

## 1.1. Literature Review

### 1.1.1. Agency Theory

Agency theory views companies as a nexus of contracts, namely organizations that are bound by contracts with several parties, such as contracts with shareholders, suppliers, employees (including managers) and other related parties (Triyuwono, 2018). The company also has contractual ties with creditors if the company involves debt as one of its funding. Most companies use debt as a source of funding because it can improve manager performance, and if performance increases, shareholders will be willing to pay a higher price for company shares (Jensen and Meckling in Triyuwono, 2018).

### 1.1.2. Financial performance

An investor will make a careful assessment of the issuer before making a decision to invest in the capital market. This means that the information obtained by investors must be reliable in the stock exchange trading system and can be accounted for that there are no persons who falsify information in the trading system (Suseno & Nurazi, 2011). So it can be concluded that if a company is able to have good performance, the stock price of the company will automatically be higher, because financial performance in a company acts as a benchmark for evaluating the performance of a company. This proves that there is a good relationship between financial performance and stock prices (Suseno & Nurazi, 2011). Financial performance is measured by analyzing financial statements as the method that has been most frequently used so far because it is considered a method that produces factual information so that it can be trusted as well as consistent. Therefore, financial statements are a strong foundation in developing accountability and reward structures because they are in line with the company's main goal of generating profits for shareholders so that they are focused on measuring performance that is consistent with the company's main goals. In addition, financial performance can also be measured through financial ratios as an adequate predictive tool because it can be proven empirically (Suseno & Nurazi, 2011).

### 1.1.3. Liquidity

Liquidity is an indicator of a company's ability to pay or pay off its financial obligations at maturity by using available current assets (Kartikadarma et al., 2017). In general, the definition of liquidity is the ability to meet cash flow needs immediately and at an appropriate cost (Putra, 2010). Kasmir (2017:130) argues that the liquidity ratio has an important role as a benchmark for the amount of liquidity of a company. Meanwhile Sunyoto (2014:279) argues that the definition of the liquidity ratio is the ratio used in the process of measuring a company's ability to carry out its short-term financial obligations, which consist of: obligations to finance the production process and obligations to leave the company from a company. The conclusion from several theories regarding the definition of the liquidity ratio above is that liquidity is defined as the ability of a company to fulfill all of its short-term obligations.

$$CR = \frac{\text{Current asset}}{\text{Current liabilities}}$$

## 1.2. Leverage

Leverage (solvability) is a tool that serves to measure the extent to which a company's assets are obtained through debt and do not use personal capital (Copeland et al., 2014). While the definition of leverage according to Riyanto (1995) is the use of assets or funds used by a company, but afterwards the company is required to pay off fixed costs. In contrast to the previous definition, Copeland et al. (2014) describe financial leverage as a level in the use of debt which acts as a source of cost for a company. The conclusion from some of the definitions put forward by some of the figures above is that leverage is the use of debt by a company in order to obtain sources of financing in realizing the company's activities but after that the company is still required to pay fixed costs.

$$DER = \frac{\text{Total Amount of debt}}{\text{Total Equity}}$$

## 1.3. Profitability

The definition of profitability is a measure of the ability of a company to generate profits in a period. Profit is often used as a measure of company performance, a company will be considered to have good performance if it is able to generate high profits and vice versa. Apart from acting as an indicator of the ability of a company to fulfill the obligations of the company's funders, profit is also interpreted as one of the aspects contained in the assessment of a company for the future. Generally, profits are often compared through profitability ratios with other financial conditions, including: sales, assets and equity (Horne & John M. Wachowicz, 2013). So here profitability can be interpreted as a series of policies and decisions. In addition, profitability is also defined as a measure of a company's ability to generate net profit from the activities of the accounting period (Brigham & Houston, 2018).

