6 indicators, which refer to Mustikasari (2008), Bobek and Hatfield (2003), social awareness is measured by 5 indicators, which refer to Calvet and Alm (2014), Bobek and Hatfield (2003).

4. RESULT

4.1. Descriptive findings

The majority of respondents are male, which equals to 76%, the remaining 24% are female. This fact shows that male head of tax professional is more preferable than female. According to the level of education, most of the respondents are graduate levels (67%) and postgraduate (33%). This shows that to be a tax professional requires adequate education at the graduate level. Besides having mastery of finance, as well as in taxation laws and regulations, tax professionals should also have a mastery of accounting, law, information system, auditing and other supporting knowledge.

4.2. Variable measurement

A variable is considered to have good validity for construct or latent variable if the t-value of the factor is greater than the critical value (1.96) and/or the standard factor load is ≥ 0.50 . While the reliability evaluation of the GeSCA measurement model can use Construct Reliability by using composite reliability in which the value ≥ 0.6 is reliable and Average Variance Extracted ($AVE \geq 0.50$). While in the second stage of model measurement, it can be seen that all critical ratio values are ≥ 1.96 , thus, it can be concluded that the validity of all manifested variables toward the latent variable is good.

The path diagram of the relationship of each variable can be described as follows:

Hypothesis testing: *The attitude of the taxpayer has a positive and significant effect on the behavioral intention for tax compliance.*

Table 1. Path coefficient for the attitude and the behavioral intention for tax compliance

Proposed hypothesis	Hypothesis	Estimate	c-value	Rejected/ supported
Attitude \rightarrow behavioral intention (+) $X \rightarrow Y_2 (+)$	H1	0.12	2.16 > 1.96	Supported

Hypothesis testing: Subjective norm have a positive and significant effect on behavioral intention for tax compliance.

Table 2. Path coefficient for subjective norm have a positive and significant effect on behavioral intention for tax compliance

Proposed hypothesis	Hypothesis	Estimate	c-value	Rejected/supported
Subjective norm → behavioral intention (+) $X \rightarrow Y_2 (+)$	H2	0.14	3.02 > 1.96	Supported

Hypothesis testing: Taxpayer social awareness has a positive and significant effect on behavioral intention for taxpayer compliance.

Table 3. Path coefficient for taxpayer social awareness has a positive and significant effect on behavioral intention for taxpayer compliance

Proposed hypothesis	Hypothesis	Estimate	c-value	Rejected/supported
Taxpayer social awareness → behavioral intention (+) $X \rightarrow Y_2 (+)$	H3	0.08	2.53 > 1.96	Supported

Hypothesis testing: Taxpayer social awareness has a positive and significant effect on tax compliance.

Table 4. Path coefficient for social awareness has a positive and significant effect on tax compliance

Proposed hypothesis	Hypothesis	Estimate	c-value	Rejected/supported
Taxpayer social awareness → taxpayer compliance (+) $X \rightarrow Y_2 (+)$	H4	0.47	6.64 > 1.96	Supported

Hypothesis testing: Behavioral intention has a positive and significant effect on tax compliance.

Table 5. Path coefficient for behavioral intention has a positive and significant effect on tax compliance

Proposed hypothesis	Hypothesis	Estimate	c-value	Rejected/supported
Behavioral intention → tax compliance $Y_1 \rightarrow Y_2 (+)$	H5	0.40	5.09 > 1.96	Supported

5. DISCUSSION

This study aims to analyze the influence of attitudes, subjective norm, social awareness and intention to behave. This study also examines the behavioral intention mediating variable and tax compliance. The influence of attitudes on behavioral intention analysis result indicates a positive and significant influence. This result provides empirical evidence that if the attitude of the taxpayer is high, the behavioral intention tends to increase. Likewise, this result empirically proves that attitude mediated by the behavioral intention compliantly indicates a positive and significant influence.

