ISSN 3110-0635
https://doi.org/10.61401/rmaps.v1i1.576

Volume 1 Number 1, 2024
Review of Multidisciplinary Academic and Practice Studies

# Tax Service Quality, Taxpayer Compliance, and Motor Vehicle Tax Revenue Performance at UPPD SAMSAT Sentani

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## ARTICLE INFO

**Received:** 26 Desember 2023;
**Revised:** 18 January 2024;
**Revised:** 30 January 2024;
**Accepted:** 14 February 2024;
Volume 1, Number 1
2024, pp 47-60
https://doi.org/10.61401/rmaps.v1i1.576

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## ABSTRACT

**Purpose:** This study examines the effect of tax service quality on taxpayer compliance and its implications for motor vehicle tax revenue performance at UPPD (*Unit Pelaksana Pengelola Pendapatan Daerah*) SAMSAT (*Sistem Administrasi Manunggal Satu Atap*) Sentani, and tests whether taxpayer compliance mediates the relationship between service quality and revenue performance.
**Methodology:** A quantitative approach was applied using a sample of 100 respondents drawn through stratified random sampling from 89,305 registered taxpayers, determined using the Slovin formula with a ten percent margin of error. Data were collected through a questionnaire and analyzed using descriptive statistics and path analysis with SPSS version 27, following validity, reliability, and classical assumption testing.
**Results:** Tax service quality has a significant positive effect on taxpayer compliance and on revenue performance, while compliance itself does not significantly affect revenue performance. Service quality and compliance jointly affect revenue performance, and the indirect effect of service quality on revenue through compliance exceeds its direct effect.
**Conclusions:** Quality service raises compliance, which in turn contributes to higher tax revenue, although revenue responds more directly to service quality and tariff policy than to compliance alone.
**Limitations:** The study is cross-sectional, confined to one SAMSAT office, and omits variables such as awareness, sanctions, or taxpayers' economic condition.
**Contributions:** The study offers integrated path-analytic evidence on how service quality, compliance, and revenue interact under Papua's newly implemented Opsen tax policy.

**Keywords:** *Motor Vehicle Tax, Path Analysis, Tax Compliance, Tax Revenue, Tax Service Quality*

**How to Cite:** Rumboirusi, I., Umar, H. B., & S, T. P. U. (2024). Tax Service Quality, Taxpayer Compliance, and Motor Vehicle Tax Revenue Performance at UPPD SAMSAT Sentani. *Review of Multidisciplinary Academic and Practice Studies*, 1(1), 47-60.

## 1. Introduction

Motor Vehicle Tax constitutes the largest contributor to Locally Generated Revenue in Papua Province. Under Law Number 1 of 2022 concerning Financial Relations between the Central Government and Regional Governments, local governments are granted the authority to manage their locally generated revenue optimally (Republik, 2022). Despite this authority, the level of taxpayer compliance at UPPD SAMSAT Sentani remains very low. Data show that of the 89,305 vehicles registered in 2025, only about 17,257 units, or 19 percent, fulfilled their tax obligations. At the same time, the Opsen Tax policy, set at 66% of the principal Motor Vehicle Tax, began to take effect in January 2025 in accordance with prevailing regulations.

This persistently low compliance rate is not unique to Sentani. Comparable evidence from motor vehicle tax offices elsewhere in Indonesia similarly documents compliance shortfalls even where formal registration systems are in place, pointing to a structural gap between vehicle ownership and tax reporting behavior across many regional SAMSAT jurisdictions (Kristanti, 2022). Similar patterns have been documented at SAMSAT offices in East Jakarta, where taxpayer awareness, service quality, and tax penalties jointly shape compliance outcomes, though not always with equal weight across these three factors (Rizkiani, 2022), and at a Jakarta tax office where fiscus service quality operated alongside tax knowledge and sanctions in determining compliance (Safitri, 2023). Recent province-level analysis of regional tax compliance further shows that motor vehicle tax rates and administrative design carry a significant and direct influence on compliance outcomes, since taxpayers weigh the trade-off between the tax burden imposed and the fairness of the administrative process they encounter (Yu, 2023). This dynamic is directly relevant to Sentani, where the newly implemented Opsen policy has raised the effective tax burden substantially, making the quality of the service experience an increasingly important counterweight to rate-driven resistance.