$$ROA = \frac{\text{Profit After Tax}}{\text{Total assets}}$$

#### 1.4. Investor Trust

In general, investment is defined as a form of commitment made at this time to a certain amount of money or other resources and aims to gain profits in the future. Before making a decision to invest in a company, investors use information about financial statements as the main basis for investing in the hope of finding stocks that are able to provide returns (profits) because if they do not analyze stock investments first, investors will potentially experience losses. The main factor in the company's operational activities is managerial decisions which are decisions made by investors (Afni et al., 2013).

$$MBVE = \frac{\text{Number of shares} \times \text{Closing Price}}{\text{Total Equity}}$$

#### 1.5. Hypothesis

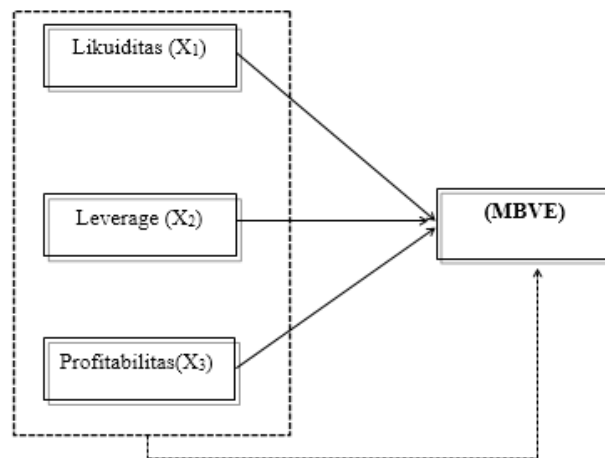


Figure 1. Hypothesis

H1: Liquidity ratios have a significant effect on MBVE

H2: Leverage ratio has a significant effect on MBVE

H3: Profitability ratios have a significant effect on MBVE

## 2. Research Methods

### 2.1. Types of research

The research approach used is a quantitative approach. The quantitative method is called the traditional method, because this method has been used for a long time, so it has become a tradition for research. This method is referred to as the positivistic method because it is based on the philosophy of positivism (Sugiyono, 2018:7).

### 2.2. Research Object

The object of research is something that is of concern in a study because the object of research is the target to be achieved in order to get answers or solutions to the problems that occur. The object of research in this research is the financial reports on the Indonesia Stock Exchange for the 2019-2021 period.

### 2.3. Population and Sample

The population is a unit on what basis the research is conducted and for whom the conclusions on the research results are applied (Sekaran & Bougie, 2017). The population in this study are all LQ45 companies listed on the IDX for the 2019-2021 period.

Samples were taken by purposive sampling method. Purposive sampling is sampling carried out in accordance with the stated research objectives (Sekaran & Bougie, 2017). This sample was determined based on the specified conditions and obtained 135 companies

## 2.4. Data Types

The type of data used in this study is quantitative data, namely data in the form of numbers. The data source in this study is secondary data from the Indonesian Stock Exchange data documentation, where the data used is data from LQ45 companies listed on the IDX in the 2019-2021 time period.

## 2.5. Data Resource

Secondary data sources, namely data directly collected by researchers as a support from the first source. It can also be said that data is arranged in the form of documents. In this study, the data source came from the idx web of the Indonesian Stock Exchange.

## 2.6. Data analysis technique

The analysis carried out in this study uses multiple regression analysis with the regression equation formula as follows:

$$MBVE = \alpha + \beta_1 CR + \beta_2 DER + \beta_3 ROA + \varepsilon_t$$

Where:

MBVE = Market to Book Value of Equity

$\alpha$  = koefisien intercept

CR = Current Ratio

DER = Debt to Equity Ratio

ROA = Return on Assets

$\beta$  = koefisien regresi

$\varepsilon$  = error

## 3. Results and Discussion

There are basic assumptions that can lead to the best unusual linear estimator from using the regression model derived from Ordinary Least Square (ordinary least squares method). The results obtained will be more accurate if the classical assumptions are met.