This means that if the behavioral intention caused by the betterment in attitude is high, corporate taxpayer compliance tends to improve.

Theoretically, the result of this study is in line with what was stated by Ajzen and Fishbein (1980) that behavioral intention will influence the behavior of such individual and that behavioral intention is determined by readiness attitude to respond to the positive or negative objects or situations. Therefore, taxpayers have an awareness that taxes paid for the benefit of the public in general give a positive response to the taxpayers' behavior to taxes paid.

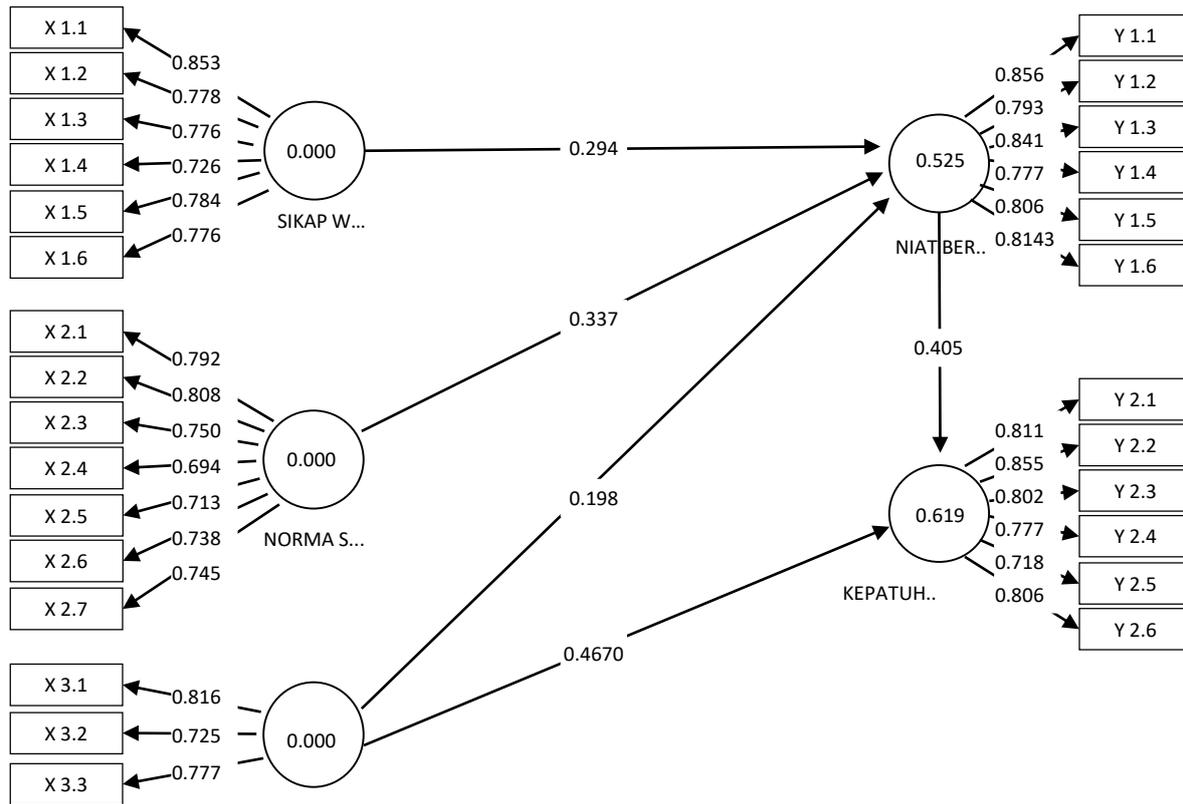


Figure 3. Structural model direct and indirect

The result of this study is in line with the research conducted by Tan and Laswad (2008), Aryati (2012). The result of the study proves that attitude is a variable, which influences the behavioral intention compliantly. This means, in general, tax professionals of the companies in South Sulawesi behave positively toward tax compliance, meaning that as an individual the better attitude of taxpayer the level of compliance tends to increase with a significant increase. The three of the beliefs tested to measure attitudes towards tax compliance in this study are the establishment of reserve funds, the use of non-transparent taxes and the use of taxes to the public.