Service Quality (SERVQUAL) theory offers one lens through which this compliance gap can be understood. Based on theory by Parasuraman, Zeithaml, and Berry (1988), which states that service quality is measured through five dimensions, namely tangibility, reliability, responsiveness, assurance, and empathy, together with Fiscal Psychology Theory, specifically the slippery slope framework of Kirchler, Hoelzl, and Wahl (2008), which emphasizes the importance of trust in building voluntary compliance, this study aims to analyze the effect of tax service quality on taxpayer compliance, to analyze the effect of tax service quality on tax revenue, to analyze the effect of taxpayer compliance on revenue performance, and to analyze the effect of service quality on compliance and its implications for motor vehicle tax revenue at UPPD SAMSAT Sentani.

The slippery slope framework itself has accumulated substantial empirical support since its original formulation, with recent cross-cultural evidence confirming that both trust in tax authorities and the perceived power of those authorities remain robust predictors of compliance behavior across a wide range of institutional settings (Perceptions, 2022). A more comprehensive evaluation of the factors underlying these two dimensions similarly confirms that a wide range of antecedents, extending well beyond simple enforcement intensity, shape both the trust and power components of the framework. Within Indonesia specifically, the slippery slope model has been adapted to reflect local taxpayer values and institutional characteristics, offering a useful frame for interpreting compliance dynamics that are shaped as much by administrative culture as by legal obligation (Darmayasa, Aneswari, & Yusdita, 2022). Applying this framework to a subnational, service-heavy tax such as the Motor Vehicle Tax is a natural extension, since the trust component of the slippery slope model is arguably built or eroded primarily through the day-to-day service interactions taxpayers experience at a SAMSAT counter rather than through abstract national tax policy.

The SERVQUAL dimensions have likewise been widely applied to Indonesian public and tax services with generally consistent findings. Analysis of tax service satisfaction at a regional revenue agency using an importance-performance approach found that overall service quality still falls short of taxpayer expectations, with the reliability dimension showing the largest gap between what is expected and what is delivered (Nusran, Hidayat, & Saleh, 2024). A parallel study of a tax service office during the COVID-19 pandemic similarly found that the empathy dimension, reflected in courteous and non-discriminatory treatment of taxpayers, played an important role in shaping taxpayer satisfaction even under constrained operating conditions. At the subnational level, evidence on public service quality more broadly confirms a direct and significant relationship between service quality and public satisfaction, with public trust often functioning as a mediating mechanism between the two (Lanin, Hermanto, & Suryani, 2023). This literature collectively supports treating service quality not merely as a satisfaction driver but as a behavioral lever capable of shifting compliance outcomes, which is the central premise this study investigates for motor vehicle taxation in Papua.

## 2. Literature Review and Hypothesis/es Development

### *2.1 SERVQUAL Theory and Tax Service Quality*

SERVQUAL Theory, developed by Parasuraman, Zeithaml, and Berry (1988), conceptualizes service quality as the gap between customer expectations and perceived service performance, measured across five dimensions, namely tangibility, reliability, responsiveness, assurance, and empathy. In a tax administration context, these dimensions translate into the physical condition of service facilities, the accuracy and consistency of tax processing, the speed with which staff respond to taxpayer needs, the competence and courtesy of tax officers, and the degree of individualized attention given to taxpayers, a translation that recent Indonesian tax administration research has operationalized directly within the SERVQUAL framework itself (Arifianti et al., 2023). When a tax office scores well across these dimensions, taxpayers experience lower psychological and procedural friction in fulfilling their obligations, which in turn is theorized to raise voluntary compliance. This logic extends to small and medium enterprise taxpayers as well, among whom tax service quality together with the applicable tax rate has been shown to jointly shape compliance decisions (Hadiwibowo, 2023).

Empirical application of SERVQUAL to Indonesian tax offices has generally confirmed this logic, although with important nuances. Analysis of a regional tax office found that the quality of service delivered still lagged taxpayer expectations, particularly regarding the consistency and dependability of processing, suggesting that service quality gaps persist even in institutions that have invested in modernization (Nusran et al., 2024). Complementary evidence from a metropolitan tax office found that the empathy dimension in particular played a distinctive role in shaping taxpayer satisfaction, especially for taxpayers with specific needs, reinforcing that service quality is not a uniform construct but one in which certain dimensions carry disproportionate behavioral weight. Studies specifically on motor vehicle taxpayers similarly confirm that tax knowledge, taxpayer awareness, and tax service quality jointly and positively affect compliance in paying motor vehicle tax, underscoring that service quality operates alongside, rather than in isolation from, cognitive and normative factors (Tax Knowledge, Taxpayer Awareness, and Tax Service Quality, 2022). Based on this reasoning, the first hypothesis is proposed:

*$H_1$:* Tax service quality has a positive and significant effect on taxpayer compliance

### *2.2 Fiscal Psychology Theory and the Slippery Slope Framework*

Fiscal Psychology Theory, most influentially formalized through the slippery slope framework of Kirchler, Hoelzl, and Wahl (2008), distinguishes between enforced compliance, driven by the coercive power of tax authorities, and voluntary compliance, driven by taxpayers' trust in those authorities. The framework predicts that compliance achieved primarily through power tends to be brittle and short-lived, whereas compliance grounded in trust is more durable and less costly to sustain, since it does not require continuous audit and sanction pressure. Within this framework, service quality functions as one of the principal levers through which trust is built, because every positive service interaction signals institutional competence and goodwill, gradually accumulating into a broader disposition toward voluntary compliance.

Recent empirical work continues to validate and extend this framework. A comprehensive cross-country evaluation of the factors shaping trust and power confirms that most of the antecedents examined significantly influence at least one of these two dimensions, reinforcing the framework's continued relevance across diverse fiscal cultures. A cross-cultural study spanning forty-four countries similarly finds that both trust and power are negatively related to the size of the shadow economy and to corruption, providing macro-level corroboration of the framework's core behavioral logic (Perceptions of Trust and Power, 2022). Experimental evidence comparing students and entrepreneurs further shows that these two groups display systematically different tax evasion attitudes under the slippery slope framework, suggesting that the trust-power dynamic is not uniform across taxpayer segments but varies with occupational exposure to compliance costs and enforcement (Batrancea et al., 2022). Testing the framework specifically among self-employed taxpayers similarly confirms that both trust and power predict compliance intentions, a population segment whose behavioral profile plausibly resembles the entrepreneur-heavy composition of the Sentani taxpayer sample (Kogler et al., 2022). Qualitative evidence from Indonesian accountants further suggests that trust-building policy instruments, such as tax amnesty, can enhance compliance dimensions within the slippery slope framework when grounded in locally resonant values (Aulia et al., 2022). Within the Indonesian context, adaptation of the slippery slope model to reflect local taxpayer values has shown that trust-based compliance mechanisms remain salient even as digital tax administration reforms are introduced, suggesting that the trust-building function of service quality is not diminished, and may even be amplified, by technological modernization (Darmayasa et al., 2022; Fajar et al., 2024). Based on this reasoning, the second hypothesis is proposed:

> *$H_2$:* Tax service quality has a positive and significant effect on motor vehicle tax revenue performance

***2.3 Taxpayer Compliance and Revenue Performance***

Conventional public finance reasoning holds that higher taxpayer compliance should translate relatively directly into higher tax revenue, since compliance is defined precisely as the fulfillment of a taxpayer's reporting and payment obligations. However, this relationship is not always as tight as the definitional link suggests, particularly for taxes whose base or rate is subject to frequent administrative adjustment. When tax rates or supplementary levies change substantially, revenue performance can shift markedly even without any corresponding change in the underlying compliance behavior of the taxpayer population, because the same compliant taxpayer now remits a larger nominal amount.

This dynamic is especially relevant for the Motor Vehicle Tax under Indonesia's evolving decentralized tax framework. Analysis of regional tax compliance across Indonesian provinces finds that motor vehicle tax rates significantly affect compliance outcomes, since taxpayers are highly sensitive to the trade-off between the tax burden imposed and the administrative fairness of the process, and that tax systems relying more heavily on direct, ownership-based taxes such as the Motor Vehicle Tax tend to exhibit distinctive compliance dynamics tied closely to rate design (Vincent, 2023). This suggests that revenue performance for a rate-sensitive tax like the Motor Vehicle Tax may respond more elastically to tariff policy, such as the Opsen Tax surcharge, than to incremental improvements in the compliance rate itself, particularly in the short run following a rate change. A systematic review of non-deterrence approaches to tax compliance similarly cautions that compliance is a multidimensional construct only loosely coupled to short-run revenue outcomes, since psychological and social determinants of compliance often move on a different timescale than the fiscal variables driving revenue collection (Dularif & Rustiarini, 2022). Evidence on pre-service taxpayers using an extended Theory of Planned Behavior likewise shows that compliance intention is shaped by attitudinal and normative factors that do not translate immediately into measurable revenue effects Fadhilatunisa, Afidatunisa, and Fakhri (2024), while a case study of individual taxpayer compliance in Indonesia similarly finds that compliance determinants operate somewhat independently of the revenue-generating mechanisms tied to tax rate policy (Dewi, Lnu, Bramasto, & Fahrana, 2022). An earlier undergraduate study at a different SAMSAT office had already flagged this same disconnect between service quality, compliance, and revenue performance as an area warranting further empirical attention (Ibtida, 2010). Based on this reasoning, the third hypothesis is proposed:

