

The Influence of Tax Understanding and Taxpayer Awareness on PBB Taxpayer Compliance (Case Study in Airgegas District)

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Abstract: - Government work programs to finance national spending and development can be assisted by tax revenue, which is one source of state revenue. In Airgegas District, this study aims to determine the influence of taxpayer awareness and understanding on compliance with land and building taxes. This study used quantitative research methods. Data for this study were obtained from 94 Airgegas land and building taxpayers who completed a questionnaire. Partially, tax knowledge has a significant influence, according to the study results. However, taxpayer compliance is simultaneously significantly influenced by both variables. This demonstrates the importance of tax education for the public in efforts to improve taxpayer compliance.

Key-Words: - Taxpayer Awareness, Taxpayer Knowledge, Property Taxpayer Compliance.

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1 Introduction

One source of revenue for the Indonesian government is taxes. According to Mardiasmo (2016), taxation is the process by which citizens deposit a sum of money into the state treasury in accordance with a legal agreement, without receiving any direct compensation (reward), which is then used to finance general expenditures.

One form of state revenue that contributes significantly to state revenue is tax revenue. In Indonesia, the Directorate General of Taxes collects taxes on behalf of the central government, while provincial and district/city governments collect taxes on behalf of their citizens. Land and Building Tax, previously a central tax, is now delegated to district/city governments under Law Number 28 of 2009 concerning Regional Taxes and Regional Levies.

Previous research has shown that increasing taxpayer awareness significantly increases compliance in paying land and building taxes. (Mumu et al., 2020) Study (Purwaningsih et al., 2022) confirms that taxpayer awareness influences taxpayer compliance in paying land and building taxes, which aligns with the findings of this study. Taxes are intended for national development, so when people know their money will be used for something good, they are more likely to pay their land and building taxes fairly.

Based on research results (Abdullah et al., 2022) Taxpayer understanding greatly influences taxpayer compliance. The results of this study confirm the results of other research studies. (Mumu et al., 2020) which found that taxpayer understanding significantly influences taxpayer compliance. This is because taxpayers will be more compliant in fulfilling their tax obligations if they have a good understanding of their tax obligations. Based on the research (Purwaningsih et al., 2022) taxpayer understanding has a negative and significant effect on taxpayer compliance. PBB revenue in Airgegas Regency in 2019–2021 is as follows.

Table 1. Determination of Land and Building Tax in Airgegas District

YEAR	PNTAPAN	RALIZATION
2022	436,570,169	328,690,620
2023	436,404,344	339,085,954
2024	438,088,148	350,740,102

Source: Regional Finance Agency, Airgegas District, 2025

Table 1 shows that revenue realization has not yet met the PBB (land and building tax) determination objectives, resulting in low taxpayer compliance in Airgegas Regency. The difference between planned revenue and actual revenue in 2022 was Rp107,798,549. The difference between planned expenditure and actual expenditure in 2023 was Rp97,318,390.

The difference between the planned expenditure and the actual expenditure in 2024 was Rp87,348,046. The large number of PBB (land tax) realizations that fell short of the set target indicates that taxpayer compliance in Airgegas District remains low. The gap between the two has not yet been fully closed, despite annual increases.

Taxpayers in Airgegas District failed to pay their property tax (PBB) according to the applicable regulations due to either ignorance of the payment deadline or outstanding payments from the previous year. Neither taxpayers nor the community took the initiative to inquire with the village government about this.

The description above, along with the results of previous research, demonstrates how taxpayer understanding influences PBB (land and building tax) taxpayer compliance. Therefore, researchers were motivated to examine the current situation to conduct this study to determine the influence of taxpayer knowledge and awareness on PBB (land and building tax) taxpayer compliance. Villages in Airgegas District, South Bangka Regency, served as the subjects of this study.

2 Literature Review and Hypothesis Development

2.1. Contribution Theory

A person's ability to participate, get involved, involve themselves, or make a contribution comes from the English words "contribute" and "contribution." Contributions can be both tangible and intangible. Contributions are actions taken by individuals or organizations that subsequently influence others, either positively or negatively. Tangible things, such as individuals or organizations, offer assistance to others for the common good. Individuals strive to make their lives more efficient and successful by making significant contributions. To achieve this, they hone their role. This eventually becomes their own area of specialization, where experts can thrive. Many areas can benefit from contributions, including thinking, leadership, professionalism, and money management, among others.

This contribution serves to clarify the role taxpayers play in fulfilling their tax reporting and payment responsibilities. By participating in tax outreach, taxpayers may gain a better understanding of taxes and thereby increase their intrinsic motivation to pay. This will enable taxpayers to fulfill their tax obligations as long as possible.