### 3.1. Normality test

The normality test is used to test whether or not a data distribution is normal. The Kolmogorov-Smirnov test is used to detect whether an abnormal distribution of data is found. If the error probability value or sig < 5% (0.05) it is concluded that the data is not normally distributed, whereas if the significance of the results of the data calculation (Sig) > 5% (0.05) it is concluded that the data is normally distributed.

Table 1. Normality test

	Unstandardized Residual
N	135
Kolmogorov- Smirnov- Z	0,123
Asymp.Sig.(2 tailed)	0,200

Resource: Data SPSS (2023)

Based on the results of the normality test using the Kolmogorov-Smirnov in the table above, the data shows a normal distribution with a result of 0.05, which is 0.200 (Ghozali, 2016:77).

### 3.2. Multicollinearity Test

Based on the opinion of Ghozali (2016:43), the Variance Inflation Factor (VIF) value is used to detect the presence of multicollinearity. If the VIF value is stated to be >10, it means that in this variable there is multicollinearity. The table describes the results of the multicollinearity test which we can identify more clearly regarding the presence or absence of multicollinearity in the first and second regression models:

Table 2. Multicollinearity Test

Variable	VIF	Information
CR	1,260	No multicollinearity occurs
DER	1,290	No multicollinearity occurs
ROA	1,049	No multicollinearity occurs

Resource: Data SPSS (2023)

Based on the test results in the table above, the results of the VIF value of all independent variables are <10, so the conclusion is that there are no signs of multicollinearity in the regression model.

### 3.3. Autocorrelation Test

The autocorrelation test is used by researchers to test whether in the linear regression model there is a correlation between the confounding errors in period  $t$  and the confounding errors in the  $t_{-1}$  (previous) period. In this study, researchers used the Durbin Watson approach (DW test). The results of the Durbin Watson test can be seen in Table 3.

Table 3. Autocorrelation Test

Type	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.829 <sup>a</sup>	.687	.664	2.02648	2.178

Resource: Data SPSS (2023)

The regression analysis above yielded a Durbin-Watson test value of 2.178 (between 1.66 and 2.34), which means that there was no autocorrelation found in the regression model.

### 3.4. Heteroscedasticity Test

Heteroscedasticity means that the variation (variance) of the variable is not the same for all observations. In heteroscedasticity, the errors that occur are not random, but show a systematic relationship according to the magnitude of one or more independent variables.

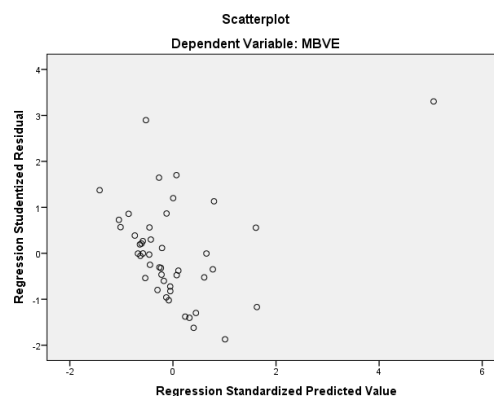


Figure 1. Heteroscedasticity Test

Resource: Data SPSS (2023)

From the picture above it can be seen that the points spread randomly and are spread both above and below the number 0 on the Y axis. It can be concluded that there is no heteroscedasticity in the regression model. Thus the non-heteroscedasticity assumption is fulfilled.

### 3.5. Multiple Linear Regression Test

The analysis technique used is multiple regression using the dependent variable MBVE, and the independent variables consisting of CR, DER, and ROA. The results of multiple regression analysis can be seen in the table below

Table 4. Multiple Linear Regression Test

Model	Unstandardized Coefficients		Standardized Coefficients	
	B	Std. Error	Beta	
1 (Constant)	-.652	.861		
CR	.010	.280		.003
DER	-.505	.210		.239
ROA	46.058	4.877		.845

Resource: Data SPSS (2023)

Based on the calculation of multiple linear regression, the results are as follows:

$$MBVE = -0,652 + 0,010 CR - 0,505 DER + 46,058 ROA$$

### 3.6. Coefficient of Determination R<sup>2</sup>

The coefficient of determination test aims to determine how much the model's ability to explain the variation in the dependent variable. The results of the R<sup>2</sup> test in this study can be seen in Table 5.

