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THE EFFECT OF MODERNIZATION OF TAX ADMINISTRATION SYSTEM, TAX SANCTIONS AND QUALITY OF TAX SERVICES ON INDIVIDUAL TAXPAYER COMPLIANCE WITH TAX KNOWLEDGE AS A MODERATING VARIABLENORTH BATAM PRIMARY TAX SERVICE OFFICE

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Abstract

This study examines the Effect of Modernization of Tax Administration System, Tax Sanctions and Service Quality on Individual Taxpayer Compliance with Tax Knowledge as a Moderating Variable of North Batam Pratama Tax Service Office. Quantitative research is a process of finding knowledge that uses data in the form of numbers as a tool to find information about what we want to know. The data analysis technique in this study uses Partial Least Square (PLS) which is a Multivariate Analysis in the second generation using structural equation modeling (Structural Equation Model/SEM). The results of the study Modernization of Tax Administration System has a significant effect on Individual Taxpayer Compliance. Tax Sanctions have a significant effect on Individual Taxpayer Compliance. Tax Service Quality has a significant effect on Individual Taxpayer Compliance. Tax Knowledge has a positive and significant effect in moderating the effect of Modernization of Tax Administration System on Individual Taxpayer Compliance. Tax Knowledge does not have a positive and significant effect in moderating the effect of Tax Sanctions on Individual Taxpayer Compliance. Taxation Knowledge has a positive and significant effect in moderating the influence of Tax Service Quality on Individual Taxpayer Compliance. The magnitude of the influence of the contribution of the Tax Administration System Modernization variable, the Tax Sanction variable and the Tax Service Quality variable on the Individual Taxpayer Compliance variable is 108.8%.

Keywords : ***Modernization of Tax Administration System, Tax Sanctions, Service Quality, Individual Taxpayer Compliance and Tax Knowledge***

1. INTRODUCTION

Tax compliance has long been a problem in domestic taxation, the ratio of taxpayer compliance in fulfilling their tax obligations from year to year still shows a percentage that has not increased significantly. This is based on the comparison of the number of taxpayers who meet the compliance requirements in Indonesia which is still low when compared to the total number of registered taxpayers. One effort to improve taxpayer compliance is to provide good quality of service for taxpayers by providing facilities and infrastructure and information systems, especially in the formation of employee behavior based on the principle of a professional work culture that is ready to serve the community as taxpayers. Improving the quality of service and quantity of service is expected to increase taxpayer satisfaction as customers so that it can increase compliance in the field of taxation. Tax sanctions occur because there are violations of tax laws and regulations where the greater the error made by a Taxpayer, the more severe the sanctions given will be. Examples of violations that are often committed are late payment of taxes, underpayments and errors in filling out the SPT. The phenomenon of low compliance also occurs at KPP Pratama Batam Utara. Data regarding this matter are as follows:

Table 1.1
Taxpayer Compliance at the North Batam Pratama Tax Service Office

Year	Amount Taxpayer	Annual Tax Return Amount	Percentage of Compliant Taxpayers
2019	99,973	75,617	75.64%
2020	102,598	66,514	64.83%
2021	113,839	66,856	58.73%
2022	121,222	63,754	52.59%
2023	128,205	66,203	51.64%

Source: North Batam Pratama Tax Office 2023

Based on the phenomenon in Table 1.1 above, it can be seen that the number of compliant taxpayers is still relatively low, even the percentage of taxpayer compliance from year to year has decreased. This shows that the level of taxpayer compliance at the North Batam Pratama Tax Service Office is still relatively low. One of the bases for taxpayer compliance according to the target is taxpayer compliance. Good taxpayer compliance can be seen from their regularity in paying taxes. Tax compliance can be identified from taxpayer compliance in registering themselves, compliance in re-submitting SPT.