2.2. Understanding Taxation

Mardiasmo (2016) states that the term "understanding" can indicate "understanding" or "knowing correctly" when used for a topic. Taxation is a contribution by the people to the state treasury based on the Law (which can be enforced) without receiving any directly demonstrable compensation, while understanding is the process, method, act, or understanding of the contribution (Big Indonesian Dictionary). The treasury uses the money to finance general expenses. In short, someone who understands the concept that taxpayers are obliged to pay taxes in accordance with the policies stipulated by laws and regulations is said to have an understanding of taxation.

2.3. Taxpayer Awareness

According to (Mumu et al., 2020) One definition of taxpayer awareness is the readiness to carry out one's obligations, which includes the readiness to pay taxes fairly in order to support

the administration of government. According to (Suharyono, 2019) in (Abdullah et al., 2022) Taxpayer awareness is the feeling held by individuals regarding their responsibility to make financial contributions through tax payments that are not influenced by external forces. The rationale behind taxpayer awareness is that it encourages taxpayers to pay taxes on time and in full, which in turn will fund the implementation of tax services.

2.4. Taxpayer Compliance

According to the Decree of the Minister of Finance Number 554/KMK/04/2000, taxpayers are deemed to have fully complied with tax laws and regulations and the regulations governing their implementation when they pay taxes. According to (Ratna Wulandari, 2023) in (39.+Jurnal+Sentri_Dinda+Amalia, nd) When taxpayers fulfill their legal tax obligations and exercise their legal tax rights, we say they have complied. Taxpayers should strive to pay their taxes fairly, as this can improve the tax system in the future.

The Influence of Tax Understanding on Taxpayer Compliance

A good understanding of tax regulations, sanctions for non-payment or late payment, PTKP, and other related matters is very important for taxpayers to have an understanding of taxation. According to (Ilhamsyah & et al., 2016) Taxpayer compliance is influenced by the level of taxpayer understanding. The following is the first hypothesis (H1) that can be derived from this study:

H1: Tax understanding has a positive and significant effect on taxpayer compliance.

The Influence of Taxpayer Awareness on Land and Building Tax Compliance

According to (Mumu et al., 2020) When a person recognizes their responsibility to make a financial contribution through paying taxes, they are less likely to feel pressured to do so. Being a tax-paying citizen means being willing to do what is required of them, including paying their fair share of taxes so the government can carry out its duties. The following hypotheses are proposed for this study based on the aforementioned theory and previous research:

H2. Taxpayer awareness has a positive effect on land and building taxpayer compliance.

The Influence of Tax Understanding and Taxpayer Awareness on Land and Building Taxpayer Compliance

Several factors, including taxpayer knowledge and awareness, can influence taxpayer compliance. If a person fully understands tax laws and regulations, they are more likely to pay their fair share. A person's cognitive processes are the source of their understanding. By knowing and understanding their tax obligations, taxpayers will have a solid grasp of the Tax Law.

H₃. There is an influence of tax awareness and understanding on land and building taxpayer compliance.

3 Research Method

This study employed a quantitative methodology. Quantitative research examines the correlation between variables to determine whether a theory is plausible. Research that relies on numerical data is known as quantitative research (Sugiyono, 2018). Using the Airgegas District as a case study, this study aims to determine the effect of taxpayer knowledge and understanding of tax laws on PBB (land and building tax) compliance. Taxpayers in Airgegas District who own land and buildings constitute the sample population. This figure indicates that 8,618 people paid land and building taxes in Airgegas District, South Bangka Regency in 2024. In this study, 94 samples were obtained using the Slovin formula against the total number of samples, and the number of samples taken from each village was determined using the proportional stratified random sampling technique. Observation, documentation, and distribution of questionnaires to land and building taxpayers constitute the data collection process for this study. Naturally, several variables will be assessed in the questionnaires sent

to respondents. Indicators define these variables and serve as a guide for developing the questions and statements that make up the instrument.

4 Result and Discussions

4.1. Validity Test

To check validity, we compare individual item scores with the total score. All items on the test contribute to the final item score: An item in the questionnaire is considered valid if its calculated r value is greater than its table r value. An item in the questionnaire is considered invalid if its calculated r value or correlation value is negative. With a significance level of 5%, the r value for N = 94 is 0.203. Thus, validity is determined by whether r is greater than 0.203, and invalidity is determined by the opposite. This validity test was conducted using SPSS software and obtained the following results:

Table 3. Validity Test

No	Variables/Indicators	R count	R table	Information
1	Understanding Taxation (X1)			
	Indicator1	0.690	0.203	Valid
	Indicator 2	0.723	0.203	Valid
	Indicator 3	0.807	0.203	Valid
	Indicator 4	0.725	0.203	Valid
	Indicator5	0,589	0.203	Valid
	Indicator 6	0.818	0.203	Valid
	Indicator 7	0.723	0.203	Valid
2	Taxpayer Awareness (X2)			
	Indicator1	0.778	0.203	Valid
	Indicator 2	0.722	0.203	Valid
	Indicator 3	0.730	0.203	Valid
	Indicator 4	0.781	0.203	Valid
	Indicator5	0.530	0.203	Valid
	Indicator 6	0.595	0.203	Valid
	Indicator 7	0.633	0.203	Valid
3	PBB Taxpayer Compliance (Y)			
	Indicator1	0.847	0.203	Valid
	Indicator 2	0.802	0.203	Valid
	Indicator 3	0.632	0.203	Valid
	Indicator 4	0.531	0.203	Valid
	Indicator5	0.401	0.203	Valid

Source: Processed Primary Data, 2025

4.2. Reliability Test

To determine how well the measurement results hold up when repeated with the same group and the same measuring instrument, a reliability test was conducted on the previously established claims. Taxpayer awareness (X2), taxpayer compliance (Y), and tax understanding (X1) were all tested for reliability, and the results are shown below:

Table 4. Reliability test

Variables	Cronbach's Alpha	Cronbach's Alpha acceptable	N Of Items	Information
X1	0.847	0.6	7	Reliable
X2	0.808	0.6	7	Reliable
Y	0.649	0.6	5	Reliable

Source: Processed Primary Data, 2025

Table 4 explains that the results of the reliability test on the tax understanding variable (X1), the taxpayer awareness variable (X2) and the taxpayer compliance variable (Y) are declared reliable because they have a Cronbach's Alpha value greater than the acceptable Cronbach's Alpha or a Cronbach's Alpha value greater than 0.6.

4.3. Coefficient of Determination Test Results

This test aims to determine the proportion or presentation of the total variation in the dependent variable explained by the independent variables. If the analysis used is simple regression, the R-square value is used. However, if the analysis used is multiple regression, the adjusted R-square is used.

Table5. Results of the Coefficient of Determination Test

Model Summary ^b				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.430 ^a	.439	.409	3.954

a. Predictors: (Constant), Kesadaran WP, Pemahaman Perpajakan

b. Dependent Variable: Kepatuhan WP

Source: Processed Data, 2025

Based on table 5, the Adjusted R Square value is 0.409 or 40%, this result means that 40% of taxpayer compliance is influenced by tax understanding (X1) and taxpayer awareness (X1), while 60% is influenced by factors not included in this study.

4.4. Multiple Linear Regression Test Results

Multiple linear regression analysis and moderated regression analysis are used to determine whether or not there is a relationship or influence between more than one variable with the dependent variable and the moderating variable.

Table6. Multiple Linear Regression Test Results

Coefficients ^a								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	14.541	5.168		2.814	.006		
	Pemahaman Perpajakan	.295	.101	.295	2.927	.004	.978	1.022
	Kesadaran Wajib Pajak	.307	.227	.136	1.353	.180	.978	1.022

a. Dependent Variable: Kepatuhan Wajib Pajak

Source: Processed Data, 2025

Based on table 6 above, the results of multiple linear regression show that the variables of Tax Understanding (X1) and Taxpayer Awareness (X2) towards Taxpayer Compliance (Y) can be described by the multiple linear regression equation as follows:

Multiple regression analysis test

Equation 1 : $Y = a + b_1X_1 + b_2X_2 + e$
 $Y = 14.541 + 0.295X_1 + 0.307X_2 + e$

Based on the multiple linear regression equation, it can be interpreted as follows:

The Influence of Tax Understanding (X1) on Taxpayer Compliance (Y)

The regression coefficient value of tax understanding (X1) on taxpayer compliance (Y) is 0.295 (30%), meaning that tax understanding (X1) has a relationship with taxpayer compliance (Y) of 30%. This means that if there is an increase in tax understanding by 100%,

it will increase taxpayer compliance by 30%. Conversely, if there is a decrease in tax understanding by 100%, it will decrease taxpayer compliance (Y) by 30%.

The Influence of Taxpayer Awareness (X2) on Taxpayer Compliance (Y)

The regression coefficient value of taxpayer awareness (X2) on taxpayer compliance (Y) is 0.307 (30%), meaning that taxpayer awareness (X2) has a relationship with taxpayer compliance (Y) of 30%, meaning that if there is an increase in taxpayer understanding of 100%, it will increase taxpayer compliance by 30%, conversely, if taxpayer understanding is 100%, it will decrease taxpayer compliance (Y) by 30%.

t Test Result

Based on table 5, the results of testing the influence of each independent variable on the dependent variable can be seen as follows:

1. The calculated t value for the tax understanding variable (X1) is 2.814 while the t table value with a real level (α) of 0.05 (5%) and $df = n-2 = 94-2 = 92$ is 1.986. So it can be concluded that H_0 is rejected and H_1 is accepted because the calculated t value (2.814) > t table (1.986). The results of partial hypothesis testing for the tax understanding variable (X1) show that the variable has a significant effect on taxpayer compliance (Y). This is illustrated by the rejection of H_0 and the acceptance of H_1 and the significant value of X1 of 0.004 so that the t sig value < 0.05 means there is a significant influence, so the conclusion is that tax understanding has a significant effect on taxpayer compliance.