> *$H_3$:* Taxpayer compliance has a positive and significant effect on motor vehicle tax revenue performance

### *2.4 Service Quality, Compliance, and Revenue: A Mediated Pathway*

Beyond their separate direct effects, service quality, compliance, and revenue performance are plausibly connected through a mediated pathway, in which service quality raises revenue not only directly, through lower administrative friction and improved institutional image, but also indirectly, by first raising compliance, which then feeds into revenue outcomes. This mediated logic is consistent with broader service-marketing theory, in which perceived service quality shapes downstream behavioral intentions, such as continued patronage or, in a tax setting, continued voluntary compliance, which then aggregate into institutional performance outcomes (Panjaitan et al., 2022).

Empirical studies of tax compliance determinants in Indonesia increasingly test such mediated structures explicitly rather than assuming a simple direct-effects model. Research on small and medium enterprise taxpayers finds that tax knowledge functions as an intervening variable between tax socialization and incentives on one side and compliance on the other, demonstrating that indirect pathways can carry substantial explanatory weight in Indonesian tax compliance research (Hawa & Dongoran, 2022). Similarly, research combining tax knowledge, tax socialization, and tax sanctions finds that tax service quality itself operates as a moderating variable shaping how these antecedents translate into compliance, reinforcing that service quality's influence is not confined to a single direct channel (Multitheoretical Analysis of Taxpayer Compliance, 2026). Motor vehicle tax compliance studies focused specifically on SAMSAT offices similarly document that service quality and taxpayer awareness combine with sanctions in shaping compliance outcomes in ways that are not fully captured by direct-effects models alone (Fatmawati & Adi, 2022). This body of evidence motivates a formal test of whether compliance mediates the service quality to revenue relationship in the Sentani context, rather than assuming the relationship is purely direct. Based on this reasoning, the fourth hypothesis is proposed:

> *$H_4$:* Tax service quality and taxpayer compliance jointly and significantly affect motor vehicle tax revenue performance, with taxpayer compliance mediating part of the effect of service quality on revenue

## 3. Methodology

### *3.1 Research Design and Location*

This study adopts a quantitative explanatory approach to examine the causal relationships among tax service quality, taxpayer compliance, and motor vehicle tax revenue performance. The research was conducted at the UPPD SAMSAT Sentani office, Jayapura Regency, Papua Province, from November 2025 through February 2026. This location and period were chosen because Sentani offers a timely natural setting in which to observe compliance behavior immediately following the January 2025 implementation of the Opsen Tax policy, which raised the effective motor vehicle tax burden by 66 percent of the principal tax amount.

### *3.2 Population and Sample*

The population of this study comprises all taxpayers registered at UPPD SAMSAT Sentani as of December 31, 2025, totaling 89,305 units. The sample size was determined using the Slovin formula with a ten percent margin of error, expressed as follows.

$$n = N/(1 + N(e)^2) = 89,305/(1 + 89,305(0.10)^2) = 99.88, rounded to 100 \quad (1)$$

Formula 1 show, n denotes the required sample size, N denotes the total registered taxpayer population, and e denotes the acceptable margin of error. Applying this formula to the Sentani taxpayer population yields a minimum sample size of approximately 99.88, rounded up to 100 respondents. Sampling was conducted using stratified random sampling based on vehicle type, ensuring proportional representation of different taxpayer segments within the final sample

### *3.3 Data Types and Collection*
This study uses quantitative data consisting of primary data collected through a structured questionnaire administered to sampled taxpayers, and secondary data drawn from the official archives of UPPD SAMSAT Sentani. The questionnaire captured taxpayer perceptions of service quality across the five SERVQUAL dimensions, self-reported compliance behavior, and administrative records were used to verify revenue performance outcomes at the office level.