Table 1.2
WPOP Compliance Level at Batam Pratama Tax Service Office
North 2021– 2023

No	Year	WPOP Registered	Must Tax Effective	WPOP Submitting SPT	Compliance Rate (%)
1	2021	71,704	40,476	27,451	67.82
2	2022	76,891	45,656	29,298	64.17
3	2023	95,542	43,482	32,319	74.33

Source: North Batam Pratama Tax Office in 2024

Low taxpayer compliance is due to the lack of services provided by the tax authorities or tax officers, in addition there are still many taxpayers who have a negative perception of tax officials. If the tax authorities' services provided are very good, then taxpayers' perceptions of the services will increase. Another cause is tax sanctions. Tax sanctions have a major influence on taxpayer compliance. Sanctions are needed to provide lessons for taxpayers who violate tax regulations. Thus, it is hoped that tax regulations can be complied with by taxpayers. The phenomenon of the North Batam Pratama Tax Service Office is the low Compliance of Individual Taxpayers where during the last few periods, the percentage of compliant taxpayers has not reached 100%. The problem of individual taxpayer compliance is a problem for both developed and developing countries. Because if taxpayers are not compliant, it will create a desire to take actions to avoid, evade, smuggle and neglect taxes. Which in the end will cause the State's tax revenue to decrease. Taxpayer compliance is influenced by several factors, namely the condition of a country's tax administration system, services to taxpayers, tax law enforcement, tax audits, and tax rates.

Taxation Knowledge is a basic understanding for taxpayers regarding the law, statutes, and correct tax procedures, so that if taxpayers have known and understood the functions and roles of taxation, taxpayers will be more obedient and compliant in their tax affairs. With the development of the era, the Directorate General of Taxes carries out a mission so that revenue targets are achieved by providing modern technology-based services for easy fulfillment of tax obligations. The government has begun to develop an online system and rely on internet facilities as an

innovation to increase taxpayer compliance in fulfilling their tax obligations and to modernize their tax administration system. The use of information technology, especially in the modernization of this tax administration system, has caused many tasks that are usually done by humans, although they can be replaced by systems or machines. An information technology-based taxation system provides convenience in saving time, is accurate and paperless. The use of information technology in the modernization of an e-system-based system is expected to increase compliance and trust in tax administration.

The modernization system of tax administration is characterized by the organization of the Tax Office based on function, not on the type of tax, as in the Plenary Tax Office. This is done to avoid the accumulation of work and power. In addition, the administration system in a modern office uses information technology to increase efficiency. Social media is one form of manifestation of tax education carried out by the Directorate General of Taxes. The Directorate General of Taxes consistently provides tax education, provides interesting content, and responds to public interactions through its social media. The use of social media is in line with the duties of the Directorate of Counseling, Services, and Public Relations (Directorate of P2Humas), a directorate structure under the Directorate General of Taxes (DJP), in accordance with Article 587 of PMK Number 118/PMK.01/2021 concerning the Organization and Work Procedures of the Ministry of Finance which states that, "The Directorate of Counseling, Services, and Public Relations has the task of formulating and implementing policies and technical standardization in the field of counseling, services, and public relations".

The social media used by the Directorate General of Taxes, especially the North Batam Pratama Tax Service Office, is actively involved in tax education, starting from Instagram, Twitter, Facebook, TikTok, YouTube, Spotify, to Linkedin. Each social media certainly has its own characteristics and reach, so the Directorate of Public Relations of the Directorate General of Taxes must be able to adapt to the characteristics of each social media. First, on Instagram, the Directorate General of Taxes provides information related to Indonesian taxation through interesting images and graphics accompanied by quizzes for its followers. Second, on Twitter, the Directorate General of Taxes tries to respond to its followers' questions with light, contemporary replies with a touch of humor. Third, on Facebook, the Directorate General of Taxes provides tax information through images and graphics along with explanations. Fourth, on TikTok, the Directorate General of Taxes shares light content related to taxes and provides comments related to taxes on accounts that are currently receiving a lot of attention from TikTok users. Fifth, on YouTube, the Directorate General of Taxes consistently broadcasts videos of tax socialization and seminars organized by the Directorate General of Taxes. Sixth, on Spotify, the Directorate General of Taxes has started broadcasting podcasts related to taxation. Seventh, on Linkedin, DJP always shares the latest information and news related to Indonesian taxation.

