

## The Effect of Taxable Person Compliance and Tax Collection on Value Added Tax Revenue (Study at The Primary Tax Service Office in The City of Bandung)

**Karina Nurmaya<sup>1\*</sup>, Lissa Rosdiana Noer<sup>2</sup>**  
 Universitas Widyatama, Bandung, Indonesia  
 Email: [knurmaya@gmail.com](mailto:knurmaya@gmail.com)\*

\*Correspondence

### ABSTRACT

**Keywords:** Taxable Entrepreneur Compliance; Tax Collection; Value Added Tax Revenue

The development of the amount of tax arrears from time to time shows an increasing amount and has not been balanced with its disbursement activities, for that it is necessary to carry out tax collection actions based on applicable laws and regulations. This study aims to determine whether there is an effect of taxable person compliance and tax collection on value added tax revenue at the primary tax service office in the city of Bandung. The research method used is quantitative descriptive. Determination of the sample using total sampling with a total of 4 primary tax service offices. The test analysis was carried out by panel data linear regression test using eviews, hypothesis testing and determination coefficient testing. The results of the study indicate that taxable person compliance has an effect on value added tax revenue and tax collection has an effect on value added tax revenue at the primary tax service office in the city of Bandung.



### Introduction

Taxes are the main source of state revenue in addition to various other revenues. In accordance with the definition stipulated in the provisions of Article 1 of the Law on General Provisions and Tax Procedures (KUP Law),

"Tax is a mandatory contribution to the state owed by individuals or entities that are compelling based on the law, by not getting a direct reward and used for state purposes for the greatest prosperity of the people" (Prasetyo, 2017).

Revenue from the tax sector is divided into two groups, namely from direct taxes, for example Income Tax (PPh) and indirect taxes, for example Value Added Tax (PPN), Sales Tax on Luxury Goods (PPnBM), Stamp Duty (Mardiasmo, 2019). Value Growth Tax (VAT) is one type of tax that has considerable revenue potential for state tax revenue. The level of achievement of VAT revenue has fluctuated over the last 5 years, as a percentage from 2019 to 2022 has increased and from 2022 to 2023 has decreased. The following data is presented regarding the target and realization of VAT:

**Table 1. VAT revenue for 2019-2023 (in billion rupiah)**

Year	Target	Realization	VAT Revenue Achievement	VAT Revenue Growth
2018	541,800	537,268	99.16%	-

2019	655,400	531,577	81.11%	-1.06%
2020	507,500	450,328	88.73%	-15.28%
2021	518,500	551,900	106.44%	22.56%
2022	638,990	680,741	106.53%	23.34%
2023	742,950	764,340	102.88%	12.28%

Source: State Budget Realization 2018-2023

Based on Table 1, in 2023 the realization of VAT revenue has decreased, this impact is felt by both small and medium entrepreneurs in the production process with additional costs that are likely to reduce company profitability. According to Economics Expert Universitas Airlangga Herianungrum, economic conditions have experienced instability, especially in terms of the prices of basic necessities that have increased significantly. The VAT increase will further exacerbate these conditions, especially for the lower middle class who have been affected by the previous increase in the prices of basic goods. The impact of the VAT increase is also felt at the investment level. Businesses, especially small and medium enterprises, are predicted to experience an increase in production costs, which in turn, could reduce their competitiveness and profitability, thus likely reducing VAT revenues (Nurdiansyarani, 2024).

Another cause of not maximizing VAT revenue is the number of Taxable Person for VAT Purposes that do not comply with tax provisions, issuing tax invoices that are not based on actual transactions, issuing tax invoices but not reporting them according to the provisions, Taxable Person for VAT Purposes that have collected VAT but not depositing it to the state. One of the cases occurred in South Jakarta, the implementation of a self-assessment system that places high demands on taxpayer compliance for the implementation of taxation, has not provided significant convenience because if all taxpayers have good tax compliance, it will affect state tax revenues which will have an effect on increasing state revenues (Kurnia & Azzahra, 2024).

Head of the Regional Office of DGT West Java I Kurniawan Nizar said that in West Java, even throughout Indonesia, generally the biggest are cost inflation, hiding income and fictitious tax invoices but with a total amount that varies between regional offices. The same thing was conveyed by the Head of the West Java II DGT Regional Office Harry Gumelar who said that the issuance of tax invoices that are not based on actual transactions (TBTS) is the highest violation in his area, with the perpetrators being taxable entrepreneurs. For various tax violations during 2022 to date, the Regional Office of DGT West Java I, II and III, together with the prosecutor's office and the police, saved state revenue losses of around IDR 79.3 billion from 22 suspects. With details of Regional Office of DGT West Java I (IDR 19.16 billion), Regional Office of DGT West Java II (IDR 19.07 billion), and Regional Office of DGT West Java III (IDR 41.07 billion) (Prayoga, 2024).

