The Role of Modern Tax Administration on Tax Services Quality

Risivna Ridwan¹, Basri Modding², Tenriwaru ³
Program Studi Magister Akuntansi, Universitas Muslim Indonesia¹,²,³
Email: risvinaridwan@gmail.com

ABSTRACT
This study aims to examine the role of modern tax administration on the quality of tax services provided by KPP Pratama Makassar Selatan. The method used in this research is descriptive quantitative. The population in this study were individual and corporate taxpayers registered at KPP Pratama Makassar Selatan. The data source used is primary data obtained by distributing questionnaires to 100 taxpayers randomly and according to the criteria listed. The data analysis used is multiple linear regression analysis. The results showed that the tax socialisation variable had a positive and significant effect on the quality of tax services, business processes and the use of information technology had a positive and significant effect on the quality of tax services, the use of good governance had a positive and significant effect on the quality of tax services, and self-assessment had a positive and significant effect on the quality of tax services.

Keywords: Tax socialization, Business Process Improvement, Information Technology, good governance, and self-assessment system.

INTRODUCTION
Government revenue is an important part of government management, not only because it finances all government activities at home and abroad, but also because it has an important role to play in the achievement of sustainable development. Taxes are one of the biggest contributors to government revenue. Only the state has the authority to collect taxes because taxes are a form of people's contribution to the state. Although tax laws are regulated and enforceable, people do not experience real reciprocal services (Adinda and Sonjaya, 2020). The state household, which includes all costs that benefit the wider community, is financed by these fees (Anjanni, 2019).

Makassar City as the capital of South Sulawesi as well as the economic center in eastern Indonesia has a fairly rapid economic impact. As an economic center, Makassar City can be a locomotive of economic growth in South Sulawesi and its surroundings. Increased investment and economic activity in the city can drive the growth of key economic sectors, such as industry, trade, and services. Makassar City has an interest in improving efficiency and transparency in the taxation system to support sustainable economic growth.

KPP Pratama Makassar Selatan is the result of the merger of KPP Makassar Selatan, KPP Makassar Utara, Makassar PBB Service Office, and Makassar Tax Inspection and Investigation Office. Its working area is spread across six sub-districts covering 63 villages in Makassar City. The number of registered taxpayers currently reaches 130 thousand taxpayers. However, in general, most people tend to avoid paying taxes because of the community's perspective that there are still some shortcomings of tax officials in providing services.

There have been various complaints from taxpayers about the services provided by the tax officials at the KPP Makassar Selatan. One of them is that there are 10 counters, but unfortunately, they are not working at the same time. The influx of tax-conscious people should be balanced with fast service. (Summary of the Google review of KKP Pratama Makassar Selatan)
Therefore, taxpayers should be provided with quality services in order to increase taxpayer compliance. By improving tax services, it is hoped that it can provide a sense of comfort, security, smoothness, and satisfaction to taxpayers. The government is trying to improve the quality of existing system services, starting from manual to electronic ones (Mustadir, M., Modding, B., & Mursalim, M. 2020). With the better quality of a system, taxpayers in performing their obligations as taxpayers will feel satisfied and happy. The tax reform, called modernization, has been implemented by the Directorate General of Taxes since 2002. The implementation of good governance is the main prerequisite for the fulfillment of the people's desire to achieve the goals and expectations of the nation and the state, especially in the area of taxation. Modernizing the tax administration is one of the steps toward achieving quality management, but problems can also arise in the tax system itself, which requires the creation and implementation of a real and effective accountability system. (Erna, 2019).

A more modern tax administration is expected to increase taxpayer compliance. Compliance can be seen from taxpayer compliance in registration, compliance in submitting tax returns, compliance in calculating, and paying arrears. The quality of service carries a positive relationship with taxpayer compliance (Pertiwi, 2019). The good and transparent services of the tax authority (KPP) in terms of speed and ease of tax administration, legal certainty, and feeling of comfort and security in providing services will create an obedient attitude of taxpayers in fulfilling their obligations in the field of taxation.

