

THE NEXUS OF SELF-ASSESSMENT, MONEY ETHICS, AND TAX SANCTIONS IN TAX COMPLIANCE

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Abstract: *This research seeks to explore and examine the connection between self-assessment systems, money ethics, and tax sanctions on individuals' views regarding tax evasion. Primary data were gathered using questionnaires distributed at the North Makassar KPP Pratama research location, involving a sample of 100 taxpayers. Quantitative methods were employed to test the analytical model using multiple linear regression. The findings indicate that the self-assessment system negatively impacts tax evasion, while money ethics have a positive impact. Conversely, tax sanctions do not have a significant effect on tax evasion. Overall, self-assessment systems, money ethics, and tax sanctions collectively influence taxpayers' views on tax evasion. This research is crucial for further examination as it can provide valuable insights for the government in formulating tax regulations.*

Keywords: *Self assessment system, money ethics, tax sanctions, tax evasion*

Abstrak: Studi ini menyelidiki dampak sistem self-assessment, etika uang, dan sanksi perpajakan terhadap pandangan individu tentang penghindaran pajak. Data primer dikumpulkan melalui survei yang dilakukan di Kantor Pelayanan Pajak Pratama Makassar Utara, melibatkan sampel 100 pembayar pajak. Metode kuantitatif digunakan untuk menguji model analisis, menggunakan regresi linier berganda sebagai teknik pengujian. Hasil penelitian menunjukkan bahwa sistem self-assessment memiliki efek negatif terhadap penghindaran pajak, sementara etika uang memberikan pengaruh positif. Di sisi lain, sanksi perpajakan tidak terbukti signifikan mempengaruhi perilaku penghindaran pajak. Secara keseluruhan, sistem self-assessment, etika uang, dan sanksi perpajakan secara bersama-sama mempengaruhi persepsi individu terhadap penghindaran pajak.

Kata Kunci: Self assessment system, money ethics, sanksi perpajakan, tax evasion

INTRODUCTION

Tax plays a significant role as a major contributor to state revenue (Iwan Kusuma, 2021). Tax practitioners play an essential role in taxpayer compliance - this role is increasing as tax systems worldwide become more complex (Frecknall-Hughes et al., 2023). As a form of financial contribution, tax payment obligations to the government must be fulfilled by established regulations. The tax money collected is intended for infrastructure development, education funds, fuel subsidies, and other financing to drive and revive the economy and create economic equity in

Indonesia (Sunuputri & Hasmarini, 2023). Taxpayers could face sanctions corresponding to the severity of their negligence in meeting these obligations (Sejati et al., 2023). According to Sri Mulyani, the Indonesian Minister of Finance, taxes serve as a tool for collective nation-building, with provisions exempting the less privileged and financially challenged individuals from tax obligations while receiving governmental support.

Meanwhile, capable and economically empowered people are expected to fulfill their tax obligations according to their abilities. Nonetheless, numerous individuals possess economic capability and empowerment, yet they remain obligated to meet their tax responsibilities. Tax policy still contains controversial elements even though it has been encouraged as an instrument to increase tax revenue quickly (Nurkhin et al., 2018). Valentina dan Amelia Sandra (2019) state that when someone does not pay the tax that should be paid, it is referred to as fraud or tax evasion. The action is a deliberate illegal behavior to minimize the amount of tax that should be deposited. The concealment of accurate information and breaches of the law are employed. The financial turmoil resulting from corruption and opacity prompts an exploration of how the informal economy and other factors impact tax revenues (Dokas et al., 2024, p. 475). So, the rise of tax evasion is an urgency in this research that is urgent to do.

This research refers to research (Maghfiroh D & Fajarwati D, 2016) which explores taxpayers' perspectives on how fairness, the tax system, and tax sanctions influence tax behaviors. Unlike previous research conducted in 2016, which primarily studied tax compliance among MSMEs in Bekasi, this study conducted in 2023 focuses on individual taxpayers at the KPP Pratama Makassar Utara. The shift in research time and scope offers a fresh perspective on taxpayers' attitudes towards tax evasion practices, particularly in relation to the self-assessment system, money ethics, and tax sanctions.