Increasing VAT productivity requires an increase in taxpayer compliance (Ahmed, 2013). The higher the level of compliance of taxpayers to pay taxes, the more optimal the tax revenue in the country (Prasetyo, 2017). The most effective way to collect taxes is through voluntary taxpayer compliance with tax laws. However, not all taxpayers pay

taxes on time, so DGT uses different tax collection methods and stimulates taxpayer responsibility. The methods referred to include collection by warning letters and forced letters (Amanda et al., 2022).

Tax obligations must be fulfilled by the obligation to pay taxes, but in making tax laws must see the possibility where not all of these obligations are not fulfilled by the taxpayer concerned voluntarily. In order to fulfill compliance with tax laws, it is necessary to take law enforcement actions so as to provide a deterrent effect, legal certainty and justice so that taxpayers are obedient and disciplined in fulfilling tax obligations. The Supreme Audit Agency (BPK) noted that tax receivables as of December 31, 2023 reached IDR73.94 trillion, up 3.7 percent from the previous year of IDR71.27 trillion. Meanwhile, the 2023 Central Government Financial Report (LKPP) states that tax arrears with "bad" quality that have not been optimally collected amounted to IDR 5.38 trillion. The amount comes from 9,910 assessments, with 8,472 assessments not yet subject to active collection actions (Azzahra, 2024).

According to Law No. 19/2000 on Tax Collection with a Forced Letter, tax collection is a series of actions so that taxpayers pay off tax debts and tax collection costs by reprimanding or warning, carrying out instant and simultaneous collection, notifying forced letters, proposing prevention, carrying out confiscation, carrying out hostage-taking, and selling goods that have been confiscated.

Tax arrears arise when the tax authorities issue a Tax Assessment Letter which serves as an administrative tool in carrying out tax collection and is also used as the basis for the implementation of tax collection as stated in the Law of the Republic of Indonesia No. 28 of 2007 concerning Tax Assessment.

General Provisions of Taxation. The development of the amount of tax arrears from time to time shows an increasing amount and has not been able to be balanced with its disbursement activities, for this reason it is necessary to carry out tax collection actions based on applicable laws and regulations. To liquidate these arrears, collection actions have been carried out which have the force of law (Rahmawati, 2021).

Collection actions are divided into two, namely passive and active collection actions. Passive collection actions are carried out by the tax authorities before the due date. Passive collection actions can be through the issuance of Tax Collection Letters (STP) and Tax Assessment Letters (SKP). While active collection actions are carried out by the tax authorities after the due date through notification of warning letters, forced letters, warrants to carry out confiscation, carry out hostage-taking, and sell assets of goods that have been confiscated based on the provisions stipulated in Law Number 19 Year 2000.

This research was conducted to continue previous research where between the taxpayer compliance variables on tax revenue conducted by Ariane Chairani (2017), Hamidah (2019), Bhayu Chairul Annam, Ridwan Miftahul Khoer, and Syafrizal Ikram (2023) from the results of the research taxpayer compliance affects tax revenue, meaning that the more compliant taxpayers fulfill their tax obligations, the growth in tax revenue will increase. In contrast to research by Sari et al. (2021) from the results of the study

show that the compliance of taxable entrepreneurs with VAT tax payments shows less effective.

Research results between tax collection on tax revenue conducted by Hamidah (2019), Purnamasari (2020), and Rachmat et al. (2021) from the results of research on tax collection activities affect tax revenue. In contrast to research conducted by Aprilianti et al. (2018), Rahmawati (2021), and Amanda et al. (2022) the results showed that tax collection had no effect on tax revenue.

Therefore, the author is interested in examining the gap in the results of the above research located at the Primary Tax Service Office in the Bandung City Region. The author hopes to provide comprehensive literature and understanding of taxable entrepreneur compliance and tax collection implementation to increase Value Added Tax revenue. So from this fact, the author is motivated to examine "The Effect of Taxable Entrepreneur Compliance and Tax Collection on Value Added Tax Revenue".

The objectives of this study are: Analyzing the effect of compliance of taxable entrepreneurs on Value Added Tax revenue at the Primary Tax Service Office in the Bandung City area. Analyzing the effect of billing on Value Added Tax revenue at the Primary Tax Service Office in the Bandung City area. This research is expected to be a reference for developing accounting science so as to gain new insights, especially knowledge in the field of tax accounting and become a reference for further empirical research. This research is expected to provide benefits for the Directorate General of Taxes, especially the Primary Tax Service Office in the Bandung City area in determining the focus of the strategy to achieve the Value Added Tax revenue target based on factors that have a significant effect. Also, this research is expected to provide broader insights to other researchers in understanding and analyzing what factors affect Value Added Tax revenue so that in the future they can develop similar research by adding other factors.