Subjective norm influence on behavioral intention shows a positive and significant influence. This result provides empirical evidence that the better the subjective norm, the more behavioral intention tends to increase. Likewise, the result of this study empirically proves that subjective norm mediated by the behavioral intention compliantly of corporate taxpayers indicate a positive and significant influence. This means that the higher the behavioral intention caused by the better subjective

norm, the more likely it is to increase corporate taxpayer compliance with a significant increase.

Theoretically, the result of this study is in line with what Ajzen et al. (1988) who suggested that subjective norm influences intentions based on social pressure to do or not do behavior. Subjective norm is a function of expectations perceived by individuals in which one or more people around them (their relatives, colleagues) to approve a certain behavior and motivate such individual to comply (Ajzen, 1991).

The result of this study is in line with the research conducted by Bobek and Hatfield (2003) that subjective norm has a positive and significant influence on tax non-compliance intention. Subjective norm is constructed through the influences of the surrounding people, friends, tax consultants, tax officers, and company corporate leaders. The result of another research conducted by Mustikasari (2008) and Blanthorne (2000) has a positive and significant effect. This that subjective norm variables are variables, which influence behavioral intention in compliance of corporate taxpayers.

The result of this study empirically proves that taxpayers who have a higher subjective norm perception intend to comply with taxes obligation. Environmental pressure from corporate leaders, friends, tax officers and the public motivate taxpayers to behave compliantly. Taxpayers are aware that the use of taxes for routine government expenditures and provides benefits to the public so that taxpayers are not always influenced by the environment in reporting their tax liability.

The influence of social awareness on Behavioral intentions shows a positive and significant influence. This result provides empirical evidence that the higher the social care of corporate taxpayers is, the higher is the corporate taxpayer compliance. This study provides empirical evidence that social awareness mediated by the behavioral intention compliantly shows a positive and significant influence. This means that the higher the behavioral intention caused by the higher social care of corporate taxpayers, the more likely it is to increase corporate taxpayer compliance.

Theoretically, the result of this study is in line with the stakeholder theory proposed by Freeman and McVea (2001) that as a group or individual can influence and be influenced by organizational efforts in realizing goals. Contractual relationship between taxpayers and the government in paying taxes has indirect influences in the society. In stakeholder theory, known as diffuse stakeholder theory, all parties may be influenced by the actions of the organization even though they have no contractual relationship with the organization.

The higher intention of the corporate taxpayer has a positive impact on the awareness of corporate taxpayers. The characteristics of corporate taxpayers reflected by cultural, economic and social conditions will shape behavior so that it can improve corporate taxpayer compliance. The social awareness of corporate taxpayers in this study is the responsibility of the company to the environment through tax payment. Corporate social care is the willingness to pay taxes voluntarily by understanding the tax function, namely the function of the budgeting, that taxes are paid for development (Mardiasmo, 2016, p. 34). The development funded by tax revenues will be ex-

perienced by the entire society, for example the construction of roads, bridges, and others. The result of this study is reinforced by the study findings conducted by several researchers, namely social awareness carried out by Gangl et al. (2015). It is empirically proven in this study that understanding cooperation in social dilemmas can be utilized by the authority to encourage voluntary cooperation and commitment to guarantee the provision of public goods.