In addition, the study (Razif & Rasyidah, 2020) examined how the self-assessment system, money ethics, and tax information technology influence institutional taxpayers' perceptions of evasion behaviors. Unlike a prior study in 2019 that concentrated on corporate taxpayers at KPP Pratama Langsa, this recent investigation, conducted in 2023, focused on individual taxpayers at KPP Pratama Makassar Utara, presenting a shift in research subjects and timeframe. Furthermore, research (Burgstaller & Pfeil, 2024) explores two cooperative mechanisms for tax evasion: implicit intention of partners and information on the prevalent behavior of avoidance (empirical expectations of avoidance).

Finance Minister Sri Mulyani acknowledges ongoing concerns about tax evasion among individuals lacking responsibility in Indonesia. Public attitudes vary, with some perceiving taxes as burdensome due to their compulsory and coercive nature, potentially reducing income. This issue remains significant and warrants rigorous governmental intervention. An illustrative case is that of Jolly Rusli, a former Bank Aceh Syariah employee who falsified records to falsely indicate tax deposits at the bank.

In Palembang, two civil servants, Nana Mardiana and Sasa Masni, were involved in a tax evasion case. Despite being tasked with tax collection responsibilities, they opted to deceive the system. Meanwhile, in Makassar, Aulia, a contract employee at Samsat Makassar, faced similar allegations. Holding a position of authority, Aulia reportedly defrauded citizens seeking to pay vehicle taxes by misappropriating the funds under the guise of expediting the process through his management. Unfortunately, these taxes were not remitted to the government as claimed.

Tax evasion is caused by various factors, including the tax collection system, which is recognized as an essential factor affecting tax revenue (Irianto et al., 2012). The system motivates people to be proactive and aware of their tax obligations. However, trust in the government allows taxpayers to develop tax payment avoidance strategies until tax evasion occurs (Pratiwi & Prabowo, 2019). However, Afkarina (2018) findings from the research indicate that the self-assessment system has a negative effect, albeit without a significant impact on perceptions of tax evasion practices.

In contrast, Sari et al. (2021) research findings indicate that the tax system positively influences taxpayers toward tax evasion. The study results (Gavoille & Zasova, 2023) reveal that businesses adjust their margins by incorporating unreported wages, legitimizing previously undeclared cash payments as official wages. While enhancing minimum wage levels boosts tax compliance, it also carries adverse employment implications for compliant companies.

Money ethics, a psychological factor, can significantly influence tax evasion. A person's attitude towards money and their prioritization of financial aspects can lead to less ethical behavior, as demonstrated by Tang and Chiu's (2003) research. Oktaviani et al. (2020) identified a correlation where money ethics positively influence behaviors related to tax evasion. However, Vivian Seputro & Ratih (2022) findings present a contrasting view, suggesting that individuals' ethical stance on tax evasion can act as a deterrent to such practices.

In addition to the two factors above, tax sanctions are also an impetus for individuals to evade taxes. Every individual must have a thorough understanding of the regulations and technicalities of tax administration in order to fulfill their obligations properly. The government has developed a series of rules covered in the law to ensure that the taxation system in Indonesia is disciplined. Because it contains an element of coercion, legal consequences must be borne. Maghfiroh D & Fajarwati D (2016) found that tax sanctions cause tax evasion to decrease with a negative effect. However, Santana et al. (2020) found different results. They found that tax sanctions instead cause tax evasion to increase with a positive effect. From an international trade standpoint, there is a strong link between trade restrictions used as economic sanctions and those employed to manipulate terms of trade. This connection holds significant implications for crafting trade taxes as sanctions: Minor sanctions can enhance welfare within the imposing nation. These sanctions target identical goods as those affected by terms of trade manipulation but often overlook the elasticity of demand and supply within the targeted country (Becko, 2024).