## **Method**

The method to be used in this research uses quantitative research methods through descriptive and verification research approaches. According to Sekaran (2017) quantitative methods are "scientific methods whose data are in the form of numbers or numbers that can be processed and analyzed using mathematical or statistical calculations". The quantitative method is used by researchers because it will use data in the form of numbers sourced from financial statement data, which will then be analyzed using statistical data which aims to test the hypothesis.

The samples in this study are all reports on the number of VAT Periodic Tax Returns on time per month, all reports on the number of tax arrears per month and all reports on Value Added Tax revenue per month at 4 Primary Tax Service Offices (KPP) during the 2019-2023 period, totaling 240 months. The reason for choosing the Primary Tax Service Office in the Bandung City area as the research location is because researchers want to analyze the effect of compliance of Taxable Entrepreneurs and Tax Collection on Value Added Tax Revenue at the Primary Tax Service Office in the Bandung City area which has not previously been used as a research location based on previous research.

The data source used in this research is secondary data, in the form of quantitative data sourced from the Primary Tax Service Office (KPP) in the Bandung City area. The data comes from the Data Quality Assurance Section and Collection Section of each KPP, namely KPP Pratama Bandung Cibeunying, KPP Pratama Bandung Bojonagara, KPP Pratama Bandung Cicadas, KPP Pratama Bandung Tegallega. The analyzed period is 2019-2023 for 4 KPP Pratama covering 60 observation months per KPP.

#### **Data Collection Methods:**

##### **1. Literature Study**

Collecting and reviewing literature, articles, books, journals, tax regulations, and other related materials to strengthen the theoretical basis and support the research discussion.

##### **2. Documentation**

Collect related historical data:

- Number of registered taxable entrepreneurs (2019-2023).
- Timely reporting of Periodic VAT Return (2019-2023).
- VAT tax arrears and realization (2019-2023).
- VAT revenue target and realization (2019-2023).

##### **3. Field Study**

Visiting the relevant tax office to collect data directly from the officer on duty. The data obtained is processed using parametric statistical methods to test the hypothesis.

**Data Analysis Technique,** This research uses descriptive and verification quantitative data analysis with the help of Eviews software for panel data model regression.

**Descriptive Analysis:** Describes data based on the average, deviation, variance, maximum value, minimum, kurtosis, skewness, and trend of variables such as compliance of taxable entrepreneurs, tax collection, and VAT revenue (Ghozali, 2016; Sugiyono, 2018).

**Classical Assumption Test:** Conducted to ensure that the panel data regression model meets the BLUE (Best Linear Unbiased Estimator) requirements. Tests include:

1. Multicollinearity: Tests the correlation between independent variables using Product Moment Correlation.
2. Heteroscedasticity: Testing the equality of residual variances with Prob. Chi-square ( $\alpha = 5\%$ ).

**Panel Data Regression Analysis,** used to combine cross-section and time-series data. Generalized equation:

$$Y_{it} = \alpha + \beta_1 X_{1it} + \beta_2 X_{2it} + \beta_3 X_{3it} + e_{(it)}$$

**Panel Data Regression Estimation Model:**

1. Common Effect: Combining data regardless of time and entity differences.
2. Fixed Effect: Uses dummy variables to capture differences between individuals.
3. Random Effect: Treats differences between individuals as stochastic variables.

Model selection is done through:

1. Chow Test: Choosing between Common Effect and Fixed Effect.
2. Hausman Test: Choosing between Fixed Effect and Random Effect.

3. Lagrange Multiplier Test: Choosing between Common Effect and Random Effect.

## Result and Discussion

### Research Results

#### Descriptive Statistical Analysis

According to descriptive statistics, statistics are statistics that function to describe or give an overview of the object being studied through sample or population data as it is, without conducting analysis and making generally accepted conclusions. The presentation of the data that will be presented has the purpose of descriptively explaining the research variables without analyzing their influence, in this statistical analysis using categorization with the method adopted from the previous chapter. The following are the results of descriptive analysis on each variable. (Suggestion, 2017)

The effect of taxable entrepreneur compliance, tax collection on Value Added Tax revenue at the Primary Tax Service Office in the Bandung City area.

**Table 2. Descriptive Analysis of Taxable Entrepreneur Compliance Variables (X1), Tax Collection (X2), and Value Added Tax Revenue Y)**

	X1	X2	Y
Mean	64.28842	37.69117	7.242292
Median	61.45000	30.91500	4.570000
Maximum	85.56000	105.4000	353.7200
Minimum	50.00000	0.000000	-349.8000
Std. Dev.	8.700384	25.99903	50.21385
Observations	240	240	240

Source: Eviews 10 output results, data processed (2024)

The results of descriptive statistical analysis, the taxable entrepreneur compliance variable shows an average or mean value 64.28842 or 64.28% with a standard deviation of 8.700384 or 8.70%. While the minimum value of this variable is 50.00000 or 50% and the maximum value is 85.56000 or 85.56%. This means that the standard deviation value is smaller than the mean value, thus indicating a small distribution of variable data or the absence of a large enough gap from the compliance ratio of the lowest and highest taxable entrepreneurs. The Tax Service Office that has the largest taxable entrepreneur compliance at KPP Pratama Bandung Bojonagara in November 2019. Meanwhile, the lowest taxable entrepreneur compliance in September 2020 at KPP Pratama Bandung Cibeunying.