2. The calculated t value for the tax understanding variable (X1) is 1.353 while the t table value with a real level (α) of 0.05 (5%) and $df = n-2 = 94-2 = 92$ is 1.986. So it can be concluded that H_0 is accepted and H_2 is rejected, because the calculated t value (1.353) < t table (1.986). The results of partial hypothesis testing for taxpayer awareness (X2) show that the X2 variable does not have a significant effect on taxpayer awareness (Y). This is illustrated by the rejection of H_2 and the acceptance of H_2 as well as the significance value of X2 of 0.180 because the t sig value > 0.05 means there is no significant effect, so the conclusion is that tax understanding does not have a significant effect on taxpayer compliance.

F Test Results

To be able to answer the question of how tax understanding and taxpayer awareness influence taxpayer compliance, the results can be seen in the following table:

Table 7. Simultaneous Test Results

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	954.375	2	318.125	57.530	.000 ^b
	Residual	497.673	90	5.530		
	Total	1452.048	93			

a. Dependent Variable: Kepatuhan Wajib Pajak

b. Predictors: (Constant), Kesadaran Wajib Pajak, Pemahaman Wajib Pajak

Source: Processed Data, 2025

Based on Table 7, the results of the hypothesis test show that the F-value for the variables of tax understanding (X1) and taxpayer awareness (X2) as well as taxpayer compliance (Y) is 57.530. Meanwhile, the F-table for the significance level (α) = 5% and degrees of freedom ($df = nk-1 = (94-2-1)$) is 3.10.

Decision making from the results of the F test, H_{01} is rejected if $F_{count} > F_{table}$ or H_{01} is accepted if $F_{count} < F_{table}$. In this study it can be concluded that $F_{count} > F_{table}$ ($57.530 > 3.10$) so it can be concluded that H_{01} is rejected while H_{a1} is accepted.

Simultaneously, tax understanding (X1) and taxpayer awareness (X3) have a significant effect on taxpayer compliance (Y). The F test results show that the significant value that appears is 0.000, which means sig F (0.000) < (α) = 5% (0.05), this indicates that the independent

variable has a strong influence on the dependent variable. Therefore, the better the tax understanding and taxpayer awareness, the better the taxpayer compliance will increase.

The Influence of Tax Understanding (X1) on Taxpayer Compliance (Y)

Table 6 shows the results of the hypothesis test, which indicates that taxpayer compliance is significantly influenced by the tax understanding variable. This is evidenced by the acceptance of H1 and the rejection of H0. These findings align with previous research. (Mumu et al., 2020) Based on research findings, taxpayer compliance is positively influenced by a good understanding of tax concepts. Taxpayers tend to be more compliant with PBB-P2 regulations if they have a strong understanding. Based on previous research, (Purwaningsih et al., 2022) Taxpayer compliance is not influenced by taxpayer understanding. However, this study refutes this finding.

The Influence of Taxpayer Awareness (X2) on Taxpayer Compliance (Y)

Table 6 shows the findings of the hypothesis test, which indicate that taxpayer awareness is not a significant determinant of taxpayer compliance. Acceptance of H0 and rejection of H1 are examples. There is evidence that taxpayer awareness influences taxpayer compliance in paying land and building taxes. (Purwaningsih et al., 2022) So this is not true. Taxes are intended for national development, so when people know their money will be used for something good, they are more likely to pay their fair share of land and building taxes.

The influence of tax understanding (X1) and taxpayer awareness (X2) on taxpayer compliance (Y)

We can conclude that H1 is accepted and H0 is rejected based on the hypothesis test findings in Table 7, which show that taxpayer awareness and tax understanding have a significant impact on taxpayer compliance. Since the purpose of this study was to determine the level of knowledge, awareness, and compliance of PBB taxpayers in the Airgegas District regarding taxation, these findings are consistent with Behavioural Theory.

5 CONCLUSIONS

It is possible to draw the following conclusions from the available research:

1. PBB taxpayer compliance is positively and significantly influenced by their level of tax knowledge. The level of compliance increases with increasing understanding.
2. Although there is a favourable correlation between partial taxpayer knowledge and compliance, this relationship is not statistically significant.
3. Compliance of PBB taxpayers in Airgegas District is greatly influenced by tax awareness and understanding.

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