The influence of social awareness on taxpayer compliance empirically proves to have a positive and significant effect. This means that the higher the corporate taxpayer's social awareness is, the higher the corporate taxpayer compliance. The result of the study strengthens stakeholder theory proposed by (Freeman & McVea, 2001) and the findings of a study conducted by several researchers, namely Calvet and Alm (2014), Gangl et al. (2015) that empathy and sympathy have positive and significant influences on taxpayer compliance. The existence of empathy and sympathy of corporate taxpayers in South Sulawesi has a positive impact on increasing corporate taxpayer compliance. The improvement of corporate taxpayer awareness level is carried out continuously as a form of national mutual cooperation in increasing national income aimed at the government and national development financing interests. The result of this study which proves that the social awareness of corporate taxpayers influences tax compliance shows that stakeholder theory can be applied in the field of taxation, particularly for corporate taxpayers in the South Sulawesi region.

The influence of behavioral intention towards taxpayer compliance shows a positive and significant influence. This means that the higher the behavioral intention in corporate taxpayers, the higher the level of tax compliance. The result of the study strengthens the theory of planned behavior proposed by Ajzen (1991) and stakeholder theory proposed by Freeman and McVea (2001). The result of this study is consistent with the results of the research conducted by previous studies, which have a positive and significant effect, namely the research conducted by Langham et al. (2012) in Australia, Blanthorne (2000), Trivedi and Shehata (2005) who use taxpayer participa-

tion in Canada, Mustikasari (2008), Harinuridin (2009) in Indonesia. This empirical evidence has implication that taxpayers who have greater intention to comply will have greater tax compliance. In other words, corporate taxpayer compliance is strongly influenced by tax professional intention.

Tax professional behavior is influenced by intention in carrying out corporate liability. Tax professional intention, which is measured from the tendency to be compliant, the desire to be consistent to comply and care for the society through paying taxes, has proven to influence tax compliance behavior. The desire of tax professionals to remain consistent to comply and not comply and will not be influenced by the environment. Caring for the society is a concern of tax professionals in paying taxes to remain compliant and understand that the use of taxes is for the development and welfare of society.

Human beings generally act according to their intentions and tendencies. Ajzen and Fishbein (1988) stated that behavioral intention is a mediating variable in shaping the behavior. This empirical evidence has implications that taxpayer who has the intention to comply, tend to behave compliantly so that the intention to comply is a determinant of tax compliance behavior that can be applied in the field of taxation, especially for corporate taxpayers in the South Sulawesi region.

6. IMPLICATION OF THE STUDY

The result of this study can empirically prove the influence of attitudes, subjective norm, and social awareness towards the intention of taxpayer for compliance. The findings confirm the theory developed in this study, namely the theory of planned behavior

developed by Ajzen (1991) and stakeholder theory developed by Freeman and McVea (2001). The results of this study are confirmed by previous research findings that better the attitude, attitude subjective norm and higher social awareness of corporate taxpayers tend to be able to increase corporate taxpayer compliance. Intention is a function of two basic determinants and is supported by intention as determinants related to personal factors, namely attitudes toward behavior and social influence.

This research is expected to give contribution theoretically and practically. For theoretical contribution, this research gives contribution to development of the theory of planned behavior in explaining the factors that influence compliance in taxation, namely stakeholder theory. The development of theory of planned behavior in stakeholder theory shows that there are implicit contracts between the society and the government in which the society realizes that they have rights and obligations. Taxpayers will realize that tax payment is for the purposes of development and public prosperity. As a practical contribution, the result of this study provides input for the Directorate General of Taxation concerning taxpayer compliance. In addition, this research also provides input on efforts that can be made in overcoming tax non-compliance that has become a culture in Indonesia. Based on these inputs, the Directorate General of Taxation can do in-depth efforts by giving awareness to taxpayers about the benefits of the tax they pay. Thus, taxpayers are convinced that the existing taxation system is able to improve the country's economy and development.

The stakeholder theory in this study empirically proves that the existence of a contractual relationship between taxpayers and the government in paying taxes indirectly influence the society. The results of this study provides awareness of corporate taxpayers in implementing tax administration by calculating taxes properly so as to minimize tax evasion and pay taxes on time.