The average tax collection is 37.69117 or 37.69%. The largest tax collection in March 2019 was 105.13% at KPP Pratama Bandung Cicadas. While the minimum value of 0.00% is the lowest tax collection value at KPP Bandung Cibeunying in 2019 in February. The standard deviation value of 25.99903 or 25.99% is smaller than the mean value of 37.69117 or 37.69% so that there is no considerable gap from the lowest and highest tax collection ratios.

The value added tax revenue as the dependent variable has an average (mean) value of 7.242292 or 7.24%. The minimum value is -349.8000 or -349.80% , namely the

lowest value-added tax revenue occurred at KPP Pratama Bandung Tegallega in March 2023. While the highest value-added tax revenue amounted to 353.7200 or 353.72%, namely at KPP Pratama Bandung Bojonagara which occurred in March 2023. While the standard deviation value is 50.21385 or 50.21% which shows greater than the mean value of 7.242292 or 7.24%. The standard deviation which is greater than the mean indicates that the data used in the value-added tax revenue variable has a large spread because the standard deviation is greater than the mean value, so that the data deviation in this value-added tax revenue can be said to be not good. This shows that the data in this study contains some data that are too extreme.

### Classical Assumption Testing Results

Classical assumption testing tests test whether in the regression model, the dependent variable and the independent variable both have a normal distribution or not which is done by multicollinearity test, autocorrelation test and heteroscedasticity test. Meanwhile, this study did not carry out a normality test, according to Ajija et al. (2011) the normality test is only carried out if the study has fewer than 30 observations to determine whether the error term is close to normally distributed data. If the study has more than 30 observations, then there is no need to do a normality test because the sampling error term distribution is close to normal. Then, according to Gujarati and Porter, (2009) based on the Central Limit Theorem theory, research that has more than 100 observations does not need to perform a normality test.

#### 1. Multicollinearity Test

Based on the results of multicollinearity testing using the variance inflation factor (VIF) value, the following results are obtained:

**Table 3. Multicollinearity Test**

Variance Inflation Factors  
Date: 09/13/24 Time: 08:58  
Sample: 1 240  
Included observations: 240

Variable	Coefficient Variance	Uncentered VIF	Centered VIF
C	0.059581	56.44315	NA
X1	0.141196	56.29106	1.008295
X2	0.015812	3.136232	1.008295

Source: Eviews 10 Output Results

Based on table 2 of the multicollinearity test results above, it can be seen that the centered variance inflation factors (VIF) value shows the value of each variable is not more than 10 or  $< 10$ . Therefore, it can be concluded that there is no multicollinearity between the independent variables in the regression model.

#### 2. Heteroscedasticity Test

Based on the results of heteroscedasticity testing using the Glejser test, the following results are obtained:

**Table 3. Heteroscedasticity Test**  
**Heteroskedasticity Test: Breusch-Pagan-Godfrey**

F-statistic	0.842003	Prob. F(2,237)	0.4321
Obs*R-squared	1.693291	Prob. Chi-Square(2)	0.4289

Scaled explained SS	17.19985	Prob. Chi-Square(2)	0.0002
---------------------	----------	---------------------	--------

Source: Eviews 10 Output Results

Based on table 6 above, the Obs \* R-squared value is 0.4289, while the value of the chi-square table at the 5% level and 2 degrees of freedom is 1.693291. When viewed from the Obs \* R-squared value, it shows less than the chi-square table value ( $1.693291 < 14.017$ ). Meanwhile, when viewed from the chi-square probability value of 0.4289, it shows a value greater than 0.05, so it can be concluded that there are no symptoms of heteroscedasticity in the regression model.

### Panel Data Regression Analysis

This research technique uses panel data regression analysis using EViews 10 software. In this panel data analysis technique, there are methods that can be used, namely the common effect model, fixed effect model and random effect model.

#### 1. Panel Data Regression Model Selection

Regression model selection is used to determine the most appropriate technique for estimating panel data regression. First, the fixed effect significance test (Chow test) is used to choose between the common effect or fixed effect method. Second, the Hausman test is used to choose between fixed effect or random effect.

