Strategy to Improve Taxpayer Compliance of Tourism Sector Workers in the South Badung Pratama Tax Office Area

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ABSTRACT: Taxpayer (WP) compliance is the main factor that greatly influences the increase in state revenue from the tax sector. This factor is very important to continue to study so as to produce appropriate strategic innovations to increase tax revenues. This is because WP compliance always experiences fluctuations that are very difficult to predict. This difficulty can be overcome by implementing a tax strategy that suits certain segments of taxpayer groups, especially those from potential sectors. Tourism is a potential tax-generating sector for the country. This research aims to determine the compliance of taxpayers who are tourism sector workers in the South Badung KPP Pratama area. The analysis was carried out using different tests on the compliance of taxpayers with the status of independent workers and private employees in the tourism sector. The results of the qualitative analysis show that the right strategy to increase taxpayer compliance at KPP Pratama South Badung is through examples from public figures, print media and direct warnings.

KEYWORDS: Tourism Sector; Strategy Taxpayer Compliance; Self-Employed; Private Sector Employees

I. INTRODUCTION

Tax is a levy or contribution from the people's budget based on the law and does not receive compensation. This tax budget is one of the state's revenues. Taxes provide approximately 60-70 percent of tax revenues to meet the APBN (Halim dkk., 2020). The understanding of taxpayers that tax payments "do not receive compensation" makes taxpayer compliance fluctuate. So it is very necessary to formulate the right strategy to always be able to increase taxpayer compliance. The development of current social phenomena has an impact on the planning of this strategy.

Current tax strategies cannot be applied generally. Current tax strategies are like marketing strategies that are always based on market segmentation. The segmentation that really needs to be considered is the work of the taxpayer. This statement is supported by the Theory of Planned Behavior which states that a person's behavior is greatly influenced by a person's characteristics. One of these characteristics is formed by the work that is pursued by an individual.

Badung Regency is one of the regencies in Bali Province with high GRDP. Tourism as a sector that plays a major role in increasing it can be proven from the sector's contribution to GRDP in Badung Regency. The impact of this phenomenon as taxation in Indonesia is the large tax potential from the tourism sector. Problems arise when the tax revenue target from this sector is still not optimal when compared to the number of potential Taxpayers (WP). Potential Individual Taxpayers (WPOP) in the tourism business are self-employed workers and private employees.

Research on strategies to improve tax compliance of WPOP has been conducted by several researchers. Noviana (2018)who studied strategies to improve compliance of Corporate and Individual Taxpayers at KPP Pratama Gianyar. Laksono dkk., (2021)strategies to improve taxpayer compliance at KPP Pratama Surabaya Sawahan. Ulfa & Aribowo (2021)studied strategies to improve awareness and compliance of MSME taxpayers in Indonesia. Agun, Datrini, & Amlayasa (2022)studied taxpayer compliance in fulfilling individual tax obligations at KPP Pratama Ruteng.

The research results that are the reference for this research focus on the implementation of strategies to increase taxpayer compliance in general without conducting specific studies on one group of taxpayer jobs. This research is different from many previous studies. This research specifically targets stakeholders from the tourism sector. The specifications of the stakeholders in question are self-employed workers and private employees. So the results of the research are expected to produce very specific innovations targeting a special segment of the tourism sector.

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There are two supporting theories used in the study, namely the Theory of Planned Behavior (TPB) and the Theory of Tax Compliance. The Theory of Planned Behavior (TPB) will explain that a taxpayer's behavior in complying with his obligations as a good taxpayer is greatly influenced by several variables that can be perceived. The behavior caused by the taxpayer can arise because of the intention to behave in accordance with the tax provisions that have been set and become a taxpayer. The Theory of Tax Compliance is (Devos, 2012) divided into two approaches, namely: (1) Economic Deterrence Approach and (2) Psychological Approach. Where in the Economic Deterrence Approach, an approach is taken by considering factors such as the tax system and information, tax deductions by other parties, tax fines, the possibility of being audited by tax, and the amount of tax rates. While the psychological approach is an internal factor within the Taxpayer that will influence his tax compliance behavior.

Individual Taxpayer Compliance is very necessary in assisting the government in efforts to increase state revenue from taxes. In order to maximize efforts in tax revenue, the government must focus on efforts to increase revenue with various programs. Education from the government is carried out routinely with direct training methods for taxpayers to increase knowledge, implementing socialization of tax regulations including tax sanctions to update tax information. The phenomenon that has occurred in Indonesian taxation lately has made Taxpayers and the public hesitate to pay taxes. This phenomenon can affect the level of taxpayer compliance (Agun dkk., 2022). So the formulation of the right strategy is absolutely necessary.