Tax sanctions are also important because the Indonesian government has chosen to implement a self-assessment system in the implementation of tax collection. Administrative sanctions are payments of losses to the state, especially in the form of interest and increases. Taxpayers who do not keep adequate bookkeeping or records will complicate the calculation of taxes that are calculated when the taxpayer fills out the SPT or when they are responsible for filling out their SPT before the SPT examiner or researcher. Administrative sanctions can also be removed or reduced based on the regulations of the Directorate General of Taxes where due to the taxpayer's error or not due to the taxpayer's error, which is the authority of the Directorate General of Taxes because of their position or at the request of the taxpayer. Administrative sanctions imposed on taxpayers on SKP or SPT that are not correct due to the tax officer's carelessness, can be submitted for the removal of sanctions so that a Decision Letter for the Removal of Administrative Sanctions is issued. Taxpayers can apply for a reduction and removal of administrative sanctions in the form of interest, fines, and increases owed according to the provisions of tax laws in the event that the sanctions are due to the taxpayer's error or not due to the taxpayer's error. Service itself is a process of helping others in certain ways that require sensitivity and interpersonal relationships in order to

create satisfaction and success. With the rapid development of technology, the government can take advantage of this to facilitate access, one of the uses of this technological development is online tax administration created by the government to facilitate the implementation of taxation that will be carried out by taxpayers. This aims to increase awareness and compliance of taxpayers and of course increase government revenue in the taxation sector and of course improve the quality of public services (taxpayers). The services provided by the North Batam Tax Office are all to facilitate the implementation of taxation, the government has launched several online-based services including E-filling, E-billing, and E-invoices and each of them has a different function that has been adjusted to the needs of taxpayers. With the existence of online-based services, the government hopes to increase the compliance of MSME taxpayers.

2. IMPLEMENTATION METHOD

This study uses quantitative research type. Quantitative research is a research method that is carried out on research data in the form of numbers and analysis using statistics. Quantitative research is a process of finding knowledge that uses data in the form of numbers as a tool to find information about what we want to know, (sugiyono, 2017). Data collection techniques using variable measurement using questionnaire instruments. Each employee respondent was given five questionnaire instruments to be a source of measurement of the variables studied. Data were collected using the questionnaire method, namely by providing a list of questions or questionnaires to respondents. The reason for using this method is that the research subjects are the people who know themselves best, and the statements given by the subjects are true and can be trusted. The answers to the list of questions that must be filled in by respondents are made using a Likert scale, namely a range of 1 to 5, where a value of 1 is a statement of strongly disagree and a value of 5 is a statement of strongly agree.

The data analysis technique in this study uses Partial Least Square (PLS) which is a second-generation Multivariate Analysis using structural equation modeling (Structural Equation Model/SEM). PLS can be used for small sample sizes, and of course with a large sample size it will be more capable of increasing estimation precision. PLS does not require the assumption of data distribution requirements to be normal or not. Measurement model analysis (Outer Model) aims to evaluate the construct variables being studied, namely the validity (accuracy) and reliability (reliability) of a variable, including: (1) Internal consistency (Internal consistency/composite reliability), (2) Convergent Validity (Convergent Validity/Average Variance Extracted/AVE), and (3) Discriminant Validity (Hair, Hult, Ringle, & Sarstedt, 2014). Structural Model Analysis aims to test the research hypothesis. There are at least two parts that need to be analyzed in this structural model, namely: (1) Collinearity (Collinearity/Variance Inflation Factor/VIF), (2) Testing the significance of the structural model path coefficient (Structural Model Path Coefficient), (3) Determination Coefficient (R-Square).

3. RESULTS AND DISCUSSION

3.1 Evaluation of Measurement Model (Outer Model)

The measurement model (outer model) is confirmatory factor analysis (CFA) by testing the validity and reliability of latent constructs. The following are the results of the outer model evaluation in this study.

