The Effect of Technology Revenue Model and Tax Digitalization on Taxpayer Reporting with Internet Convenience

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ABSTRACT

This study aims to evaluate the effect of the Technology Revenue Model and digital taxation on taxpayer reporting by considering the ease of internet factors. The research method uses multiple regression analysis and takes into account moderation by means of interaction methods. The collected data is processed using the Smart PLS Application. Sample from a study of 100 MSMEs Individual Taxpayers who operate or have independent businesses in the Jakarta area. With the result that the Technology Revenue Model and tax digitization do not have a significant influence on taxpayer reporting. However, the ease of the internet has proven to have a significant positive influence on taxpayer reporting. In addition, it was found that the ease of the internet moderated the effect of the Technology Revenue Model significantly positively on the reporting of MSME taxpayers in the Jakarta area. However, the ease of the internet moderates the effect of tax digitalization significantly on the reporting of MSME taxpayers in the Jakarta area.

Keywords: *Technology Revenue Model, Tax Digitalization, Taxpayer Reporting, Internet Convenience*

INTRODUCTION

Taxes are one of the largest sources of revenue for the state. More than 70% of state budget revenue comes from taxes, so it is important for the Directorate General of Taxes as a government agency responsible for tax administration to maintain state revenue stability. With the aim of meeting the tax revenue target, in 2019 the percentage of achieving the tax target reached 92.24%, an increase compared to 2018, and was the highest figure for the last 5 years before the Covid-19 pandemic. (Ministry of Finance of the Republic of Indonesia, 2019). As shown in the following table:

Table 1: Sumary of Taxpayers and Tax Revenue

Sum Taxpayer	2019	2018	2017	2016	2015
Registered	45.950.440	38.651.881	39.151.603	36.398.089	33.313.655
Compulsory delivery SPT	18.334.683	17.653.963	16.598.887	20.165.718	18.159.840
Have delevery SPT	13.394.502	10.589.648	12.057.400	12.256.401	10.975.909
State Revenue	1.955,1 T	1.928,1 T	1.654,7 T	1,546,9 T	1.496,1 T

Source : OJK ,Annual Report DJP and BPS

The table above shows an overview of the number of registered Taxpayers and the submission of Annual Returns in the 2019 tax year before the COVID-19 pandemic

period. It is important to note that there has also been an increase in the use of e-Filing, with 5,800,480 tax returns submitted as of December 31, 2019. This reached 85.55% of the target set at 6,299,742 tax returns. The use of e-Filing in tax reporting provides efficiency and convenience benefits for taxpayers in submitting tax returns. Despite the increase in the number of tax return submissions, there is still potential to improve taxpayers' compliance in reporting their income

Further research on the adoption of tax technology and digitalization in tax reporting with the ease of the internet including its effect on Taxpayer compliance, will provide deeper insights into this phenomenon and provide a foundation for the development of more effective tax policies in the future.

LITERATUR REVIEW DAN HIPOTESIS

Theory of Planned Behavior :
The first source of the theory of planned behavior is the Theory of Planned Behavior which explains the relationship between beliefs and behavior. According to this theory, individual intentions and behaviors are shaped by attitudes, subjective norms, and perceptions of behavioral control (perceptions in controlling behavior). self_efficacy theory (SET) provides basic guidelines for the perception of behavioral control. Self-efficacy is a major condition for behavior change because it determines the beginning of coping behavior. Self-efficacy theory contributes to explaining the various relationships that exist between beliefs, attitudes, intentions, and behaviors (Andreanto, 2013). The theory of Planned Behavior has many advantages, one of which is that it helps in achieving the goals of a person or organization

Technology Acceptance Model (TAM)
Based on previous research, the Technology Acceptance Model (TAM) has been used in assessing factors that affect the acceptance and use of information systems. This model has proven effective in understanding user behavior towards technology and information systems. Studies conducted (Kaur &; Malik, 2019) show that TAM provides a strong theoretical basis for understanding the factors that influence the receptivity of information systems. Factors such as perceptions of the benefits provided by information systems, perceptions of ease of use of information systems, and user intentions to use information systems have a significant influence in influencing the use of technology