Previous research found that tax modernization has an impact on the administrative performance of tax service offices. Modernization of the tax administration has a positive and significant effect on the accountability of Kantor Pelayanan Pajak Pratama Muara Teweh (Detiyani, 2019). The relationship between the modernization of tax administration has a positive sign on the quality of tax services (Rizky, 2020). The modernizing system of tax administration does not affect the quality of tax services (Damayanti and Amah, 2017).

Measuring the modernization of the tax administration through four main indicators: tax socialization, improving human resources, improving business processes through the use of information technology, and implementing good governance. (Hasanah and Indriani, 2013). Meanwhile, this study makes changes in the approach to measuring the modernization of tax administration through four main indicators consisting of tax socialization, business process and human resource improvement, good governance, and the effectiveness of self-assessment implementation. This approach reflects this study's attempt to provide a more comprehensive understanding of how tax administration modernization factors can affect the overall quality of taxation. The achievement of tax objectives can be facilitated by good coordination between the parties involved in modernizing tax administration. This has the potential to improve taxpayers' compliance with tax rules, their awareness of their tax obligations, and the quality of the tax services provided to them.

Against the background of the above-mentioned problems and the different results of previous studies, the researchers are interested in finding out about "The effect of tax administration modernization on the quality of tax services" at KPP Pratama Makassar Selatan.
Literature Review

1. Tax Socialization
   According to Susanto (Sugeng Wahono, 2012: 80), providing tax socialisation is one of the programs carried out by the Director General of Taxes to provide education to the public, especially taxpayers, in order to know the ins and outs of taxation, both regulations and laws as well as tax procedures through the right way. With this tax socialisation is expected to be an effort to provide knowledge about taxation to the wider community and especially taxpayers in order to have a positive impact on the quality of tax services.

   This research is consistent with the attribution theory pioneered by Hertzberg in Robbins and Judge (2015: 130). This theory discusses how individuals conclude the causes of behavior, whether it is their behavior or the behavior of someone else (including organizations). Tax socialization has a positive effect on the quality of tax services, Alia and Akhmad (2018). Research conducted by Rindi, Djamhur, and Faisal (2017) shows the same result: tax socialization affects service quality. Tax socialization affects the quality of services by improving the public’s understanding of tax rules, increasing compliance, creating transparency, providing education, and responding to the needs of the community, which in turn improves the overall quality of tax services.

   Based on the above, the following hypothesis is proposed:

   H1: Tax socialization has a positive effect on the quality of tax services

2. Business Process Improvement and Information Technology
   The key to the improvement of various bureaucracies is the improvement of the business process, which includes methods, systems, and working procedures. Business process improvement is, therefore, an important part of the DGT’s modernization program. This program aims to digitalise services through the use of information technology. The hope is that this digitised system will create a more efficient and effective business process by making administrative management faster, simpler, and more accurate so as to improve the quality of service to taxpayers both in terms of time and quality.

   The first steps in the improvement of business processes are the creation and documentation of Standard Operating Procedures (SOPs) for each activity in all DGT units, the implementation of the e-system, and the development and improvement of the internal management system in DGT.

   Darmayasa and Setiawan (2016) Modernisation of business processes and information and communication technology has a significant effect on service quality. A similar opinion from Madewing (2013) says that modernisation in business processes and information and communication technology has a significant effect on service quality. Based on this description, this study can formulate the following hypothesis:

   H2: Business process improvement and information technology have a positive impact on the quality of tax services.

3. Implementing good governance
   Implementing good governance is a form of service that DGT provides to the public by implementing good governance in carrying out its duties. Raising awareness and motivating the tax apparatus to become an honest, clean, and fair DGT apparatus, as well as upholding the values of morality and ethics, is the DGT’s first step in providing good service quality to the community and the services provided by the tax apparatus.
The implementation of good governance has a positive and significant effect on the expectation of service quality (Darmayasa and Setiawan, 2016). The fairness and honesty of the tax apparatus in the implementation and application of existing regulations can promote public confidence in paying taxes.