II. RESEARCH METHODS

In the Theory of Planned Behavior (TPB) (Azwar, 2013, hlm. 13), the behavior displayed by an individual arises because of the intention to behave. Meanwhile, the emergence of behavior is determined by three determining factors, namely: behavioral beliefs (individual beliefs about the results of a behavior and evaluation of those results), normative beliefs (beliefs about the normative expectations of others and motivation to meet expectations), and control beliefs (beliefs about the existence of things that support or inhibit the behavior to be displayed and their perceptions of how strong the things that support and inhibit their behavior are). Based on the literature review and empirical studies of previous research, the following framework of thought can be compiled:
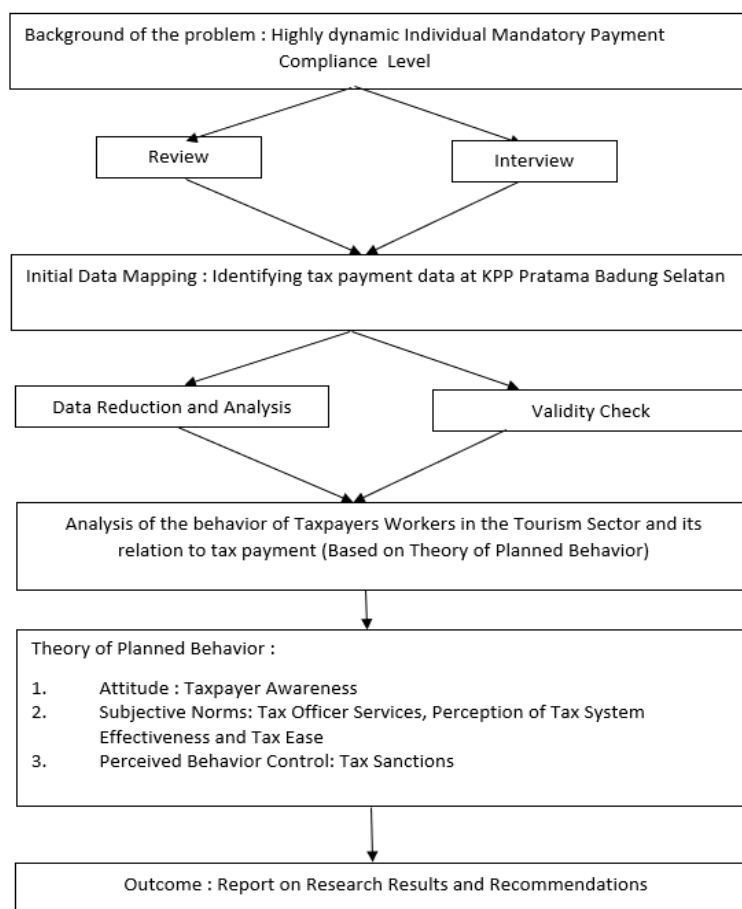

Figure 1. Research Concept Framework

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This study uses a qualitative approach. This study was conducted at the South Badung Pratama Tax Office in the period April - May 2024. The informants of this study were Individual Taxpayers registered at the South Badung Pratama Tax Office and tax officers. The sample used in this study was 100 (one hundred) people who played a role in data pooling . Data pooling related to how to motivate and the right media to increase taxpayer compliance. The informant selection technique used a purposive sampling technique with a total of 20 (twenty) informants. The taxpayer informants were divided into two, namely 10 (ten) people who were independent workers and 10 (ten) other people were workers who were members of a company in the tourism sector. Data were collected using interview instruments. The data analysis technique used is in accordance with the Miles and Huberman technique which Sugiyono (2018, p. 336)states that there are three methods in qualitative data analysis, namely: Data reduction, Data display and Conclusion drawing/verification . Verification of the validity of the analysis results using data source triangulation which means analyzing the level of truth and accuracy of data from 2 (two) different data sources, which are related to the research object, namely from Taxpayers and tax officers.

III. RESULTS AND DISCUSSION

Study has successfully collected 100 WPOPs registered at the South Badung Tax Office . The respondent's answer data was then processed to answer the formulation of the research problem. The formulation of the problem discussed in this study is a strategy model for increasing taxpayer compliance for self-employed workers and private employees in the South Badung Tax Office work area .