Tax Digitalization
Digitalization has a significant impact on taxation, both in tax policy and administration at the domestic and international levels. According to (Tambun, 2020), digital transformation introduces new challenges and offers new tools in the field of taxation. The Directorate General of Taxes in Indonesia also faces the challenge of digital challenges in improving infrastructure involving the use of tax technology. Reform in the field of information technology is carried out through the development of a focus on the DGT's core tax system and other supporting systems to face digital changes (Fajar Nyfantoro, 2019). One of the implementations of digitalization in taxation is through e-Filing, which is a way to report Tax Returns online using the Directorate General of Taxes website.

Taxpayer Reporting

SPT (Tax Return) reporting is an activity carried out by Taxpayers to report tax calculations and / or payments, tax objects and / or non-tax objects, as well as assets and liabilities. Tax returns must be submitted with true, complete, and clear information. Tax return reporting can be done directly to the Tax Service Office or through online methods. Tax compliance can be defined as the state in which a Taxpayer fulfills all tax obligations and exercises his tax rights. (Osvaldo Lado et al., 2018) divides tax compliance into two, namely formal compliance and material compliance. Formal compliance is compliance by taxpayers with tax rules, while material compliance refers to the conformity of obligations in calculation, payment and reporting with statutory provisions.

Internet Convenience

In the context of the ease of the internet, it is important for individuals to have knowledge of the basic concepts and functions of the internet, such as how computer networks are interconnected, the communication protocols used, and how data is sent and received over the internet. In addition, an understanding of the internet also includes the ability to use internet tools and services, such as web browsers, email, social media, and information retrieval (Arimurti et al., 2021). Understanding the internet is important in today's digital age, as it has become a rich and extensive source of information. With an adequate understanding of the internet, you can take advantage of the potential and benefits offered by the internet, including easy access to knowledge, communication with others, online transactions, and various other digital activities.

Effect of Revenue Model Technology model on taxpayer reporting

Based on previous research, it can be concluded that the Technology Revenue Model (TAM) has a significant influence on taxpayer compliance, especially in terms of tax reporting (Tambun, 2020). The perceived usefulness and perceived ease of use of e-filing or information systems used in tax reporting, have a positive influence on taxpayer compliance. In addition, the use of e-filing as an intermediary variable also affects the relationship between perceived usefulness and perceived convenience with taxpayer compliance. Research also shows that the benefits of using the system, perceived ease of use, and bridging conditions simultaneously have a significant influence on corporate taxpayer compliance. This shows that the overall implementation of TAM affects taxpayer compliance. However, keep in mind that the results of such research may apply in certain contexts and may be influenced by other factors. Therefore, further research is needed to test this hypothesis and gain a more comprehensive understanding of the effect of TAM on taxpayer reporting. From this study, the hypothesis is H1: There is a significant influence of the technology acceptance model variable on mandatory reporting

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The Effect of Internet Convenience on Taxpayer Reporting

Research conducted (Meita Oktaviani et al., 2018) found that understanding the Internet has a positive and significant impact on taxpayer compliance. Based on the findings of the study, the following hypothesis is possible H3: The ease of accessing the Internet has a significant impact on taxpayer reporting.

Moderation of Internet Convenience on the Effect of Technology Revenue Model on Taxpayer Reporting

TAM theory explains how the use of technology can accept systems. The TAM variable is the perception of profitability. If taxpayers believe that submitting reporting using e_filling form is easier, they will be more compliant in carrying out their tax obligations. If taxpayers want to use e-filling forms, they must know how to use the internet because with its various developments, not all feel the convenience. This is in line with research conducted by (Wulandari Laksmi &; Oka Ariwangsa, 2021), which found that understanding the Internet can reduce the impact of implementing an Efilling System on tax compliance. Thus the hypothesis is possible, H4: ease of access to the Internet can reduce the effect of technology revenue models on tax reporting.