H3: The implementation of good governance will positively affect the quality of tax services.

4. Effectiveness of Self-assessment Implementation

The self-assessment system gives full confidence to the taxpayer, so it should be balanced with the supervision provided in order not to be abused. This reduces the task of the Tax Directorate to determine the tax of each taxpayer. In the principle of self-assessment system, determining the amount of tax payable is entrusted to the taxpayer himself through the Surat Pemberitahuan Tahunan (SPT) submitted. The change in the tax collection system from government assessment to self-assessment is one of the government's steps in increasing independence in terms of financing development from domestic tax revenue sources.

One of the internal factors that can affect awareness of paying taxes includes the knowledge of the taxpayer himself about taxation rules, understanding of the self-assessment system, and the income level of the taxpayer himself. While external factors that affect tax compliance are the extent to which it is easy to pay taxes and the role of tax socialisation.

This study confirms that the application of the self-assessment system partially has a significant effect on the quality of tax services (Hasanah and Indriani, 2013). Based on this explanation, research (Alia and Akhmad, 2018) shows that the application of the self-assessment system partially has a significant effect on the quality of tax services. Therefore, this study formulates the following hypothesis:

H4: Implementation of a self-assessment system has a positive effect on the quality of tax services

METHOD

Quantitative approach is defined as analysing data using statistical formulas, namely Multiple Linear Regression by taking answers from questionnaire sheets answered by respondents. Validity and reliability tests were conducted to ensure that the measurements used were valid and reliable.

In this study, the population is taxpayers registered at KPP Pratama Makassar Selatan, namely individual taxpayers and corporate taxpayers with a total of 925,379 taxpayers. The sampling method used is the accidental sampling method. Then the sampling method used is the accidental sampling method. Accidental sampling is a sampling that is done by chance, that is, anyone who has a chance encounter with the researcher can be used as a sample (Sugiyono, 2019). The researcher uses a sample of 100 individual taxpayers and corporate taxpayers. This number is considered representative.

The survey is based on questionnaires. The research instrument for the measurement of the variable "modernization of the tax administration" has been adopted from the Patsal research. (2012), and the variable was adopted from Maria, D.'s research (2019). The type of statement in this research is closed where the respondent only gives a mark/checklist (√) on the available answers.

Hypothesis testing using statistical tests and testing the coefficient of determination (R2). To test the hypothesis using statistical tests regarding the
influence of fiscal socialization, improving business processes and human resources, good governance, and the effectiveness of implementing good self-assessment, two forms of hypothesis testing are used, namely parsimonious with the t-test.

RESULTS AND DISCUSSION
1. Characteristics of respondents
This research was conducted on taxpayers registered at KPP Pratama Makassar Selatan in 2024, namely individual taxpayers and corporate taxpayers. Data collection in this study using a questionnaire distributed directly to respondents, namely taxpayers registered at KPP Pratama Makassar Selatan, both individual taxpayers and corporate taxpayers. The number of taxpayers and the number of returned questionnaires are as follows:

<table>
<thead>
<tr>
<th>No.</th>
<th>Taxpayers</th>
<th>Questionnaires distributed</th>
<th>Questionnaires completed</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Individual Tax Payers</td>
<td>73</td>
<td>73</td>
</tr>
<tr>
<td>2.</td>
<td>Corporate Tax Payers</td>
<td>27</td>
<td>27</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: KPP Pratama Makassar Selatan Year 2024

2. Descriptive Statistical Test Results
Researchers use descriptive statistics to provide information about the description of the variables in the study. Descriptive data is obtained from the number of samples, minimum value, maximum value, average value, and standard deviation of the variables of taxation socialisation, business processes and information technology, implementation of good governance, Self assessment system, and taxation service quality.