Table 5. Coefficient of Determination Test R<sup>2</sup>

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.829 <sup>a</sup>	.687	.664	2.02648

Resource: Data SPSS (2023)

The results of the regression analysis also show that the contribution of the independent variables, namely CR, DER, and ROA to MBVE, is indicated by the magnitude of R Square (R<sup>2</sup>) which is 0.687. This means that 68.7% of the MBVE level is determined by changes in CR, DER, and ROA included in the regression model. Thus the remaining 31.3%, the MBVE level is still determined by other variables not examined.

### 3.7. F Test (Simultaneous)

To first test the feasibility of the regression model for the effect of CR (X1), DER (X2) and ROA (X3) on MBVE (Y) the F test is used. If the statistical results of F are at a significant level ( $\alpha$ ) 5%, a significance value (p) is obtained. F is less than 0.05, meaning that the independent variables jointly have a significant influence on the dependent variable or the regression model is considered to have fulfilled eligibility.

Table 6. F Test (Simultaneous)

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	369.594	3	123.198	30.000	.000 <sup>b</sup>
1 Residual	168.371	41	4.107		
Total	537.965	44			

Resource: Data SPSS (2023)

Based on the results of the regression analysis, it can be seen that the significance value (Sig) F is 0.000. Because the significance value of F is smaller than the significance level of 0.05, the independent variables, namely CR (X1), DER (X2) and ROA (X3), simultaneously have a significant influence on the dependent variable (Y), MBVE. This means that the regression model of the influence of the CR, DER and ROA variables on MBVE has feasibility.

### 3.8. T Test (Partial)

Based on the results of the t test analysis, it can be tested on the hypothesis previously proposed. The results of the t test analysis can be seen in the table below:

Table 7. T Test (Partial)

Type	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Con)	-.652	.861		-.757	.453
CR	.010	.280	.003	.035	.973
DER	-.505	.210	-.239	2.408	.021
ROA	46.058	4.877	.845	9.444	.000

Resource: Data SPSS (2023)

The results of testing the t hypothesis show the following conclusions:

The first hypothesis states that liquidity has a positive effect on investor confidence. To test the first hypothesis is done by using the t test. If the independent variable has a significant t value smaller than the 5% significance level, then it can be said that the independent variable has a partially significant effect. The results of the t-test analysis with a significant level of 5% explain that the current ratio variable has an insignificant effect on the investment opportunity set variable, because it has a significance level of 0.973 which is greater than a significance level of 5% or 0.05, and has a standardized beta value of 0.003. Therefore the first hypothesis which states that liquidity has a positive effect on investor confidence is rejected.

The second hypothesis states that leverage has a negative effect on investor confidence. The results of the t-test analysis with a significant level of 5% explain that the variable debt to equity ratio has a significant negative

effect on the investment opportunity set variable, because it has a significance level of 0.021 which is smaller than a significance level of 5% or 0.05, and has a value of unstandardized beta of -0.505 which indicates a negative effect. Therefore the second hypothesis which states that leverage has a negative effect on investor confidence, is accepted.

The third hypothesis states that profitability has a positive effect on investor confidence. The results of the t-test analysis with a significant level of 5% explain that the return on assets variable has a significant positive effect on the MBVE variable, because it has a significance level of 0.000 which is smaller than the 5% or 0.05 significance level, and has a standardized beta value of 0.845. Therefore the third hypothesis which states that profitability has a positive effect on investor confidence, is accepted.