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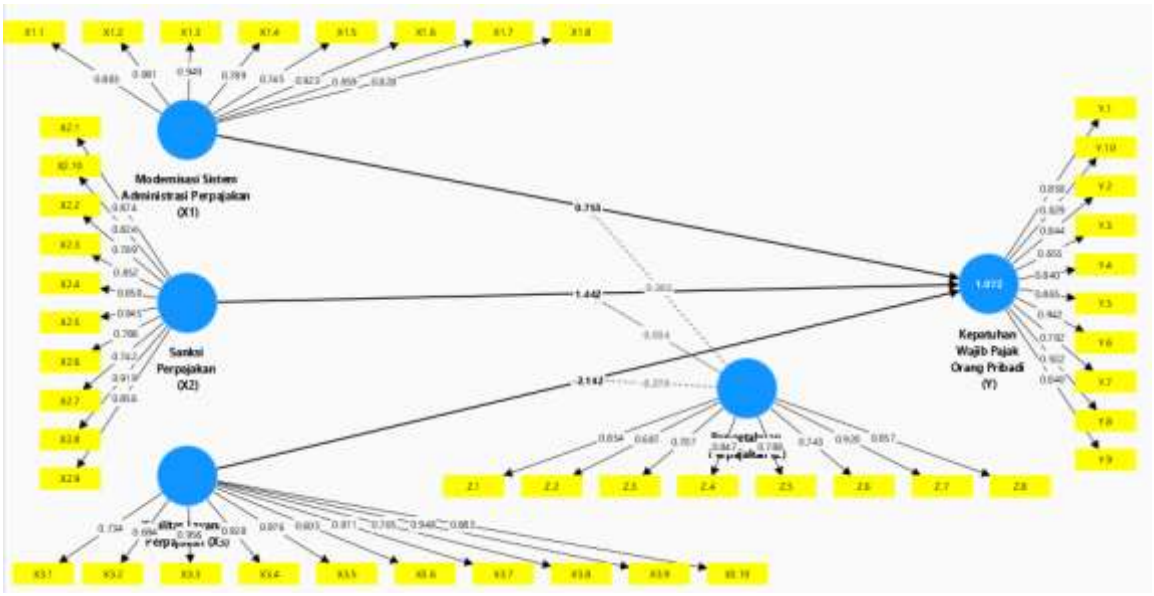

Figure 3.1. Outer Model

To test the validity of data, convergent validity can be used to see the loading factor value and discriminant validity by looking at the cross loading value. In this study, a loading factor of 0.7 was used with the algorithm calculation on Smart PLS 3.0. The following are the results of the convergent validity measurement model test using the loading factor which can be seen in Table 3.1:

Table 3.1
Results of Instrument Validity Test Using Loading Factor

Outer Loadings	(Outer Loading)
X1.1→ Modernization of Tax Administration System (X1)	0.883
X1.2→ Modernization of Tax Administration System (X1)	0.861
X1.3→ Modernization of Tax Administration System (X1)	0.949
X1.4→ Modernization of Tax Administration System (X1)	0.789
X1.5→ Modernization of Tax Administration System (X1)	0.745
X1.6→ Modernization of Tax Administration System (X1)	0.923
X1.7→ Modernization of Tax Administration System (X1)	0.859
X1.8→ Modernization of Tax Administration System (X1)	0.828
X2.1→ Tax Sanctions (X2)	0.874
X2.2→ Tax Sanctions (X2)	0.824