Moderation of Internet Ease on the Effect of Digital Taxation on Taxpayer Reporting

According to research (Osvaldo Lado et al., 2018), the ability of taxpayers to access the internet can have an impact on their level of compliance with the implementation of the e-filing system. The number of taxpayers using the e-filing system is increasing along with their ability to access the internet. Therefore, taxpayers will be more disciplined. Previous studies have shown that the impact of digital taxes on mandatory tax reporting is offset by the ease of the internet. Thus the hypothesis proposed H5: The ease of the Internet can moderate the effect of tax digitization on tax wajip reporting.

RESEARCH METHODS
Population and Sample

This research involved individual MSME taxpayers who run businesses or have free jobs. The number of samples in this study was 100 respondents of individual MSME taxpayers located in the Jakarta area. So this research will be carried out by purposive sampling method, which means samples are selected based on certain criteria

Variable Measurement

Indicators of taxpayer compliance under the KUP Law include digital tax laws, online tax portals and systems, and future strategies for tax digitization. Other indicators include the timeliness of submitting the Notification Letter, the reported income must be in accordance with applicable regulations, and the payment of tax bills or tax assessment letters before they are due. Ease of use (perceived ease of use), ability to improve

effectiveness and efficiency (perceived usability), and willingness to continue using are three indicators of TAM (Pemerathna, 2016).

Analysis Methods

Data analysis will use PLS programs. "Validity" means the accuracy and accuracy of a measuring instrument in carrying out its size function (Azwar, 1986). Validity tests assess the quality of the tools used to measure objects. Wahyuni (2014) states that surveys can only be considered valid if they can measure their goals. Reliability, which comes from the English word "reliability", is a tool for evaluating questionnaires that serve as modifiers or construct indicators (Ghozali, 2009). Questionnaire results are considered reliable or reliable if they are consistent or stable over time. Accountable measurements.

Results

The validity and reliability test determines whether the research instrument, specifically the statements or questions in the questionnaire, is feasible or not to represent the variable under study. Reliability tests also determine whether respondents' answers are consistent and whether they are serious about answering questionnaires. Below are the results outside the model to test its validity

Figur 1. Results Outer Model
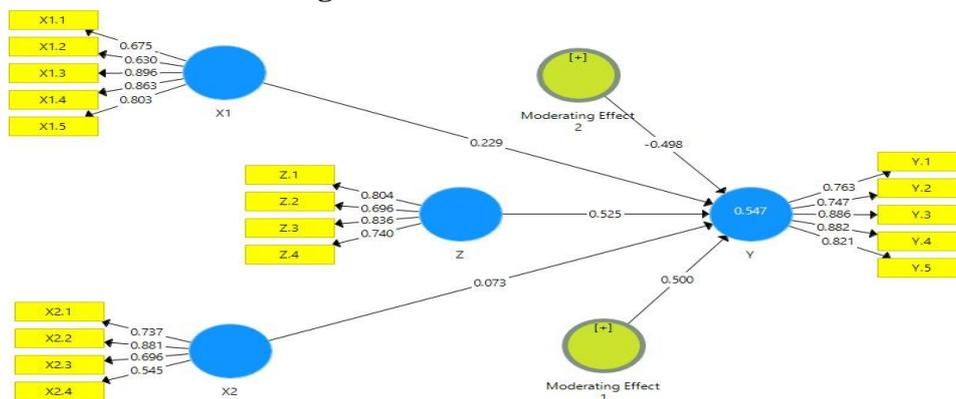
Description: Technology Revenue Model (X1), Tax Digitalization (X2), Taxpayer Reporting (Y), and Internet Convenience (Z) All indicators are valid with numbers above 0.5 according to the results of the Outer Model. It can be concluded that all metrics show the research variables have credibility. For consistency of respondents, reliability tests were also carried out in the following table:

Table 2

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Moderating Effect 1	1.000	1.000	1.000	1.000
Moderating Effect 2	1.000	1.000	1.000	1.000
X1	0.856	0.913	0.884	0.609
X2	0.724	0.791	0.811	0.525
Y	0.879	0.890	0.912	0.676
Z	0.771	0.771	0.854	0.594

Description: Technology Revenue Model (X1), Digital Taxation (X2), Taxpayer Reporting (Y), and Internet Convenience (Z)

The combined reliability value, Cronbach alpha value, and rho value can be looked at to determine the reliability of the data, assuming that each value results in a score of at least 0.7. In addition, the AVE value can also be used as a basis for assessing the reliability of respondents' answers; if the AVE value is more than 0.5, then the respondent's answer is considered reliable.