## 4. Conclusions and Suggestions

### 4.1. Conclusions

Based on the results of the research, it can be concluded as follows:

The results showed that the current ratio variable had no significant positive effect on MBVE, because it had a significant t value of 0.973 which was greater than the 5% significance level, not in line with the first hypothesis proposed, namely CR had a significant positive effect on MBVE. This is caused by investors looking more at the other side than the liquidity of an entity. Where high liquidity is not a guarantee the company has high prospects for profitability.

The results showed that the variable debt to equity ratio has a regression coefficient of -.505. DER has a significant negative effect on MBVE, because it has a significant value of 0.021 which is less than the 5% significance level, which is in line with the second hypothesis proposed. This is caused by the risk of default if the company has high debt, so the higher the DER, the lower the MBVE.

The results showed that the variable return on assets has a significant positive effect on MBVE, because it has a significant t value of 0.000 which is smaller than the 5% significance level, which is in line with the third hypothesis proposed. This is because profitability is the main pillar of investors in considering investment decision making. The higher the profitability of the company will further increase the MBVE.

The results showed that the variables CR, DER, ROA had a significant positive effect on MBVE, because they had a significant t-test value of 0.000 which is smaller than the 5% significance level. This is because investors always look at the financial performance of an entity, with good financial performance it will increase investor confidence in investing.

### 4.2. Suggestions

Based on the research results that have been obtained, some suggestions can be given as follows:

The results showed that ROA has a dominant influence on MBVE, which can be seen from the highest standardized beta value when compared to the other two variables. That is, profitability largely determines investor confidence in investing compared to other things. Investors expect issuers to have good ROA performance, because profitability relates to company growth in the future.

Therefore, companies should be able to maintain their profitability, even though there were economic challenges in the past and possibly in the future, profitability can still be generated, because investors pay attention to company profitability information for indications of whether the company is still able to survive and can overcome pandemic conditions. or not. This means that if the company is still able to make a profit during the pandemic, investors will be more confident about investing and this will really help provide better funding for the company in the future.

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# **The Effect of Awareness, Level of Understanding, Income Level, Tax Environment and Quality of Tax Services on Taxpayer Compliance in Paying Land and Building Taxes During the Covid-19 Pandemic in Kapasari Village, Surabaya**

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## **Abstract**

For the purpose of this study is 1) to know and analyze the influence of taxpayer awareness on taxpayer compliance in paying the land tax and building, 2) to know and analyze the influence of taxpayer's level of understanding on taxpayer compliance in paying the land tax and building, 3) to know and analyze the influence of taxpayer's compliance with the land tax and building, 4) to know and analyze the influence of taxpayer's compliance with the land tax and building, 5) to know and analyze the influence of taxpayer's quality of taxpayer compliance on the land tax and building, 6) to know and analyze the influence of awareness variables, level of understanding, income level, income level, tax environment, and quality of tax service on the compliance of taxpayer's paying the land tax and building. The object of this study is Compliance of Taxpayers in paying Earth Taxes and Buildings in Kapasari Village, Surabaya. The research method used is quantitative method. The total population in the study was 3,062 taxpayers, the sample method used is simple random sampling that researchers took from a population of 97 respondents using the Slovin formula. The sample data analyzed is the primary data, which will be processed using the SPSS application. For the results of the study, the level of understanding, the level of tax environment and the quality of tax services are significant, while the level of income partially does not have significant effect. Simultaneously awareness, level of understanding, income level, tax environment, and quality of tax services are significant. For the limitation in this study, it focuses on taxpayer respondents who own land and buildings in Kapasari Village, Surabaya and the influence on taxpayer compliance both partially and simultaneously.

## **Keywords:**

Awareness, Environment Tax, Quality Tax Service, Revenue Level, Taxpayer Compliance, Understanding Level.