#### 2. Chow Test

The chow test is used to determine whether the panel data model is regressed with the common effect model or the fixed effect model (Widarjono, 2019, p. 71). The hypothesis in this test is as follows:

Ho : Common Effect Model

H1 : Fixed Effect Model

Information:

If the probability value of the Chi-square Cross-section  $< 0.05$ ; then Ho is rejected

If the probability value of the Chi-square Cross-section  $> 0.05$ ; then Ho is accepted

Based on the results of panel data testing using the chow test, the following results are shown:

**Table 4. Chow Test**

Redundant Fixed Effects Tests			
Equation: Untitled			
Test cross-section fixed effects			
Effects Test	Statistic	d.f.	Prob.
Cross-section F	1.711458	(3,234)	0.1653
Cross-section Chi-square	5.209084	3	0.1571

Source: Eviews 10 Output

Based on table 4 above, it shows that the cross-section Chi-square probability value of 0.1571 is greater than the probability value of 0.05, so the chow test results accept Ho. This means that the model rejects the fixed effect model and follows the common effect model.

#### 3. Hausman Test

Uji hausman used to determine if the panel data model is regressed with the fixed effect or with a model random effect. The hypothesis in this test is as follows:

Ho : Random Effect Model

H1 : Fixed Effect Model

Information:

If the value of the chi-square cross-section probability  $< 0.05$ ; then Ho is rejected

If the value of the chi-square cross-section probability  $> 0.05$ ; then Ho is accepted

Based on the results of the panel data test using the hausman test , the results show the following:

**Table 5. Hausman Test**

Correlated Random Effects - Hausman Test

Equation: Untitled

Test cross-section random effects

<b>Test Summary</b>	<b>Chi-Sq. Statistic</b>	<b>Chi-Sq. d.f.</b>	<b>Prob.</b>
Cross-section random	5.090365	2	0.0785

Source: Eviews 10 Output

Based on table 8 above, it shows that the random cross-section chi-square probability value of 0.0785 is greater than the probability value of 0.05, so the Hausman test results accept Ho. This means that the model rejects the fixed effect model and follows the random effect model.

#### 4. Lagrange Test

This test is used to determine whether the panel data model is regressed with a common effect model or with a random effect model (Widarjono, 2019).

The hypothesis in this test is as follows:

Ho : Common Effect Model

H1 : Random Effect Model

Information:

If the value of the breusch-pagan probability  $< 0.05$ ; then Ho is rejected

If the value of the breusch-pagan probability  $> 0.05$ ; then Ho is accepted

Based on the results of panel data testing using the lagrange multiplier test, the following results are shown:

**Table 9. Lagrange Test**

Lagrange multiplier (LM) test for panel data

Date: 11/26/24 Time: 19:11

Sample: 2019M01 2023M12

Total panel observations: 240

Probability in ()

<b>Null (no rand. effect) Alternative</b>	<b>Cross-section One-sided</b>	<b>Period One-sided</b>	<b>Both</b>
Breusch-Pagan	0.097103 (0.7553)	11.17981 (0.0008)	11.27691 (0.0008)
Honda	0.311613 (0.3777)	3.343622 (0.0004)	2.584641 (0.0049)
King-Wu	0.311613	3.343622	1.039479

	(0.3777)	(0.0004)	(0.1493)
GHM	--	--	11.27691
	--	--	(0.0013)

Source: Eviews 10 Output

Based on table 9 above, it shows that the p value is 0.7553 which means it is greater than 0.05, so the Lagrange multiplier test results reject H1. This means that the model rejects the random effect and follows the common effect. From the three tests for panel data model selection, it shows that the right model to use is the common effect model.

### Panel Data Regression Model

Regression analysis is used to determine the relationship between variables so that from the relationship obtained one variable can be estimated, if the price of the other variable is known. The regression model equation used by the author is the panel data regression model equation (panel data regression). Based on the test results using panel data regression analysis, the following results are obtained:

**Table 10. Panel Data Regression (Common Effect Model)**

Dependent Variable: Y  
 Method: Panel Least Squares  
 Date: 09/09/24 Time: 13:38  
 Sample: 2019M01 2023M12  
 Periods included: 60  
 Cross-sections included: 4  
 Total panel (balanced) observations: 240

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-31.83181	13.91911	-2.286915	0.0231
X1	0.412503	0.203680	2.025244	0.0440
X2	0.364406	0.112773	3.231320	0.0014

Source: Eviews 10 Output Results

The regression equation model formed based on the research results is as follows:  
 $Y = -31.83181 + 0.412503 X_1 + 0.364406 X_2 + e$

The regression equation model can be explained as follows:

1. If the constant value is -31.83181, it means that if the independent variable, namely taxable entrepreneur compliance and tax collection, is considered constant (value 0), then the dependent variable, namely the value-added tax revenue variable, is valued at -31.83181. This means that when there has been no change in the value of taxable entrepreneur compliance and tax collection, the value of value-added tax revenue has decreased.
2. If the regression coefficient value of the taxable entrepreneur compliance variable shows 0.412503, it means that if the taxable entrepreneur compliance variable increases by (one) unit, while the other independent variable, namely the tax collection variable, is considered constant (value 0), the dependent variable, namely the value-added tax revenue variable, will increase by 0.412503. The positive sign on the regression coefficient value indicates that taxable entrepreneur compliance has

a unidirectional direction of influence on value-added tax revenue. This means that if the compliance of taxable entrepreneurs is increased, value-added tax revenue will also increase.