X2.3→ Tax Sanctions (X2)	0.789
X2.4→ Tax Sanctions (X2)	0.852
X2.5→ Tax Penalty (X2)	0.789
X2.6→ Tax Sanctions (X2)	0.852
X2.7→ Tax Sanctions (X2)	0.858
X2.8→ Tax Sanctions (X2)	0.945
X2.9→ Tax Sanctions (X2)	0.786
X2.10→ Tax Sanctions (X2)	0.742
X3.1→ Tax Service Quality (X3)	0.919
X3.2→ Tax Service Quality (X3)	0.856
X3.3→ Tax Service Quality (X3)	0.734
X3.4→ Tax Service Quality (X3)	0.883
X3.5→ Tax Service Quality (X3)	0.794
X3.7→ Tax Service Quality (X3)	0.956
X3.7→ Tax Service Quality (X3)	0.928
X3.8→ Tax Service Quality (X3)	0.976
X3.9→ Tax Service Quality (X3)	0.703
X3.10→ Tax Service Quality (X3)	0.811
Y.1→ Individual Taxpayer Compliance (Y)	0.765
Y.2→ Individual Taxpayer Compliance (Y)	0.948
Y.3→ Individual Taxpayer Compliance (Y)	0.858
Y.4→ Individual Taxpayer Compliance (Y)	0.829
Y.5→ Individual Taxpayer Compliance (Y)	0.844
Y.6→ Individual Taxpayer Compliance (Y)	0.755
Y.7→ Individual Taxpayer Compliance (Y)	0.840
Y.8→ Individual Taxpayer Compliance (Y)	0.865
Y.9→ Individual Taxpayer Compliance (Y)	0.942
Y.10→ Individual Taxpayer Compliance (Y)	0.782
Z.1→ Tax Knowledge (Z)	0.922
Z.2→ Tax Knowledge (Z)	0.840
Z.3→ Tax Knowledge (Z)	0.854
Z.4→ Tax Knowledge (Z)	0.787
Z.5→ Tax Knowledge (Z)	0.707
Z.6→ Tax Knowledge (Z)	0.847
Z.7→ Tax Knowledge (Z)	0.788
Z.8→ Tax Knowledge (Z)	0.743

Source: Processed primary data (2024)

Based on Table 3.1 above, it can be seen that all loading factor values have passed the limit of 0.7 so that it can be concluded that each indicator in this study is valid. Therefore, these indicators can be used to measure research variables. The following are the results of testing the discriminant validity measurement model using cross loading which can be seen in Table 3.2:

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Table 3.2
Results of Instrument Validity Test Using Cross Loading

	Y	X3	X2	X1	Z
X1.1	0.904	0.829	0.897	0.883	0.852
X1.2	0.882	0.844	0.891	0.861	0.887
X1.3	0.972	0.965	0.970	0.949	0.944
X1.4	0808	0.866	0.798	0.789	0.832
X1.5	0.763	0.808	0.794	0.745	0.829
X1.6	0.945	0.922	0.943	0.923	0.940
X1.7	0.880	0.896	0.904	0.859	0.931
X1.8	0.848	0.810	0.873	0.828	0.821
X2.1	0.899	0.751	0.874	0.845	0.871
X2.2	0.812	0.780	0.824	0.888	0.821
X2.3	0.876	0.844	0.787	0.813	0.807
X2.4	0.882	0.965	0.852	0.848	0.864
X2.5	0.972	0.866	0.858	0.895	0.887
X2.6	0.808	0.808	0.945	0.973	0.944
X2.7	0.763	0.922	0.786	0.818	0.832
X2.8	0.945	0.896	0.742	0.815	0.829
X2.9	0.880	0.734	0.979	0.944	0.940
X2.10	0.731	0.883	0.896	0.903	0.931
X3.1	0.880	0.694	0.731	0.735	0.717
X3.2	0.982	0.956	0.904	0.903	0.923
X3.3	0.924	0.976	0.705	0.751	0.930
X3.4	0.801	0.603	0.940	0.936	0.944
X3.5	0.763	0.811	0.919	0.926	0.858
X3.6	0.945	0.763	0.970	0.973	0.832
X3.7	0.808	0.948	0.615	0.630	0.829
X3.8	0.763	0.829	0.793	0.818	0.940
X3.9	0.945	0.856	0.794	0.815	0.871
X3.10	0.858	0.780	0.880	0.944	0861
Y.1.	0.829	0.689	0.851	0.845	0.864
Y.2	0.844	0.813	0.870	0.863	0.745
Y.3	0.665	0.829	0.666	0.848	0.890
Y.4	0.840	0.965	0.899	0.668	0.852
Y.5	0.865	0.866	0.897	0.831	0.944
Y.6	0.942	0.922	0.970	0.901	0.832
Y.7	0.782	0.810	0.798	0.973	0.940
Y.8	0.922	0.780	0.943	0.818	0.821
Y.9	0.840	0.689	0.873	0.944	0.854
Y.10	0.876	0.692	0.870	0.888	0.707
Z.1	0.705	0.813	0.666	0.848	0.847
Z.2	0.726	0.866	0.769	0.668	0.788
Z.3	0.869	0.808	0.899	0.753	0.743
Z.4	0.808	0.922	0.798	0.831	0.867
Z.5	0.762	0.896	0.794	0.818	0.833
Z.6	0.969	0.834	0.850	0.815	0.958
Z.7	0.945	0.855	0.943	0.944	0.920