CONCLUSION

The results of the study show the following: (1) the attitude of the taxpayer has a positive and significant effect on the behavioral intention for tax compliance. The formation of a tax professional attitude to be compliance should be able to minimize the underpayment of taxes and increase the positive attitude of taxpayers on paying taxes for the welfare of society; (2) subjective norm has a positive and significant

effect on behavioral intention for tax compliance. Taxpayers who have higher perception of subjective norm intend to comply with tax liability. Environmental pressure from company corporate leaders, friends, tax officers and the public encourage taxpayers to behave compliantly; (3) taxpayer social awareness has a positive and significant effect on behavioral intention for taxpayer compliance. The higher the social care of corporate taxpayers, the more likely it is to increase taxpayer compliance. Taxpayers' empathy and sympathy increase voluntary compliance; (4) social awareness has a positive and significant effect on tax compliance. Contractual relationship between taxpayers and the government in paying taxes indirectly affect society, which is known as diffuse stakeholders; (5) behavioral intention has a positive and significant effect on tax compliance. The intention of tax professionals measured by the tendency to be compliant, the desire to always be consistent to comply and care for the society through payment of taxes has proven to affect tax compliance behavior.

REFERENCES

- Ajzen, I., & Fishbein, M. (1980). *Understanding Attitudes and Predicting Social Behavior*. United States of America: Prentice Hall Inc. Upper Saddle River (Paperback). Retrieved from <https://www.amazon.co.uk/Understanding-Attitudes-Predicting-Social-Behavior/dp/0139364358>
- Ajzen, I. (1991). The theory of planned behavior. *Organizational Behavior and Human Decision Processes*, 50(2), 179-211. [https://doi.org/10.1016/0749-5978\(91\)90020-T](https://doi.org/10.1016/0749-5978(91)90020-T)
- Ajzen, I. (2005). *Attitudes, Personality and Behavior* (2nd ed.). McGraw-Hill International. Retrieved from <https://www.amazon.com/Attitudes-Personality-Behavior-2nd-Ajzen/dp/0335217036>
- Ajzen, I., Fishbein, M., Commission, F. T., & Communications, W. (1988). *Theory of Planned Behavior* (26 p.). Masihkah Rele.
- Aryati, T. (2012). Analysis of Factors Affecting Corporate Taxpayer Compliance Levels. *Media Economics and Management*, 25(1), 13-29.
- Bamba, A. (2015). Realization Receipt Tax at Sulawesi. *Tempo Read News*.