<table>
<thead>
<tr>
<th>Descriptive Statistics</th>
<th>N</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax Socialization</td>
<td>100</td>
<td>2.75</td>
<td>5.00</td>
<td>4.2800</td>
<td>.61677</td>
</tr>
<tr>
<td>Business Process and Information Technology</td>
<td>100</td>
<td>3.25</td>
<td>5.00</td>
<td>4.3925</td>
<td>.55077</td>
</tr>
<tr>
<td>Implementation of Good Governance</td>
<td>100</td>
<td>2.33</td>
<td>5.00</td>
<td>4.2933</td>
<td>.61094</td>
</tr>
<tr>
<td>Self Assessment System</td>
<td>100</td>
<td>3.00</td>
<td>5.00</td>
<td>4.2450</td>
<td>.49997</td>
</tr>
<tr>
<td>Quality of Tax Service</td>
<td>100</td>
<td>2.00</td>
<td>5.00</td>
<td>4.2600</td>
<td>.48058</td>
</tr>
<tr>
<td>Valid N (listwise)</td>
<td>100</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Data Processed, 2024

3. Multiple Linear Regression Analysis
Multiple regression is an analytical tool for determining the relationship between a dependent variable and two or more independent variables. The calculations of the multiple linear regression using the SPSS version 26 are shown in Table 2.
Table 2 Multiple Linear Regression Analysis Results

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>,424</td>
<td>1,387</td>
<td>,306</td>
</tr>
<tr>
<td></td>
<td>Tax Socialization</td>
<td>,116</td>
<td>,056</td>
<td>,149</td>
</tr>
<tr>
<td></td>
<td>Business Process and Information Technology</td>
<td>,125</td>
<td>,056</td>
<td>,143</td>
</tr>
<tr>
<td></td>
<td>Implementation of Good Governance</td>
<td>,151</td>
<td>,073</td>
<td>,144</td>
</tr>
<tr>
<td></td>
<td>Self Assessment System</td>
<td>,617</td>
<td>,062</td>
<td>,642</td>
</tr>
</tbody>
</table>

Note: a. Dependent Variable: Quality of Tax Service

Source: Data Processed, 2024

4. Test Coefficient of Determination (R2)

The coefficient of determination (R2) measures how much of the variance in the dependent variable is explained by all of the independent variables. The closer the coefficient of determination is to 1, the greater the influence of the independent variables on the dependent variable, and the closer the coefficient of determination is to 0, the less the influence of the independent variables on the dependent variable (Basuki, 2016). The analysis is presented in Table 3

Table 3 Results of the test for the coefficient of determination

<table>
<thead>
<tr>
<th>Model Summary</th>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
<td>,803a</td>
<td>,645</td>
<td>,630</td>
<td>1,16928</td>
</tr>
</tbody>
</table>

Note: a. Predictors: (Constant), Self Assessment System, Business Process and Information Technology, Implementation of Good Governance, Socialization of Taxation

Source: Data Processed, 2024

Based on Table 3, there is an R-value of 0.803 which indicates that the relationship between the quality of tax services and the four independent variables is very strong because it is in the very strong category whose value is 0.800 - 1.000. The R-squared value of 0.645 or 64.7% indicates that the variable quality of tax services can be explained by the variable socialization of taxation, business processes, information technology, implementation of good governance, and self-assessment system. Other variables that are not included in this study, namely tax sanctions and taxation knowledge, can explain the remaining 35.3%.

Discussion

1. The Role of Taxation Socialization Toward Tax Services Quality

The first finding show that tax socialization has a positive and significant effect on tax service quality, meaning that the better tax socialization, the better tax service quality. As people in Makassar City become more educated about taxation through KPP Makassar Selatan, tax services can be tailored to meet their needs. Increased demand for information and services in general can encourage the tax authorities to improve the quality of their services, including responding to inquiries promptly, providing clear information, and handling cases professionally. With KPP's effective tax socialization, the city's citizens will be able to have realistic expectations from the tax administration. This can reduce public dissatisfaction and complaints against tax institutions.
2. The Role of Business Process and Information Technology toward Tax Services Quality

The second finding is that business processes and information technology have positive and significant effects on tax service quality, that is, the better the business process and information technology, the better the tax service quality level. This shows that the form of service provided by KPP Makassar Selatan through the use of information and communication technology such as e-SPT, online payment (e-billing), online NPWP registration (e-registration), and electronic tax filing (e-filling) can help taxpayers in reporting, payment, and registration, and thereby affect the quality of service to taxpayers. The key to the improvement of the various bureaucracies lies in the improvement of business processes, which include methods, systems, and work procedures.