Z.8	0.880	0.896	0.904	0.903	0.857

Source: Processed primary data (2024)

Based on Table 3.2 above, it can be seen that all cross loading values of each targeted indicator have a higher correlation with each variable compared to other variables. It can be concluded that the indicators above are valid as a whole. The following are the results of reliability calculations using Average Variance Extracted (AVE), Cronbach Alpha and Composite Reliability which can be seen in the following table:

Table 3.3
Calculation of AVE, Cronbach Alpha, and Composite Reliability

	Cronbach's alpha	Rho_a	Rho_c	AVE
Individual Taxpayer Compliance_Y	0.959	0.963	0.960	0.707
Quality of Service_X3	0.958	0.967	0.959	0.703
Modernization of Tax Administration System_X2	0.956	0.959	0.957	0.734
Tax_Knowledge_X1	0.935	0.940	0.936	0.647
Tax_Sanction_Z	0.961	0.964	0.962	0.717

Source: Processed primary data (2024)

Based on Table 3.3 above, it is known that the Cronbach Alpha value of the Individual Taxpayer Compliance variable (Y) is 0.959, the Tax Service Quality variable (X3) is 0.958, the Tax Sanctions variable (X2) is 0.961, the Tax Administration System Modernization variable (X1) is 0.956 and the Tax Knowledge variable (Z) is 0.935. From the calculation results above, it can be seen that all indicators are reliable in measuring their latent variables.

3.2 Structural Model Evaluation (Inner Model)

Evaluation of the inner model can be seen from several indicators including the coefficient of determination (R2), Predictive Relevance (Q2) and Goodness of Fit Index (GoF) (Hussein, 2015). The results of the structural model displayed by Smart PLS 3.0 in this study are as follows:

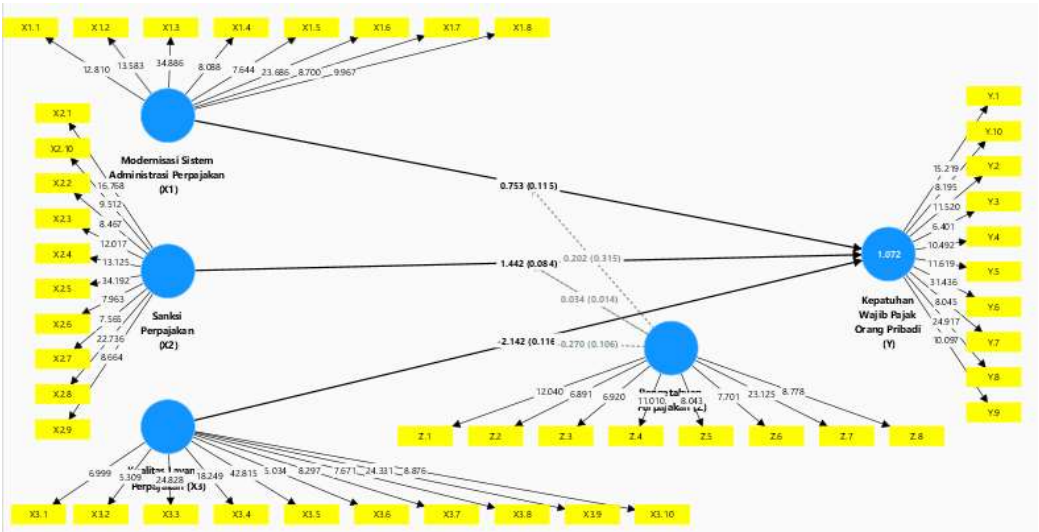

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Figure 3.2 Structural Model (Inner Model)