Given the prevalence of tax evasion and the potential for it to escalate into fraud, it is imperative that we address this issue immediately. This study, with its focus on the factors that influence individuals' views on tax evasion, particularly the self-assessment system, money ethics, and tax sanctions, is a crucial step in this direction. By identifying the impact of each of these factors, the results can contribute to the government and policymakers in designing more efficient strategies to increase tax compliance and reduce tax evasion practices. Furthermore, this study has the potential to enrich academic knowledge on the dynamics of tax evasion in Indonesia, serving as a foundation for further research in the field of taxation.

LITERATURE REVIEW

The theory of Planned Behavior (TPB) states that the intention or intention of individuals is a factor that influences them to take an action. Intentions are not arbitrary; they are influenced by two key factors: behavioral beliefs that shape individual attitudes and normative beliefs that influence subjective norms. This underscores the pivotal role our beliefs and attitudes play in shaping intentions and subsequent behaviors. According to Fishbein and Ajzen's Theory of Reasoned Action (TRA), individuals make deliberate choices by weighing available information and reasons for their actions. The stronger an individual's intention to act, the greater the likelihood of that intention translating into behavior (Ajzen, 1991).

In the theory of planned behavior, individuals' behavioral intentions are shaped by three primary factors: behavioral beliefs, which reflect personal perceptions of the outcomes stemming from a behavior, attitudes, perceived behavioral control, and subjective norms all play a crucial role in determining whether people intend to engage in certain behaviors (Hidalgo-Crespo & Amaya-Rivas, 2024). This theory is not just a theoretical construct, but it has practical implications in our daily lives. For instance, individuals will think about the advantages/disadvantages that arise and what consequences will occur if they do this behavior. Normative beliefs, namely norms that apply in society such as socio-cultural factors, customs, norms, and opinions of people around. External or environmental factors are also very strong in influencing individual behavior. These things will affect the subjective norms of the individuals concerned as a result of social pressure. As for control beliefs (behavioral control) which comes from a person's personal experience or people around. This experience will encourage individual beliefs about the extent to which a person believes himself capable of performing a behavior. Not all actions taken by individuals can be fully controlled by the individuals themselves, because there are obstacles that can arise both from internal individual factors and from their environment. Hence, the theory of planned behavior incorporates perceived behavioral control as an essential component, assessing individuals' confidence and control over executing the intended behavior. These determinant factors collectively interact to forecast an individual's intention, encompassing attitudes toward the behavior, subjective norms, and perceived

behavioral control (Novita Sari., Achmad Hizazi., 2021). The relationship with this research is that individual attitudes to carry out the self-assessment system properly, views on norms so as not to become a person with high money ethics, and strict enforcement of tax sanctions by the government are expected to shape individual views not to embezzle taxes.

Self Assessment System and its effect on Taxpayer Perception of Tax Evasion

The self-assessment system aims to encourage taxpayers to be proactive in fulfilling their obligations without having to wait for the issuance of a tax assessment letter from the tax authority. However, taxpayers can still abuse this system by manipulating the tax amount, which can result in tax evasion (Maharani et al., 2021). Based on the theory of planned behavior, when the government facilitates convenient systems for fulfilling tax obligations, the public is more likely to accept and comply with the tax system, reducing the incidence of tax evasion. The effectiveness of such systems significantly shapes taxpayers' perceptions and encourages them to fulfill their responsibilities. A well-functioning self-assessment system tends to deter taxpayers from engaging in tax evasion practices. Conversely, if the self-assessment system is not optimal, the opportunity for taxpayer involvement in tax evasion practices may increase. The research results by Maghfiroh D & Fajarwati D (2016) show that the tax system hurts tax fraud. Afkarina (2018) also found similar findings. Thus, the following hypothesis can be formulated.

H1: The self-assessment system harms taxpayers' perceptions of tax evasion.