## **1. Introduction**

Indonesia is a developing country that will continue to develop by increasing development in various fields both in the economic, social, legal, cultural and political in order to improve the welfare of the Indonesian people. However, at the beginning of 2020 there was an outbreak of a disease in the form of a virus that is easily transmitted, commonly called the Covid-19 Pandemic. Initially, the disease outbreak originated in Wuhan, China at the end of 2019. Then in early 2020 it began to spread throughout the country, including Indonesia. And this epidemic has started to explode in various provinces in Indonesia, one of which is the city of Surabaya, which is in the province of East Java, and there has been a reduction in activities outside the home which has forced the people of Surabaya to work, school and other activities to be carried out at home and all done privately. virtual (online). However, there are several factors that affect taxpayer compliance in paying Land and Building Tax, including awareness, level of understanding, level of income, tax environment, and quality of tax services. The first factor, taxpayer awareness is the sincerity and willingness of taxpayers to carry out tax obligations without any coercion from other parties and is done voluntarily without expecting compensation from other parties. The second factor, the level of understanding of taxpayers is said to understand taxation if they are registered in the NPWP (Taxpayer Identification Number) because they are considered to have understood and understood the applicable tax regulations. However, there are some taxpayers who do not fully understand the tax regulations that will have an impact on tax revenues in Indonesia. A person is said to be obedient in taxation activities if he fully understands tax regulations, including: knowing and trying to understand tax laws, how to fill out tax forms, how to calculate taxes, how to report tax returns and always pay taxes on time (Agustiningsih, 2016). The third

factor, the level of income is the amount of money generated by taxpayers originating from Indonesia and outside Indonesia, where the amount has a certain level that is obtained from the existence of a job and is used for consumption needs as well as increasing wealth. The fourth factor, the tax environment is defined as fees or contributions required to certain parties, whether individuals or certain entities related to the environment, whose implementation has been regulated in laws and regulations. The fifth factor, the quality of tax services is a factor causing low tax compliance which can be measured by the ability to provide satisfactory services. If this can be fulfilled by the tax officer, the taxpayer will feel comfortable in carrying out the obligations of taxation activities and the level of taxpayer compliance will increase (Siwi, 2020). However, for research on awareness it is in line with Rahman, (2018), for the level of understanding it is in line with (Wilestari, 2020), for income levels it is in line with Irfan & Mayar, (2021) , for the Tax Environment it is in line with Eni & Alief, (2022), and finally for the quality of tax services in line with Irfan & Mayar, (2021).

This research aims to:

1. To find out and analyze the effect of taxpayer awareness on taxpayer compliance in paying PBB
2. To find out and analyze the effect of the level of understanding of the taxpayer-on-taxpayer compliance in paying PBB
3. To find out and analyze the effect of the level of taxpayer income on taxpayer compliance in paying PBB
4. To find out and analyze the influence of the taxpayer's environment on taxpayer compliance in paying PBB
5. To find out and analyze the effect of the quality of tax services on taxpayer compliance in paying PBB
6. To find out and analyze the effect of the variables of awareness, level of understanding, level of income, tax environment, and quality of tax services on taxpayer compliance in paying PBB. The object of this research is the compliance of taxpayers in paying land and building taxes in the Kapasari Village, Surabaya.

## **1.1. Overview Of Theories and Hypotheses**

### **1.1.1. Attribution Theory**

Attribution theory in research (Salmah, 2018) was first discovered by Heider in 1958 and then developed by Weiner in 1974. This theory assumes about where someone determines and does what they want to do, namely attributes cause behavior. According to Robbins, (2017) in the journal (Salmah, 2018) put forward by the journal (Susliyanti, E. D., & Agustiyani, 2022) states that attribution theory explains individual behavior. If individuals observe a person's behavior, they will try to determine whether it is elicited internally or externally. So, the theory of attribution is very relevant to explain this intention. Behavior that is caused internally is behavior that is believed to be under the individual's own personal control, while behavior that is caused externally is behavior that is influenced from the outside, meaning that the individual will be forced to behave because of certain situations.