3.3 R-Square Determination Test Results (R2)

In assessing the model with PLS, it begins by looking at the R-square for each dependent latent variable. The results of the r2 calculation in this study are as follows:

Table 3.4
R-Square Determination Test (R2)

	R-square	Adjusted R-square
Individual Taxpayer Compliance_Y	0.872	0.788

Source: Processed primary data (2024)

Based on the calculation results using bootstapping in Table 4.11 above, it is known that the r2 value of the Individual Taxpayer Compliance variable (Y) is 0.872, which means that the Individual Taxpayer Compliance variable (Y) is influenced by the Tax Administration System Modernization variable (X1), Tax Sanctions variable (X2) and Tax Service Quality variable (X3) by 87.2% or in other words the contribution of the Tax Administration System Modernization variable (X1), Tax Sanctions variable (X2) and Tax Service Quality variable (X3) by 87.2%.

3.4 Hypothesis Testing

1. **Testing Results T-Test (Partial)**

   Hypothesis testing can be seen from the t-statistic value and probability value. For hypothesis testing, namely by using statistical values, then for alpha 5% the t-statistic value used is 1.96.

Table 3.5
T-Test (Partial)

	Original Sample (O)	*Sample Mean (M)*	*Standard Deviation (STDEV)*	*T statistics (|O/STDEV|)*	*P Values*
Modernization of Tax Administration System (X1) -> Individual Taxpayer Compliance (Y)	0.593	0.571	0.144	4.106	0.000
Tax Sanctions (X2) -> Individual Taxpayer Compliance (Y)	0.760	0.736	0.116	6,524	0.000
Tax Service Quality (X3) -> Individual Taxpayer Compliance (Y)	0.779	0.751	0.105	7,440	0.000

Source: Processed primary data (2024)

a. The first hypothesis isModernization of Tax Administration System (X1) has a significant influence on the variable of Individual Taxpayer Compliance (Y). The variable of Modernization of Tax Administration System (X1) has a t-statistic value of 4.106 and a p-value of 0.000. The t-statistic value of Modernization of Tax Administration System (X1) is above the t-table value of 1.96 (4.1006> 1.96), with a p-value of 0.000 <0.05 so that the first hypothesis is accepted. The first hypothesis is that

Modernization of Tax Administration System (X1) has a significant influence on the variable of Individual Taxpayer Compliance (Y).

b. The second hypothesis isTax Sanctions (X2) have a significant influence on the variable of Individual Taxpayer Compliance (Y). The variable of Tax Sanctions (X2) has a t-statistic value of 6.524 and a p-value of 0.000. The t-statistic value of Tax Sanctions (X2) is above the t-table value of 1.96 (6.524> 1.96), with a p-value of 0.000 <0.05 so that the second hypothesis is accepted. The second hypothesis is that Tax Sanctions (X2) have a significant influence on the variable of Individual Taxpayer Compliance (Y).

c. The third hypothesis isTax Service Quality (X3) has a significant influence on the variable of Individual Taxpayer Compliance (Y). The variable of Tax Service Quality (X3) has a t-statistic value of 7.440 and a p-value of 0.000. The t-statistic value of Tax Service Quality (X3) is above the t-table value of 1.96 (7.440> 1.96), with a p-value of 0.000 <0.05 so that the third hypothesis is accepted. The third hypothesis is that Tax Service Quality (X3) has a significant influence on the variable of Individual Taxpayer Compliance (Y)