3. If the regression coefficient value of the tax collection variable shows 0.364406, it means that if the tax collection variable increases by (one) unit, while the other independent variables, namely the taxable entrepreneur compliance variable, are considered constant (worth 0), then the dependent variable, namely the value-added tax revenue variable, will increase by 0.364406. The positive sign on the regression coefficient value indicates that tax collection has a positive direction of influence on value-added tax revenue. This means that the higher the tax collection, the higher the value-added tax revenue, and vice versa.

## Hypothesis Test

### 1. Test of t-statistics

This test basically aims to show the effect of independent variables individually on the dependent variable. Based on the results of partial hypothesis testing, the following results are obtained:

**Table 11. Partial Hypothesis Testing**

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-31.83181	13.91911	-2.286915	0.0231
X1	0.412503	0.203680	2.025244	0.0440
X2	0.364406	0.112773	3.231320	0.0014

Source: Eviews 10 Output Results

Based on table 11 above, the results of partial hypothesis testing are as follows:

1. Based on the results of partial hypothesis testing, the probability value of the taxable entrepreneur compliance variable is  $0.0440 < 0.05$ . In addition, it can also be seen from the comparison between  $t_{count}$  and  $t_{table}$  which shows the value of  $t_{count}$  of 2.025244, while  $t_{table}$  is 1.97190. From these results it can be seen that  $t_{(count)} > t_{table}$ , namely  $2.025244 > 1.97190$ , it can be concluded that  $H_1$  is accepted, meaning that partially the taxable entrepreneur compliance variable affects the value added tax revenue variable. This means that the higher the compliance of taxable entrepreneurs, the higher the value-added tax revenue, and vice versa.
2. Based on the results of partial hypothesis testing, the probability value of the tax collection variable is  $0.0014 < 0.05$ . In addition, it can also be seen from the results of the comparison between  $t_{count}$  and  $t_{table}$  which shows the  $t_{count}$  value of 3.231320, while  $t_{table}$  is 1.97190. From these results it can be seen that  $t_{(count)} > t_{table}$ , namely  $3.231320 > 1.97190$ , it can be concluded that  $H_2$  is accepted, meaning that partially the tax collection variable affects the value-added tax revenue variable. This means that the higher the tax collection, the higher the value-added tax revenue, and vice versa.

## Research Discussion

### Effect of Taxable Entrepreneur Compliance on Value Added Tax Revenue

The compliance of taxable entrepreneurs in the Bandung City area is quite high, especially at KPP Pratama Bandung Bojonagara which has the highest compliance of 85.56%. This happens because entrepreneurs understand the importance of the obligation to pay taxes is very large for the economy in Indonesia.

Based on the results of panel data linear regression analysis, it shows that taxable entrepreneur compliance has a positive effect on Value Added Tax revenue. This shows that if the compliance of taxable entrepreneurs increases by one unit, then Value Added Tax revenue will increase by 0.412503. When viewed from the t test results, taxable entrepreneur compliance is known to have  $t_{\text{count}} > t_{\text{table}}$ , namely  $2.025244 > 1.97190$ , which means that partially the taxable entrepreneur compliance variable affects the Value Added Tax revenue variable.

The results of this test are in accordance with the theory in the previous discussion put forward by Rahayu (2017) which states that tax revenue will increase if taxpayers want to fulfill their tax obligations and exercise their taxation rights. Compliance itself according to Sari et al. (2021) is compliance to register themselves, calculate the correct amount of tax due, pay their obligations, namely Value Added Tax, report their tax obligations, fill in honestly, completely and correctly and do not exceed the time for submitting notification letters (SPT) and awareness to comply with laws and regulations. In this study, the compliance of taxable entrepreneurs has an influence, which means that if taxable entrepreneurs are obedient in carrying out their tax obligations in submitting Periodic VAT Returns on time and depositing Value Added Tax on time, it will have an impact on increasing Value Added Tax revenue.

The results of the study are in line with Araine Chairani's research (2017) which shows that taxable entrepreneur compliance has a positive effect on Value Added Tax revenue at KPP Pratama Bandung Karees. Research conducted by Vania Rakhmadhani (2017) and Hamidah (2019) also shows the results that partially the level of taxpayer compliance affects the increase in tax revenue.