### **1.1.2. Theory of Reasoned Action**

Theory of reasoned action is a theory that explains a person's interest in carrying out a behavior Jogiyanto, (2007) in the journal (Imelda, 2014) put forward by researchers (Susliyanti, E. D., & Agustiyani, 2022). This theory was developed by Fishbein & Ajzen, (1980) which is based on social psychology and they argue that the theory of Reasoned Action originates from the failure of previous studies regarding the theory of traditional behavioral attitudes. Based on the Theory of Reasoned Action model, a person's behavior is determined by the behavioral goals for doing so. Theory of Reasoned Action is very relevant to this research, because a person in determining compliance or non-compliance behavior in fulfilling his tax obligations is influenced by rationality and also environmental influences related to the formation of subjective norms that influence the decision of taxpayer behavior.

### **1.1.3. Humanistic Theory**

Awareness is a person's awareness of events in their environment. This definition of awareness has two sides, namely, awareness includes an understanding of the surrounding environmental stimuli besides that, awareness also includes a person's recognition of his own mental events such as thoughts generated by memory and by personal awareness of his identity in research (Laughter Laughter, 2019). The humanistic theory is very relevant to this study, the variable part of taxpayer awareness is where a taxpayer is aware of paying taxes because someone who has self-awareness means that the responsibilities, he has will be carried out properly, so taxpayers who are aware will pay taxes to build Indonesia to be better.

### **1.1.4. Definition of Tax**

The definition of tax according to Andriani is quoted in the book (Hidayat, N. & Purwana, 2017) but previously translated by Santoso Brotodiharjo in his book Waluyo, (2013) that taxes are contributions to the state (which can be forced) owed by those who are obliged to pay according to the regulations, by not getting the achievements back, which can be directly appointed and whose use is to finance general expenses related to the

duties of the state which organizes the government. Tax according to Law Number 28 of 2007 Article 1 paragraph 1 concerning General Provisions and Tax Procedures, explains that Tax is a mandatory contribution to the State that is owed by any person or entity that has a coercive nature, but is still based on the Law and does not receive compensation directly and is used for the needs of the state and the prosperity of the people.

### **1.1.5. Definition of Land and Building Tax (PBB)**

Land and Building Tax according to the 1945 Constitution Article 23 paragraph (2) and Law no. 12 of 1994, what is meant by Land and Building Tax is the legal basis for imposing taxes in relation to land rights and/or obtaining benefits from land and/or ownership, control and/or obtaining benefits from buildings. Land and Building Tax (PBB) quoted in the book (Diana & Setiawati, 2018) is a tax that is material in nature in the sense that the amount of tax owed is determined by the condition of the object, namely land/land and/or buildings. In detail, the definition of land and buildings (Hidayat, N. & Purwana, 2017) is as follows:

1. Earth is the surface of the earth (soil and waters) and the body of the earth that is in the interior and seas of Indonesia.
2. Buildings are technical constructions planted or permanently attached to land and or waters.

### **1.1.6. Taxpayer Compliance**

Meanwhile, according to Cahyonowati, (2011) in the journal (Sulviana, E., P, P. D., 2018) put forward by the journal (Hidayat & Wati, 2022) explains that tax compliance is a condition of taxpayers who must fulfill their tax obligations while simultaneously exercising their tax rights. According to the Big Indonesian Dictionary (KBBI), what is meant by obeying is obeying the rules. So, obedience is obedience in carrying out the rules that have been set.

### **1.1.7. Taxpayer Awareness**

According to Suandy, (2011) in the journal (Hidayat & Wati, 2022a) Taxpayer awareness is that taxpayers want to carry out their tax obligations by themselves such as registering, calculating, paying and reporting the amount of tax owed. According to the Big Indonesian Dictionary (KBBI) awareness is being aware, feeling, knowing, and understanding. So, Consciousness is something that is felt or experienced by someone.