2. Moderation Testing

Moderation hypothesis testing was carried out using moderated regression analysis (MRA) estimated using SEM-PLS.The results of this test can be seen in the following table:

Table 3.6
Intervening Test

	Original Sample (O)	*Sample Mean (M)*	*Standard Deviation (STDEV)*	*T statistics (|O/STDEV|)*	*P Values*
Tax Knowledge (Z) -> Modernization of Tax Administration System (X1) -> Individual Taxpayer Compliance (Y)	0.804	0.782	0.117	6,867	0.000
Tax Knowledge (Z) -> Tax Sanctions (X2) -> Individual Taxpayer Compliance (Y)	-8,558	0.286	10,681	0.801	0.425
Tax Knowledge (Z) -> Tax Service Quality (X3) -> Individual Taxpayer Compliance (Y)	0.846	0.832	0.110	7,671	0.000

Source: Processed primary data (2024)

a. It can be seen that the t-statistic value of the influence of Tax Knowledge (Z) moderating the influence of Modernization of the Tax Administration System (X1) on Individual Taxpayer Compliance (Y) is greater than the statistical value (1.96) with a large influence of 6.867 and a p-value <0.05 with a spread of 0.000. So it can be concluded that Tax Knowledge (Z) has a positive and significant effect in moderating the influence of Modernization of the Tax Administration System (X1) on Individual Taxpayer Compliance (Y).

b. It can be seen that the t-statistic value of the influence of Tax Knowledge (Z) moderating the influence of Tax Sanctions (X2) on Individual Taxpayer Compliance (Y) is smaller than the statistical value (1.96) with a large influence of 0.801 and p-value> 0.05 with a spread of 0.425. So it can be concluded that Tax Knowledge (Z) does not have a positive and significant effect in moderating the influence of Tax Sanctions (X2) on Individual Taxpayer Compliance (Y).

c. It can be seen that the t-statistic value of the influence of Tax Knowledge (Z) moderating the influence of Tax Service Quality (X3) on Individual Taxpayer Compliance (Y) is greater than the statistical value (1.96) with a large influence of 7.671 and a p-value <0.05 with a spread of 0.000. So it can be concluded that Tax Knowledge (Z) has a positive and significant effect in moderating the influence of Tax Service Quality (X3) on Individual Taxpayer Compliance (Y).

4. CONCLUSION

Based on the research results explained in the previous chapter, the following research conclusions can be obtained:

1) Modernization of the Tax Administration System has a significant influence on Individual Taxpayer Compliance.
2) Tax sanctions have a significant influence on Individual Taxpayer Compliance.
3) The quality of tax services has a significant influence on individual taxpayer compliance.
4) Tax knowledge has a positive and significant effect in moderating the influence of Modernization of the Tax Administration System on Individual Taxpayer Compliance.
5) Tax Knowledge does not have a positive and significant effect in moderating the influence of Tax Sanctions on Individual Taxpayer Compliance.
6) Tax Knowledge has a positive and significant effect in moderating the influence of Tax Service Quality on Individual Taxpayer Compliance.
7) Magnitude of influenceThe contribution of the Tax Administration System Modernization variable, the Tax Sanctions variable and the Tax Service Quality variable to the Individual Taxpayer Compliance variable is 108.8%.
8) Based on the Cronbach Alpha results of the Individual Taxpayer Compliance variable, the Tax Service Quality variable, the Tax Sanctions variable, the Tax Administration System Modernization variable and the Tax Knowledge variable, from the calculation results it can be seen that all indicators are reliable in measuring their latent variables.
9) Based on the calculation of the Q-square predictive relevance (Q2) value of the Tax Administration System Modernization variable, the Tax Sanctions variable and the Tax Service Quality variable on the Individual Taxpayer Compliance variable as a whole is 88.0%, while the remaining 12.0% is the contribution of variables that are not discussed in this study.
10) Based on the results of the research that has been carried out,Tax Service Quality has the greatest and most significant influence on the Individual Taxpayer Compliance variable compared to other variables. Where it has a t-statistic value of 7,440 and a p-value of 0.000.

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