Money Ethics and its Effect on the Perception of Tax Evasion of Taxpayers

According to Razif & Rasyidah (2020), money ethics is an individual's perception of the value of money. The theory of planned behavior outlines the norms that apply in society and can shape a person's view of money. Factors such as culture, needs, lifestyle, and the surrounding environment can shape individuals' subjective norms that affect their level of money ethics, either being high or low. Tang & Chiu (2003) suggested that individuals with high money ethics prioritize personal gain compared to individuals with low money ethics. The level of one's love for money motivates involvement in tax evasion. The higher one's level of money ethics, the more likely taxpayers are to engage in evasion.

Conversely, if individuals have low money ethics, the tendency to embezzle taxes is low. Research by Razif & Rasyidah (2020) shows that financial ethics positively affects tax evasion. In connection with the previous explanation, the hypothesis is formulated as follows.

H2: Money ethics positively influence taxpayers' perception of tax evasion.

Tax Sanctions and Perceptions of Tax Evasion for Taxpayers

Governments enforce tax sanctions as a preventive measure to deter breaches of tax regulations or mitigate their occurrence. Within the framework of the Theory of Planned Behavior (TPB), individuals weigh the benefits, drawbacks, and outcomes of their actions. The prospect of facing tax sanctions serves as a factor that individuals may consider before engaging in tax evasion. To effectively deter violations and uphold compliance, tax sanctions must be consistently and rigorously enforced. Whether strict tax sanctions are in place or not can significantly influence individuals' intentions regarding tax evasion. According to Maghfiroh D & Fajarwati

D (2016), tax sanctions harm tax evasion. From this assertion, the hypothesis is structured as follows.

H3: Tax sanctions harm taxpayers' perception of tax evasion.

Simultaneous Effect of Money Ethics, Self-Assessment System, and Tax Sanctions on Perceptions of Taxpayer Tax Evasion

The effectiveness of the self-assessment system hinges on its ability to enable obligated parties to accurately compute, remit, and declare taxes (Maghfiroh D & Fajarwati D, 2016). In this context, it is essential to understand how individuals manage their perception of the value of money, which can affect their attitude towards tax payment obligations. In addition, tax collection also depends on the extent to which tax sanctions are enforced, as this can affect individuals' intention to commit tax evasion. Therefore, the following hypothesis is formulated.

H4: Money ethics, the self-assessment system, and tax sanctions influence taxpayers' perceptions of tax evasion.

RESEARCH METHOD

This research employs a quantitative explanatory approach to examine the impact of the independent variable on the dependent variable. The study focuses on individuals registered at KPP Pratama Makassar Utara in 2022, totaling 242,930 people. A non-probability sampling method, primarily incidental sampling, was utilized. The sample size of 100 individual taxpayers was determined using the Slovin formula. Primary data collection involved distributing questionnaires and Google Forms to respondents at the research site, while secondary data was gathered from literature reviews, journal articles, and prior studies. Data analysis was conducted using multiple linear regression techniques and processed with IBM SPSS Statistics software.

RESULTS AND DISCUSSION

1. Descriptive Statistics

Table 1. Basic statistics for variables X1, X2, X3, and Y

		X1	X2	X3	Y
N	Valid	100	100	100	100
	Missing	0	0	0	0
	Mean	26.02	20.92	24.25	16.83
	Std. Deviation	3.008	4.462	3.718	7.365
	Range	13	20	18	28
	Minimum	17	10	12	7
	Maximum	30	30	30	35

Source: Primary data processed, 2023

For the independent variable, the self-assessment system (X1) ranges from a minimum of 17.00 to a maximum of 30.00, with an average ratio of 26.02 among all

sampled individual taxpayers and a standard deviation of 3.008. Regarding money ethics (X2), values range from 10.00 to 30.00, with an average ratio of 20.92 and a standard deviation of 4.462. Tax sanctions (X3) vary between 12.00 and 30.00, with an average ratio of 24.25 and a standard deviation of 3.718 for individual taxpayers. The dependent variable, taxpayer perception of tax evasion (Y), spans from 7.00 to 35.00, with a mean of 16.83 and a standard deviation of 7.365.