### **1.1.8. Understanding Level**

Tax understanding in journals (Abdullah, S. W., Tuli, H., Pakaya, 2022) namely where a taxpayer can know and understand tax regulations so that a taxpayer has awareness and is able to increase compliance in paying taxes. Public understanding of regulations, as well as the tax system is very important. This will make people aware of their tax obligations. Taxes have a very important role in the life of the state, especially in the implementation of development because taxes are a source of state revenue that is used to finance all expenditures including regional development.

### **1.1.9. Income Level**

In research (Isawati, T., K, H. E. S., Ruliana, 2022) Income is a dependent on the amount of money or value that a person earns during a calendar year from:

1. Effort and energy
2. Real estate
3. Movable property
4. The right to regular payments
5. Additional assets that turn out to be in a calendar year unless otherwise proven by the taxpayer.

### **1.1.10. Tax Environment**

According to Cindy & Mangoting, (2013) in the journal (Andiko, 2018) the environment is something that exists in the natural environment that has a certain meaning or influence on individuals. The environment can influence a person's compliance and non-compliance cannot be seen from just one causal variable. According to Novitasari, (2016) in the journal (Pramesti, 2018) A non-conductive Taxpayer Environment is a Taxpayer environment where the community supports tax non-compliant behavior.

### **1.1.11. Tax Service Quality**

According to Siwi, (2020) in the journal (Hidayat & Wati, 2022b) the quality of tax services is a value based on perceptions recognized by the public, whether they are satisfied or dissatisfied with the tax services provided. The services received are in accordance with even more than the expectations of the taxpayer, the service can be

said to be of high quality and vice versa if the service provided or received is lacking, the service can be said to be of low quality.

### 1.1.12. Framework of thinking

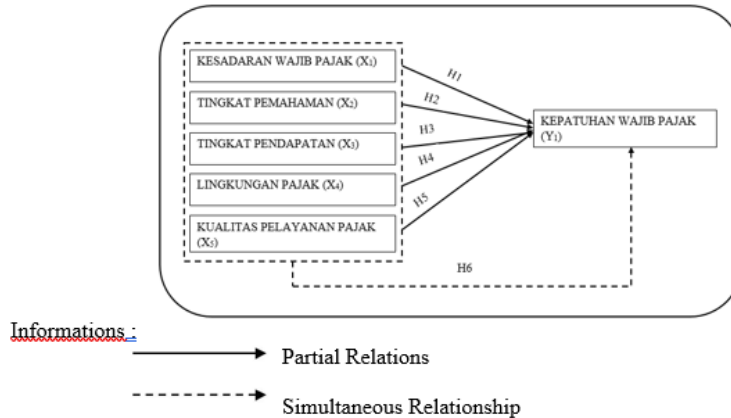


Figure 1. Thingking Framework

#### Hypothesis Development

Based on the framework above, the following hypothesis is made:

- H1: Awareness has a partial effect on taxpayer compliance in paying The United Nations during the Covid-19 pandemic
- H2: The level of understanding has a partial effect on taxpayer compliance in paying the PBB during the covid-19 pandemic
- H3: Income level has a partial effect on taxpayer compliance in paying the PBB during the covid- 19 pandemics
- H4: The tax environment has a partial effect on taxpayer compliance in paying the PBB during the covid-19 pandemic
- H5: Quality of Tax Service affects taxpayer compliance in paying The United Nations during the Covid-19 pandemic
- H6: Awareness, Understanding Level, Income Level, Tax Environment and Quality Tax Services have an effect on taxpayer compliance in paying PBB on during the Covid-19 pandemic

## 2. Method

The method used is a quantitative method. For data analysis used in this study is multiple linear regression analysis. The total population is 3,062 taxpayers, the sample method used is simple random sampling taken from a population of 97 respondents using the Slovin formula. The sample data analyzed is primary data. Which is processed using the SPSS application version 26. For data collection by distributing questionnaires. Questionnaires were distributed by researchers using a Likert scale (points 1-5).

## 3. Results and Discussion

### 3.1. Validity Test Results