### **Effect of Tax Collection on Added Tax Revenue**

The non-compliance of taxable entrepreneurs who do not or are late in reporting the VAT Periodic Tax Return results in tax arrears. The assertiveness of the Director General of Taxes in increasing state revenue, in this case Value Added Tax, which refers to (Law No. 19 of 2000 concerning Amendments to Law No. 19 of 1997 concerning Collection by Forced Letters, (2000) where collection actions are carried out so that taxpayers pay off tax debts and tax collection costs by reprimanding or warning, carrying out immediate and simultaneous collection, notifying forced letters, proposing prevention, carrying out confiscation, carrying out hostages, selling goods that have been confiscated.

Tax collection in the Bandung City area is the largest with a percentage of 105.13% at KPP Pratama Bandung Cicadas. This occurs because taxable entrepreneurs understand the obligation to pay arrears for the impact of non-compliance with the payment and reporting of VAT periodic tax returns after tax collection activities are carried out.

Partial statistical testing obtained a probability value of the tax collection variable of  $0.0440 < 0.05$ . In addition, it can also be seen from the comparison between  $t_{\text{count}}$  and  $t_{\text{table}}$  which shows the value of  $t_{\text{count}} > t_{\text{table}}$ , namely  $3.231320 > 1.97190$ . This shows that there is a significant influence between tax collection on value-added tax revenue, which

indicates that the more vigorous the tax collection activities will increase value-added tax revenue.

The results of the research here are the same as the research conducted by Rachmat et al. (2021), and Purnamasari (2020), namely tax collection has an effect on value-added tax revenue. However, it is not the same as Simbolon's research (2021) whose research results that tax collection has no effect on value-added tax revenue.

### **Conclusion**

Based on the results of the research and discussion that has been carried out, it can be concluded that the compliance conditions of taxable entrepreneurs and tax collection at the Primary Tax Service Office in the Bandung City area in 2019-2023 show fluctuations, with the highest compliance value of 85.56% and the lowest of 50%, as well as the highest tax collection value of 105.40% and the lowest 0%. The results of the study also show that the compliance of taxable entrepreneurs and tax collection has a significant influence on Value Added Tax revenue, with the calculated value of each being greater than the table, which is 2.025244 for compliance and 3.231320 for collection. As a follow-up, the author proposes several suggestions, including for the Primary Tax Service Office in the Bandung City area to increase socialization related to tax obligations, tighten tax regulations, and improve the application system to make it easier for entrepreneurs to report taxes. In addition, it is also important to increase the number of bailiffs and accelerate the collection of tax arrears. Meanwhile, for Taxable Entrepreneurs, it is expected to be more disciplined in carrying out their obligations to avoid sanctions, and for future researchers, it is recommended to expand the scope of research to other regions and consider additional variables that can affect VAT revenue.

## Bibliography

- Ahmed, N. (2013). *Improving tax compliance in Bangladesh: a study of Value-Added Tax (VAT)*.
- Ajija, S. R., Sari, D. W., Setianto, R. H., & Primanti, M. R. (2011). Cara cerdas menguasai Eviews. *Jakarta: Salemba Empat*.
- Amanda, M., Sayidah, N., Assagaf, A., & Sugiyanto, H. (2022). The Effectiveness of Tax Collection with Warning Letters and Forced Letters to Increase Value-Added Tax Receipts. *Oblik i Finansi*, 3(97), 69–78. [https://doi.org/10.33146/2307-9878-2022-3\(97\)-69-78](https://doi.org/10.33146/2307-9878-2022-3(97)-69-78)
- Aprilianti, A. A., Yudowati, S., & Kurnia, K. (2018). Pengaruh Self Assessment System, Pemeriksaan Pajak, dan Penagihan Pajak Terhadap Penerimaan Pajak Pertambahan Nilai (PPN)(Studi Kasus pada Kantor Pelayanan Pajak (KPP) Pratama Majalaya Tahun 2013-2016). *Kajian Akuntansi*, 19(1), 81–92. <https://doi.org/https://doi.org/10.29313/ka.v19i2.3552>
- Azzahra, Q. (2024, June 13). Tunggakan Pajak 2023 Capai Rp73,94 Triliun, DJP: Kami Akan Tagih. . *Tirto.Id*. <https://tirto.id/tunggakan-pajak-2023-capai-rp7394-triliun-djp-kami-akan-tagih-gZAw>
- Chairani, A. (2017). *Pengaruh Kepatuhan Pengusaha Kena Pajak dan Penagihan dengan Surat Paksa terhadap Penerimaan Pajak Pertambahan Nilai (Studi Kasus pada Kantor Pelayanan Pajak Pratama Bandung Karees Periode 2011-2016)* [Skripsi, Universitas Widyatama]. <http://repository.widyatama.ac.id/xmlui/handle/123456789/9938>
- Ghozali, I. (2016). *Aplikasi Analisis Multivariete dengan Program IBM SPSS 23: Vol. VIII* (Edisi 8). Badan Penerbit Universitas Diponegoro.
- Gujarati, D. N., & Porter, D. C. (2009). *Basic Econometrics*. McGraw-Hill series in Economics.
- Hamidah. (2019). *Pengaruh Kepatuhan Wajib Pajak, Ekstensifikasi Pajak, Pemeriksaan Pajak dan Penagihan Pajak terhadap Penerimaan Pajak* [Tesis]. Universitas Widyatama.
- Kurnia, K., & Azzahra, N. (2024). Analisis Self Assessment System, Jumlah PKP, dan Penagihan Pajak Terhadap Penerimaan PPN. *Owner*, 8(1), 1–11. <https://doi.org/10.33395/owner.v8i1.1864>
- Mardiasmo. (2019). *Perpajakan: Vol. Cetakan Pertama* (Edisi Dua Puluh). Penerbit Andi.
- Nurdiansyarani, R. E. (2024, March 28). 2025 PPN Naik 12%, Pakar UNAIR Ulas Dampaknya pada Aktivitas Ekonomi. *UNAIR NEWS*. <https://unair.ac.id/2025-ppn-naik-12-pakar-unair-ulas-dampaknya-pada-aktivitas-ekonomi/>
- Pemerintah Pusat. (2000). *Undang-Undang No. 19 Tahun 2000 Tentang Perubahan Atas Undang-Undang Nomor 19 Tahun 1997 Tentang Penagihan Dengan Surat Paksa*. Pemerintah Pusat Indonesia.
- Prasetyo, A. (2017). *Konsep dan Analisis Rasio Pajak*. PT. Elex Media Komputindo.