2. Data Quality Testing Results

a. Validity Testing of Research Instruments

Table 2. Validity Test Results

<u>Variabel</u>	<u>Item</u>	<u>r hitung</u>	<u>r tabel (N=100, Sig. 0,05)</u>	<u>Keterangan</u>
<i>Self Assessment System (X1)</i>	X1.1	0,727	0,196	Valid
	X1.2	0,839	0,196	Valid
	X1.3	0,859	0,196	Valid
	X1.4	0,872	0,196	Valid
	X1.5	0,776	0,196	Valid
	X1.6	0,760	0,196	Valid
<i>Money Ethics (X2)</i>	X2.1	0,752	0,196	Valid
	X2.2	0,798	0,196	Valid
	X2.3	0,799	0,196	Valid
	X2.4	0,773	0,196	Valid
	X2.5	0,823	0,196	Valid
	X2.6	0,584	0,196	Valid
<i>Sanksi Perpajakan (X3)</i>	X3.1	0,680	0,196	Valid
	X3.2	0,750	0,196	Valid
	X3.3	0,829	0,196	Valid
	X3.4	0,808	0,196	Valid
	X3.5	0,788	0,196	Valid
	X3.6	0,685	0,196	Valid
<i>Tax Evasion (Y)</i>	Y.1	0,906	0,196	Valid
	Y.2	0,905	0,196	Valid
	Y.4	0,918	0,196	Valid
	Y.5	0,912	0,196	Valid
	Y.6	0,876	0,196	Valid
	Y.7	0,892	0,196	Valid

Source: Primary data processing results, 2023

To assess the adequacy of questionnaire validity, a validity test is conducted. The questionnaire is deemed valid when its questions effectively measure the variables (Ghozali, 2018). Pearson correlation analysis was employed for this validation process. The results from testing the validity of 25 statements indicate that all four variables are valid, as the calculated correlation coefficient (r value) exceeds the critical r table value (0.196). This confirms the validity of the research tools' statements and validates their suitability as research instruments.

b. Testing the Reliability of Research Instruments

Table 3. Reliability Test Results

Variabel	Cronbach Alpha	Standar Reabilitas	Keterangan
X1	0,891	0,70	Reliable
X2	0,841	0,70	Reliable
X3	0,845	0,70	Reliable
Y	0,961	0,70	Reliable

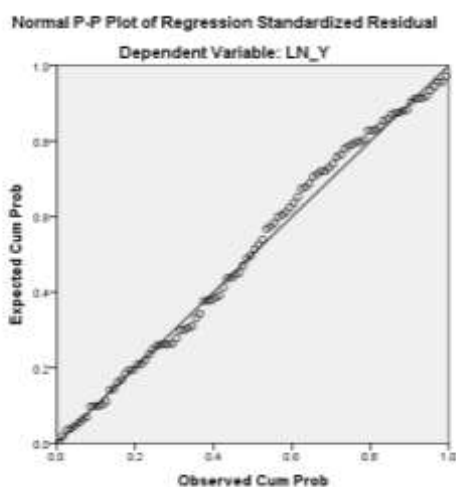
Source: Processed Primary Data, 2023

To evaluate the consistency or stability of measurement results over time, reliability assessment is performed. Cronbach's alpha coefficient is utilized for this purpose. A Cronbach's alpha value greater than 0.7 indicates that the research questionnaire is reliable as an instrument (Ghozali, 2018). The results of the reliability tests indicate that each variable in the study achieves a Cronbach's alpha score exceeding 0.70. Therefore, the questionnaire can be deemed trustworthy as a measurement instrument.