- Benk, S., Budak, T., & Cakmak, A. F. (2012). Tax Professionals' Perceptions of Tax Fairness: Survey Evidence in Turkey. *International Journal of Business and Social Science*, 3(2), 112-117. Retrieved from https://www.researchgate.net/publication/260544306_Tax_Professionals'_Perceptions_of_Tax_Fairness_Survey_Evidence_in_Turkey
- Bidin, Z., Shamsudin, F. M., Shalihen, M. S., & Mohd Zainudin, O. (2011). Factors Influencing Intention to Comply with Local Sales Tax in Malaysia. SSRN. <https://doi.org/10.2139/ssrn.1867923>
- Blanthorne, C., M. (2000). *The Role of Opportunity and Beliefs on Tax Evasion: A Structural Equation Analysis*. Dissertation. Arizona State University.
- Bobek, D., & Hatfield, R. (2003). An Investigation of Theory of Planned Behavior and The Role of Moral Obligation in Tax Compliance. *Behavioral Research in Accounting*, 15(1), 13-38. <https://doi.org/10.2308/bria.2003.15.1.13>
- Bradley, C. F. (1994). *An Empirical Investigation of Factor Affecting Corporate Tax Compliance Behavior*. Dissertation. The University of Alabama, USA.
- Calvet, C., R., & Alm, J. (2014). Empathy, sympathy, and tax compliance. *Journal of Economic Psychology*, 40, 62-82. <https://doi.org/10.1016/j.joep.2012.10.001>
- Damayanti, T. W., Sutrisno, Subekti, I., & Baridwan, Z. (2015). Trust and Uncertainty Orientation: An Efforts to Create Tax Compliance in Social Psychology Framework. *Procedia – Social and Behavioral Sciences*, 211, 938-944. <https://doi.org/10.1016/j.sbspro.2015.11.124>
- Dewi, K. N. (2007). *Analysis of Non-Compliance Behavior of Corporate Taxpayers (Empirical Study at the Pratama Jambi Tax Office*. Masters in Accounting Sciences, Jambi University.
- Dewan Perwakilan Rakyat Republik Indonesia, Biro Analisa Anggaran & pelaksanaan APBN (2016). *Increasing Indonesia's Tax Ratio*. Retrieved from <http://www.dpr.go.id/doksetjen/dokumen/apbn> (accessed on October 15, 2018).
- Direktorat Jenderal pajak. (2015). Taxpayer Compliance.
- Eka, S. & Frans, S. (2017). Tax Revenue and Realization Receipt Tax. *East Tribune*.
- Freeman, R. E., & McVea, J. (2001). *A Stakeholder Approach to Strategic Management*. Darden Business School (Working Paper No. 01-02). <https://dx.doi.org/10.2139/ssrn.263511>
- Gangl, K., Hofmann, E., & Kirchlner, E. (2015). Tax Authorities Interaction With Taxpayer: A Conception of Compliance in Social dilemmas by Power and Trust. *New Ideas Psychology*, 37, 13-23. <https://doi.org/10.1016/j.newideapsych.2014.12.001>
- Gudono (2016). *Organizational Theory* (3rd ed.). BPFE Yogyakarta.
- Harinurdin, E. (2009). Corporate Taxpayer Compliance Behavior. *Journal of Administrative Sciences and Organizations*, 16(2), 96-104.
- Hartono, J. (2008). *Behavioral Information System* (Revised