- Prayoga, R. (2024, July 24). DJP Jabar: Modus Pelanggaran Perpajakan terbesar berupa faktur TBTS. *Antara News*. [https://www.antarane.ws.com/berita/4214443/djp-jabar-modus-pelanggaran-perpajakan-terbesar-berupa-faktur-tbts#google\\_vignette](https://www.antarane.ws.com/berita/4214443/djp-jabar-modus-pelanggaran-perpajakan-terbesar-berupa-faktur-tbts#google_vignette)
- Purnamasari, D. (2020). The Effects of Self-Assessment System and Tax Collection Letter on Value Added Tax Revenue at the Bandung Cibeunying Primary Tax Service Office. *International Journal of Psychosocial Rehabilitation*, 24(02), 2977–2983. <https://doi.org/10.37200/IJPR/V24I2/PR200598>
- Rachmat, R. A. H., Afifah, Z. H. N., Safira, F. T., Pangestu, N., Mufidah, H. N., & Febrian, R. M. (2021). Collection Of Taxes with Compulsory Letters Against Revenue of Tax with Taxpayer Compliance as Intervening Variables. *Review of International Geographical Education Online*, 11(3), 1596–1607.
- Rahayu, S. K. (2017). *Perpajakan: Konsep dan Aspek Formal*. Rekayasa Sains.
- Rahmawati, R. (2021). *Pengaruh Efektivitas Penagihan Pajak melalui STP dan Surat Paksa terhadap Pertumbuhan Penerimaan Pajak pada Kanwil DJP Jawa Barat I* [Universitas Widyatama]. <http://repository.widyatama.ac.id/xmlui/handle/123456789/14015>
- Sari, D. N., Hardiyanto, A. T., & Budianti, W. (2021). Analisis Kebutuhan Pengusaha Kena Pajak dalam Melaksanakan Kewajiban Pajak Pertambahan Nilai (Studi Kasus pada Kantor Pelayanan Pajak Pratama Depok Cimanggis Periode 2015-2017). *Jurnal Online Mahasiswa (JOM) Bidang Akuntansi*, 7(3).
- Sekaran, U., & Bougie, R. (2017). *Metodologi Penelitian Untuk Bisnis (Research Methods for Business)* (edisi 6 buku 1). Salemba Empat.
- Simbolon, A. C. I. (2021). *Pengaruh Ekstensifikasi, Pengawasan, Pemeriksaan, Penagihan Pajak, dan Kepatuhan Wajib Pajak terhadap Penerimaan Pajak (Studi pada Kantor Pelayanan Pajak Pratama Medan Timur Tahun 2017–2019)* [Universitas Sumatera Utara]. <http://repositori.usu.ac.id/handle/123456789/32996>
- Sugiyono. (2018). *Metode Penelitian Kuantitatif Kualitatif dan Staistika untuk Penelitian R&D*. CV. Alfabeta.
- Widarjono, A. (2019). *Ekonometrika Pengantar dan Aplikasinya Disertai. Panduan Eviews*. UPP STIM YKPN.