3. Classical Assumption Test Results

a. Testing the Normality of Data Distribution

Figure 1. Normality Test Results



Source: Primary data processed, 2023

Table 4. One-Sample Kolmogorov-Smirnov Test Results

		Unstandardized Residual
N		100
Normal Parameters ^{a,b}	Mean	.0000000
	Std. Deviation	.40240489
Most Extreme Differences	Absolute	.059
	Positive	.042
	Negative	-.059
Test Statistic		.059
Asymp. Sig. (2-tailed)		.200 ^{c,d}

Source: Processed Primary Data, 2023

This test aims to determine whether the observed statistics adhere to a specific distribution pattern, particularly whether they exhibit a normal distribution. Figure 1 illustrates that the data distribution visually conforms to a diagonal line pattern, suggesting normality. This observation is further supported by the Kolmogorov-Smirnov test results presented in Table 4, where the significance value of $0.200 > 0.05$. Based on these findings, it can be concluded that the statistical data follows a normal distribution.

b. Multicollinearity Testing

Table 5. Multicollinearity Test Results

Variabel Independen	Tolerance	VIF	Keterangan
<i>Self Assessment System</i>	0,825	1,212	Non-multikolinearitas
<i>Money Ethics</i>	0,988	1,012	Non-multikolinearitas
Sanksi Perpajakan	0,832	1,202	Non-multikolinearitas

Source: Primary data processed, 2023

Multicollinearity testing was conducted to test for relationships between independent factors in the model. In an ideal regression, there should be no relationship between the independent factors. Tolerance and Variance Inflation Factor (VIF) are used to evaluate multicollinearity in regression analysis. A tolerance with a value above 0.10 indicates that the independent variables have a low dependency on each other. At the same time, a VIF of less than 10 signifies the absence of a significant multicollinearity problem. Thus, these values indicate that the variables are mutually independent in the regression model.

c. Data Heteroscedasticity Testing

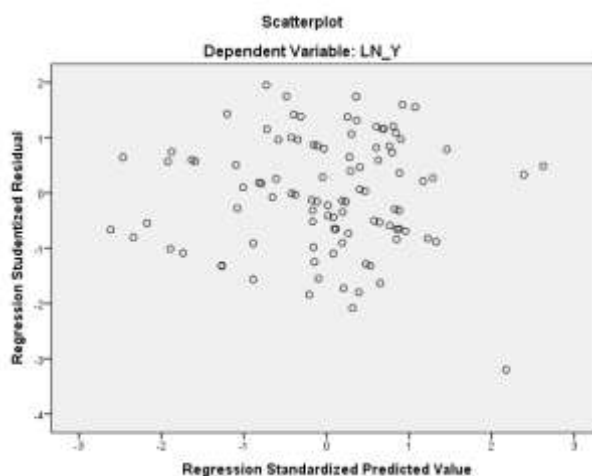
Table 6. Glejser Heteroscedasticity Test Results

Model	Coefficients ^a			t	Sig.
	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta		
(Constant)	-1.150	.711		-1.616	.109
1 LN_X1	.095	.200	.051	.473	.637
LN_X2	.175	.092	.190	1.914	.059
LN_X3	.204	.146	.151	1.396	.166

a. Dependent Variable: ABS_RES

Source: Primary data processed, 2023

Figure 2. Scatterplot Graphic Test Results



Source: Primary data processed, 2023

The purpose of heteroscedasticity testing is to determine whether there are inconsistent variations in residuals among observations within the regression model. According to Ghozali (2018), the absence of heteroscedasticity significantly contributes to the success of the regression model. In this analysis, no evidence of heteroscedasticity was found for the research variables, as indicated by the evenly distributed pattern of points in the Scatterplot around the Y-axis value of 0. The Glejser test results further support this conclusion, with each factor's significance value (Sig.) exceeding 0.05. Hence, the data does not exhibit inconsistent variation or heteroscedasticity.