The formulation of strategies to improve taxpayer compliance is carried out by identifying respondents' perceptions regarding the two things below.

1. How to motivate

Motivational methods are the most effective way to remind taxpayers to complete their tax obligations. Table 5.12 shows the respondents' perception rankings on the right motivational methods.

Table 1. Respondents' Perceptions on Motivation Methods
How to motivate

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Direct reprimand	20	20.0	20.0	20.0
	Tax socialization	8	8.0	8.0	28.0
	Advertising on social media	19	19.0	19.0	47.0
	Advertisements on TV channels	12	12.0	12.0	59.0
	Print media	20	20.0	20.0	79.0
	Public figure role model	21	21.0	21.0	100.0
	Total	100	100.0	100.0	

Source: processed data, 2024

The respondents of the study showed relatively even choices in motivation methods. The top three choices were public figure role models (21 percent), direct reprimands (20 percent) and print media (20 percent).

2. Media

Media is a means that can motivate taxpayers to always complete their tax obligations. Table 5.13 shows the respondents' perception rankings of the right media.

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Table 2. Respondents' Perceptions of Media

Media

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Film	19	19.0	19.0	19.0
	Advertising on social media	19	19.0	19.0	38.0
	Print media	19	19.0	19.0	57.0
	Tax socialization	27	27.0	27.0	84.0
	Direct visit	16	16.0	16.0	100.0
	Total	100	100.0	100.0	

Source: processed data, 2024

The research respondents showed relatively even choices in the media chosen. The ranking results showed that the respondents' highest interest was in tax socialization.

Respondents chose three ways that they considered most appropriate to remind them of their tax obligations. The three ways are as follows.

1. Public figure role model

Public figures referred to by respondents are not only community leaders, government figures, artists or other figures. Efforts to remind respondents to immediately complete their tax obligations are through community leaders who are closest to their residential environment. Community leaders such as these are neighborhood heads, *traditional leaders* and religious leaders. The relatively heterogeneous character of the community in South Badung needs to be addressed by presenting tax agents who come from local community leaders. The closeness of taxpayers to these figures can be utilized to encourage taxpayers to complete their tax obligations.

2. Print media

The printed media referred to by respondents to remind them of their tax obligations are not brochures or pamphlets that motivate them. Respondents prefer it if the South Badung Tax Office can issue a warning letter that is directly addressed to taxpayers. Respondents consider that this method does seem conventional, but has a more effective effect when compared to using a warning letter sent to the taxpayer's social media account.

3. Direct reprimand

Respondents considered that warnings delivered politely while maintaining the honor of taxpayers are very effective in reminding taxpayers of their tax obligations. This is the last resort that can be taken by the South Badung Tax Office if warnings delivered by community leaders and through print media fail.

The development of information technology today is increasingly dynamic, tax socialization activities encourage improvements in the information system provided by the tax authority. In addition, the tax authority's efforts to improve taxpayer compliance are by imposing tax sanctions on taxpayers who do not comply with their tax obligations. Tax sanctions are one of the business processes of tax activities implemented by the tax authority. The tax authority, which is a representative of the government in collecting taxes from the public, needs to improve the quality of its information system due to changes in the current business process. In addition, improving the quality of the information system is one form of improving the tax authority's services to taxpayers. These efforts encourage taxpayer awareness to better comply with their tax obligations.

Information systems are very important to be used as the spearhead for KPP Badung Selatan to improve taxpayer compliance. The results of the study showed that respondents preferred tax socialization to be carried out by maximizing information

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systems, both digital and conventional. The digital-based information system in question is advertising on social media and films. The conventional-based information system is print media and direct visits. The relatively heterogeneous characteristics of society in responding to the development of digital technology still require a conventional approach to improve taxpayer compliance.

IV. CONCLUSIONS

Qualitative studies show that the strategy model for improving taxpayer compliance for self-employed workers and private employees that can be developed in the South Badung Tax Office working area is by using a conventional approach and maximizing digital information technology. This study has limitations, namely using a qualitative approach that targets the phenomenon at the South Badung Tax Office. The phenomenon related to fluctuating taxpayer compliance also occurs at other Tax Offices in Bali with different problem characteristics. So it is necessary to conduct various studies with a qualitative approach at each Tax Office in the Bali Province.

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