3. The Role of Good Governance Implementation Toward Tax Services Quality

The third result shows is that good governance implementation has a positive and significant effect on tax service quality, that is, the better good governance implementation, the better the level of tax service quality. By implementing good governance, KPP Makassar Selatan promotes tax compliance, for taxpayers, tax employees, and tax officials, where there is transparency in tax management in all areas, both in administration and management of the use of funds, which naturally come from tax revenues. In this way, taxpayers can have a clear understanding of the purpose and use of tax money. This can enhance taxpayers' confidence in the government's actions, thereby improving the quality of tax services.

Therefore, the high level of influence between the application of the principles of good governance implementation on the quality of public services must be of concern, especially to KPS, because fundamentally KPS was established to serve the public (consumers) in terms of the implementation of tax rights and obligations. To improve the quality of these services, it is necessary to apply the principles of good governance implementation in KPP Makassar Selatan. This can be seen in the improvement of the quality of resources.

4. The Role of the self-assessment system toward tax services quality

The fourth result shows a good self-assessment system has a positive and significant effect on tax service quality, i.e. the better the self-assessment system, the better the tax service quality. This means that the better the self-assessment system, the better the quality of tax services. This good service performance must still be taken into account by KPP Makassar Selatan, as the combination of self-assessment elements has the potential to have multiple benefits in terms of increasing taxpayers' tax compliance and, indirectly, tax revenues. An important step by KPP Makassar Selatan as a tangible manifestation of concern for the importance of service quality is the provision of excellent taxpayer service to optimize government revenue.

The self-assessment system gives full confidence to taxpayers. Therefore, there should be a balance between the self-assessment system and the control system so that there will be no abuse. As a result, the Directorate General of Taxes has less responsibility for determining each taxpayer's tax liability. The determination of the tax amount is entrusted to the taxpayer through the submitted tax return. This is based on the principle of self-assessment. As part of the government's efforts to increase the independence of development financing from domestic tax revenues, the tax collection system is being changed from official assessment to self-assessment.
CONCLUSION
This study found that the role of tax socialisation, business processes and information technology, the application of good governance self-assessment affects the quality of service at KPP Pratama Makassar Selatan. Hypothesis findings show that the tax socialisation variable has a significant positive relationship with service quality, the business process and information technology variable has a significant positive relationship with service quality, the good governance implementation variable has a significant positive relationship with service quality, and the self-assessment variable has a significant positive relationship with service quality. So the conclusion is that improving the quality of service at KPP Pratama Makassar Selatan requires the role of tax socialisation, business processes and information technology, good governance implementation, quality self-assessment in order to improve the quality of service for the taxpayer.

Suggestions
Suggestions that can be given based on the conclusions presented above are:

1. Cooperation with third parties: It is necessary to increase cooperation with third parties to facilitate the socialisation of tax administration modernisation. This is expected to increase taxpayer awareness, compliance and trust, and significantly increase tax revenue.

2. Attention to service performance: KPP Makassar Selatan needs to continue to pay attention to its service performance. Good performance can provide multiple benefits when combined with self-assessment to increase taxpayer tax compliance, which will indirectly increase tax revenue.

3. Further research: Future researchers are advised to add other variables besides tax administration modernisation that can affect the quality of tax services. In addition, research can explore the effectiveness of the implementation of the Self Assessment System with the objectives to be achieved by the Directorate General of Taxes.

Reference


Pratama Muara Teweh. *Skripsi* Yogyakarta: Universitas Sanata Dharma Yogyakarta