4. Hypothesis Test Results

a. Statistical Test Results t

Table 7. Statistical Test Results t

Model	Unstandardized		Standardized	T	Sig.
	Coefficients		Coefficients		
	B	Std. Error	Beta		
(Constant)	3.812	1.332		2.862	.005
LN_X1	-.974	.374	-.262	-2.604	.011
LN_X2	.630	.172	.338	3.671	.000
LN_X3	.058	.274	.021	.210	.834

a. Dependent Variable: LN_Y

Source: Primary data processed, 2023

The impact of each independent variable on the dependent variable was evaluated using a t-statistical test. Analysis of the results reveals several key findings. Firstly, the self-assessment system exhibited a t value of -2.604 with a

significance of 0.011, surpassing the threshold of 1.664. This acceptance of H1 suggests a significant negative influence, indicating that the self-assessment system notably reduces individual perceptions of tax evasion. Secondly, money ethics showed a t value of 3.671 and a significance of 0.000, exceeding the threshold and leading to the acceptance of H2. This positive influence indicates that stronger money ethics significantly enhance perceptions of tax evasion among individuals. Conversely, tax sanctions yielded a t value of 0.210 with a significance of 0.834, falling below the threshold of 1.664. Consequently, H3 cannot be accepted, indicating that tax sanctions do not significantly impact individual views on tax evasion. Overall, these findings underscore the varying effects of different factors – self-assessment systems and money ethics – while highlighting the limited impact of tax sanctions in shaping perceptions of tax evasion.

b. F Statistical Test Results

Table 8. F Statistical Test Results

ANOVA ^a					
Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	3.934	3	1.311	7.852	.000 ^b
Residual	16.031	96	.167		
Total	19.965	99			

a. Dependent Variable: Y

b. Predictors: (Constant), X3, X2, X1

Source: Primary data processed, 2023

The F statistical test assesses the collective influence of independent factors on the dependent variable. With a significance value of 0.000, which is below the threshold of 0.05, the test indicates that the combined effects of the self-assessment system, money ethics, and tax sanctions have a substantial impact on taxpayers' perceptions of tax evasion. Therefore, H4 is confirmed to be valid based on these results.

5. Coefficient of Determination (R2)

Table 9. Coefficient of Determination Test Results

Model Summary ^b				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.444 ^a	.197	.172	.40864

a. Predictors: (Constant), LN_X3, LN_X2, LN_X1

b. Dependent Variable: LN_Y

Source: Primary data processed, 2023

This test assesses the model's ability to explain variations in the dependent variable. According to the table, the R2 value is 0.197, indicating that approximately 19.7% of the variance in individual taxpayers' perceptions of tax evasion can be attributed to the self-assessment system, money ethics, and tax sanctions.

Conversely, approximately 80.3% of the variance is influenced by factors not included in this study.

Effect of Self-Assessment System on Individual Taxpayers' Perception of Tax Evasion

Upon evaluation, it was determined that the calculated t value of -2.604 surpasses the threshold of 1.664, with a significance of 0.011, which is below 0.05. Therefore, it is concluded that the self-assessment system negatively impacts taxpayers' perceptions of tax evasion. This discovery aligns with the investigation conducted by Maghfiroh D & Fajarwati D (2016), Razif & Rasyidah (2020), and Afkarina (2018) that the self-assessment system adversely affects tax evasion. Nevertheless, this outcome contrasts with the findings of Sari et al. (2021) and Intan Maharani et al. (2021), which states that the ethics of tax deviation positively impact tax policy. Based on the findings of this hypothesis, it is concluded that when taxpayers effectively utilize the self-assessment system—covering registration, accurate calculation, payment compliance, and tax return reporting—the likelihood of tax evasion diminishes. This conclusion aligns with the theory of planned behavior, which posits that the quality of the tax system influences taxpayers' perceptions and beliefs regarding their duty to comply accurately. When taxpayers perceive assistance and benefit from the government-provided system for meeting tax obligations, they are more inclined to accept and adhere to it, thus avoiding practices of tax evasion. Family ownership, however, is linked to lower compliance and non-compliant tax avoidance. This is attributed to the higher reputational costs associated with tax avoidance in family businesses, driven by considerations of preserving socio-emotional wealth, which acts as a deterrent against tax evasion. Moreover, eponymy functions as a disciplinary mechanism that further reduces tax avoidance in family-owned enterprises (Chalevas et al., 2024, p. 1). The microsimulation approach assesses the distributional effects of taxes and transfers without accounting for the behavioral responses of agents, particularly macroeconomic feedback (Alexandri et al., 2024).