- Edition). CV. Andi Offset. Yogyakarta.
23. Hidayat, W., & Nugroho, A. A. (2010). Studi Empiris Theory of Planned Behavior dan Pengaruh Kewajiban Moral pada Perilaku Ketidakpatuhan Pajak Wajib Pajak Orang Pribadi. *Jurnal Akuntansi Dan Keuangan*, 12(2), 82-93. <https://doi.org/10.9744/jak.12.2.pp.%2082-93>
 24. James, S., Murphy, K., & Reinhart, M. (2005). Taxpayer Belief and Views: Two News Surveys. *Australian Tax Forum*, 20, 157-188. Retrieved from https://www.researchgate.net/publication/228425553_Taxpayer_beliefs_and_views_Two_new_surveys
 25. James, S., & Alley, C. (1999). Tax Compliance, Self Assessment and Tax Administration. *Journal of Finance and Management in Public Service*, 2(2), 27-42. Retrieved from <https://ideas.repec.org/p/pramprapa/26906.html>
 26. Jimenez, P., & Iyer, G. S. (2016). Tax compliance in a social setting: The influence of social norms, trust in government, and perceived fairness on taxpayer compliance. *Advances in Accounting*, 34, 17-26. <https://doi.org/10.1016/j.adiac.2016.07.001>
 27. Langham, J. A., Paulsen, N., & Hartel, C. E. (2012). Improving Tax Compliance Strategies: Can the Theory of Planned Behavior Predict Business Compliance? *EJournal of Tax Research*, 10(2), 364-402.
 28. Magro, & Anne, M. (1999). Contextual Feature of Tax Decision Making Settings. *Journal of the American Taxation Association*, 21, 63-73. <https://doi.org/10.2308/jata.1999.21.s-1.63>
 29. Mangoting, Y., Sukoharsono, E. G., Rosidi, & Nurkholis (2015). Developing a Model of Tax Compliance from Social Contract Perspective: Mitigating the Tax Evasion. *Procedia – Social and Behavioral Sciences*, 211, 966-971. <https://doi.org/10.1016/j.sbspro.2015.11.128>
 30. Mardiasmo (2016). *Taxation*. Yogyakarta: Publisher Andi Yogyakarta.
 31. Marti, L. O. (2010). Tax Payers, Attitudes and Tax Compliance Behavior in Kenya: How the Taxpayers, Attitudes Influence Compliance Behavior among SMEs Business Income Earners in Kerugoya Town, Kirinyaga District. *African. Journal of Business and Management*, 10, 112-122.
 32. Mulyani, S. (2016). Low Compliance of Indonesian Taxpayers and Tax ratio. *Observation and Research of Taxation*.
 33. Mustikasari, E. (2008). *Behavior Factors and Organizational Environments that Affect Non-compliance with Tax Professionals in Implementing Tax Liabilities in Processing Industry Companies in Surabaya* (Dissertation). Post Graduate Program in Airlangga University.
 34. Nurmanto, S. (2007). Factors Affecting Taxation Services. *Journal of Administrative Sciences and Organizations*, 15(1), 15-21.
 35. Ozer, G., & Yilmaz, E. (2011). Comparison of The Theory of Reasoned Action and The Theory of Planned Behavior: An Application on Accounting Information Technology Usage. *African Journal of Business Management*, 5(1), 50-58. Retrieved from https://papers.ssrn.com/sol3/papers.cfm?abstract_id=1923022
 36. Pramudito, S. (2016). Tax Ratio Indonesia. Indonesia Tax Ratio is Still Low. *Tax News Kementerian Keuangan*.
 37. Rahayu, N. (2007). New Directorate General of Tax Policy in Submitting VAT and Tax Planning to Deal With It. *Journal of Administrative Sciences and Organizations*, 15(1), 8-14.
 38. Siahaan, F. O. (2005). *Factors influencing Tax Professional Compliance Behavior in Corporate Tax Reporting at Manufacturing Industry Companies in Surabaya* (Dissertation). Post Graduate Program in Airlangga University.
 39. Slemrod, J. (1989). Complexity, Compliance Cost and Tax Evasion. An Agenda for Compliance Research. *An Agenda for Compliance Research*, 2. Retrieved from <https://core.ac.uk/download/pdf/143898810.pdf>
 40. Smart, M. (2012). *The Application of The Theory of Planned Behavior and Structural Equation Modelling in Tax Compliance Behavior. A New Zealand Study*. Disertasi. University of Canterbury.
 41. Sukamdani, H. (2017). Quality Economic Growth, Tax Target Can Be Achieved. *Fakta News*.
 42. Tan, L. M., & Laswad, F. (2008). Student Beliefs, Attitudes and Intention to Major in Accounting. *Accounting Education An International Journal*, 15(2), 167-187. <https://doi.org/10.1080/09639280600787194>
 43. Tarjo, & Kusumawati (2006). Analysis of Personal Taxpayer's Behavior on the Implementation of a Self-Assessment System. *Journal of Accounting and Auditing Indonesian*, 10(1), 101-120.
 44. Trivedi, V. U., Shehata, M., & Mestelman, S. (2005). Attitudes, Incentive and Tax Compliance. *Journal of Economic Psychology*, 5, 371-384. Retrieved from [file:///C:/Users/Inna/Desktop/%D0%97%D0%B0%D0%B3%D1%80%D1%83%D0%B7%D0%BA%D0%B8/taxcomp%20\(1\).pdf](file:///C:/Users/Inna/Desktop/%D0%97%D0%B0%D0%B3%D1%80%D1%83%D0%B7%D0%BA%D0%B8/taxcomp%20(1).pdf)
 45. Widodo, A. & Austin, M. (2015). Sunset Policy: Fostering, Aware and Increase. *Observation and Research of Taxation*.