Furthermore, Table 3 displays the five hypotheses tested. The first hypothesis suggests that, although the first sample showed good results, the effect of acceptance of model technology (X1) on taxpayer reporting (Y) was not significant; the statistical value of T is 1.931 less than 1.96 and the value of P is 0.054 more than 0.05. The initial hypothesis eventually failed. This contradicts the findings of Sari et al (2014) and Sudrajat & Ompusunggu (2015). The study found that the technology revenue model (X1) has a significant positive correlation with taxpayer compliance.

Table 3. Hypothesis Results

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values
Moderating Eff...	0.500	0.443	0.190	2.629	0.009
Moderating Eff...	-0.491	-0.484	0.182	2.704	0.007
X1 -> Y	0.250	0.280	0.129	1.931	0.054
X2 -> Y	0.068	0.086	0.147	0.465	0.642
Z -> Y	0.526	0.513	0.151	3.480	0.001

Description: Technology Revenue Model (X1), Digital Taxation (X2), Taxpayer Reporting (Y), and Internet Convenience (Z)

So it can be explained, testing the second hypothesis shows that the influence of digital taxation on taxpayer reporting is not significant. This means that the application of tax technology, e-Filing, does not significantly affect taxpayer reporting in conducting tax reporting. This finding contradicts the results of previous studies which stated that digital taxation has a positive and significant influence on taxpayer compliance. Testing the third hypothesis shows that the ease of the Internet has a positive and significant influence on taxpayer compliance. This shows that the easier the Internet access for taxpayers, the higher their level of compliance in carrying out tax obligations. These results are consistent with previous research suggesting that understanding the Internet has a positive and significant effect on taxpayer compliance. Testing the fourth hypothesis shows that the ease of the Internet is able to moderate the effect of technology revenue models on taxpayer reporting. That is, understanding the Internet can strengthen the influence of technology revenue models on taxpayer reporting. These results support previous research suggesting that understanding the Internet moderates the effect of technology revenue models on taxpayer compliance. Testing the fifth hypothesis shows that the ease of the Internet as a moderating variable is able to moderate the influence of digital taxation on taxpayer reporting. In this context, the ease of the Internet weakens the influence of digital taxation on taxpayer reporting. These results are in line with previous research suggesting that understanding the Internet can moderate the effect of tax digitalization on taxpayer compliance.

CONCLUSION

1. Technology revenue models and tax digitization do not have a significant effect on taxpayer reporting. This shows that adopting taxation technology or digital taxation alone is not enough to improve taxpayer reporting in reporting their taxes.
2. The ease of the internet has a significant influence on taxpayer reporting. This shows that the ease of access and use of the internet by taxpayers plays an important role in improving their compliance in reporting taxes.
3. The ease of the internet plays an important role as a moderating factor. Its ability to amplify the influence of technology revenue models on taxpayer reporting shows that the ease of the internet amplifies the influence of factors related to technology revenue on taxpayer reporting compliance.
4. The ease of the internet also moderates the influence of digital taxation on taxpayer reporting. This is the ease of the internet can affect the extent to which tax digitization has an impact on taxpayer reporting compliance.
5. The technology revenue model and tax digitization cannot stand alone in influencing taxpayer reporting. Support from the ease of the internet is essential, and the internet has a central role in establishing taxpayer reporting compliance. Further research recommendations to conduct research in a wider area and involve various types of taxpayers. More holistic methods, such as a combination of surveys and in-person interviews, to gain a deeper understanding.

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