The Effect of Money Ethics on Individual Taxpayer Perceptions of Tax Evasion

Based on the analysis, the calculated t-value of 3.671 surpasses the threshold value of 1.664. The significance level is 0.000, indicating statistical significance ($p < 0.05$). Therefore, it is inferred that financial ethics has a positive impact on taxpayers' perception of tax evasion. This discovery aligns with the results from Razif & Rasyidah (2020) and Oktaviani et al. (2020), indicating a direct relationship between financial ethics and tax evasion. Nevertheless, this result contrasts with the findings of Vivian Seputro & Ratih, (2022), who argue that financial ethics have a contrary effect on taxpayers' perspectives on evasion. The outcomes of this study align with the theory of planned behavior, which posits that societal norms play a pivotal role in shaping individual perceptions. This hypothesis suggests that higher levels of financial ethics correlate with increased likelihood of taxpayer engagement in

evasion. Conversely, lower levels of financial ethics correspond to decreased likelihood of taxpayer involvement in evasion practices.

The Effect of Tax Sanctions on Individual Taxpayers' Perception of Tax Evasion

Following the evaluation, the computed value stands at 0.210, falling below the threshold of 1.664, with a significance level of 0.834, which exceeds 0.05. Consequently, it is concluded that tax sanctions do not have a substantial impact on individual taxpayers' perceptions of tax evasion. This outcome contrasts with the results of Maghfiroh D & Fajarwati D (2016), which argue that tax sanctions have a detrimental effect on evasion. Yet, this result aligns with the findings of Sari et al. (2021) and Intan Maharani et al. (2021). The research indicates that whether tax sanctions are present or absent does not affect tax evasion. The theory of planned behavior underscores that individual intentions shape behavior. These findings endorse this concept. According to the hypothesis results, it is concluded that the presence of tax sanctions does not significantly deter tax evasion, as individuals' intentions to disregard rules exert a greater influence than the mere existence of sanctions. Intention represents an individual's decision and preferred mode of action. In this context, tax evasion is influenced primarily by individual intentions, which may not always be swayed by the presence of tax sanctions. Specifically, tax evasion under this reform entails (i) heightened capital accumulation and a marked reduction in output, and (ii) a less pronounced impact on wealth concentration (Fernández-Bastidas, 2023, p. 1).

Simultaneous Effect of Money Ethics, Self-Assessment System, and Tax Sanctions on Taxpayer Perception of Tax Evasion

The significance level is 0.000, indicating it falls below the established threshold of 0.05. These results lead to the conclusion that the combined influences of the self-assessment system (X1), money ethics (X2), and tax sanctions (X3) significantly shape individual perceptions of tax evasion practices (Y). The results of research (Khalil & Sidani, 2022) indicate that caution correlates negatively with attitudes towards tax avoidance driven by individual interests. Research on tax compliance, tax avoidance, and tax enthusiasm frequently examines economic and behavioral factors influencing tax behaviors (Vincent et al., 2023). Moreover, public perceptions of taxation, observed through discussions on social media platforms like Twitter, often depict a collaborative rather than adversarial atmosphere, adding to the discourse on tax climate and social media (Puklavec et al., 2023, p. 1242).

CONCLUSION

The self-assessment system has a detrimental impact on how individual taxpayers perceive tax evasion, whereas money ethics positively influence these perceptions. Conversely, tax sanctions show no significant effect on individual perceptions of tax evasion. Collectively, the self-assessment system, money ethics, and tax sanctions shape how individual taxpayers view tax evasion. These findings provide governmental insights into crafting tax policies aimed at curbing tax evasion. Future research could delve into additional factors influencing perceptions of tax evasion, including psychological, social, and cultural elements. Furthermore, expanding the sample diversity and employing qualitative methodologies would

offer deeper insights into the motivations and contexts of tax evasion behavior. Lastly, identifying effective strategies to enhance tax compliance is crucial for strengthening the tax system and preventing tax evasion effectively.

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