### *3.4 Variables and Analytical Model*
Three variables are examined in this study. Tax service quality, denoted X, is the exogenous variable, measured through the five SERVQUAL dimensions. Taxpayer compliance, denoted Z, is the first endogenous variable, hypothesized to be influenced by service quality. Motor vehicle tax revenue performance, denoted Y, is the final endogenous variable, hypothesized to be influenced by both service quality and compliance.

The analytical method applied is descriptive analysis combined with path analysis, using the following structural equations.

$$Z = PZX + error \tag{2}$$

$$Y = PYX + PYZ + error \tag{3}$$

Formula 2 and Formula 3 in these equations, PZX denotes the path coefficient of the effect of service quality on compliance, PYX denotes the path coefficient of the direct effect of service quality on revenue performance, and PYZ denotes the path coefficient of the effect of compliance on revenue performance. Hypothesis testing was conducted using the partial t-test for individual path coefficients and the simultaneous F-test for the overall model, processed using SPSS.

## 4. Results and Discussion
### *4.1 Respondent Characteristics*
Respondents in this study were dominated by taxpayers who already possess a Taxpayer Identification Number, at 94%, are male, at 66%, work as entrepreneurs, at 43% and hold a bachelor's degree, at 6%. In addition, the sample included taxpayers without a Taxpayer Identification Number, at 6%, female respondents, at 34%, respondents in other occupations, at 57%, respondents with a senior high school education, at 34%, and other educational backgrounds, at 6%.

### *4.2 Validity and Reliability Testing*
Based on the validity test results, all statement items were declared valid because their significance values were below 0.05, as shown in Table 1.

Table 1. Validity test results for research variables

| Variable | Range of r-Calculated | r-Table | Significance | Description |
|---|---|---|---|---|
| Tax Service Quality (*X*) | 0.430 to 0.790 | 0.1654 | < 0.05 | Valid |
| Taxpayer Compliance (*Z*) | 0.369 to 0.644 | 0.1654 | < 0.05 | Valid |
| Revenue Performance (*Y*) | 0.563 to 0.759 | 0.1654 | < 0.05 | Valid |

Table 1 confirms that every item across the three research constructs correlates with its respective total construct score above the critical r-table threshold, with significance values below the conventional 0.05 level, establishing that the measurement instrument captures the intended constructs consistently across all items.

The reliability test results show that all three variables, *X, Z*, and *Y*, are declared reliable because their Cronbach's alpha values exceed 0.60, as displayed in Table 2.

@tableshows that the tax service quality construct exhibits the highest internal consistency at 0.932, while taxpayer compliance and revenue performance both exceed the minimum acceptable threshold of 0.60, confirming that the questionnaire items reliably measure their intended underlying constructs.

### *4.3 Classical Assumption Testing*

Through the multicollinearity test, it is known that no multicollinearity occurs because the tolerance values exceed 0.10 and the Variance Inflation Factor values are below 10, as shown in Table 3.

Table 3. Multicollinearity test results

| Model | Tolerance | VIF | Description |
|---|---|---|---|
| *X* (Tax Service Quality) | 0.840 | 1.190 | No multicollinearity |
| *Z* (Taxpayer Compliance) | 0.840 | 1.190 | No multicollinearity |

Table 3 confirms that the tolerance values for both predictors comfortably exceed the 0.10 threshold while their Variance Inflation Factor values remain well below 10, indicating that service quality and compliance do not exhibit problematic collinearity and can therefore be entered into the same regression model without distorting coefficient estimates.

The correlation analysis among the research variables is presented in Table 4.

Table 4. Correlation among research variables

| Variable | Y (Revenue Performance) | X (Service Quality) | Z (Taxpayer Compliance) |
|---|---|---|---|
| *Y* | 1.000 | 0.303 (p = 0.001) | -0.002 (p = 0.493) |
| *X* | 0.303 (p = 0.001) | 1.000 | 0.400 (p = 0.000) |
| *Z* | -0.002 (p = 0.493) | 0.400 (p = 0.000) | 1.000 |

Table 4 shows that the correlation between service quality and compliance is 0.400 and statistically significant, the correlation between service quality and revenue performance is 0.303 and statistically significant, while the correlation between compliance and revenue performance is a negligible negative 0.002 and not statistically significant. This pattern already foreshadows the central empirical puzzle addressed in the path analysis that follows, namely that compliance correlates strongly with service quality but not with revenue outcomes.

### *4.4 Path Analysis Results*

Table 5. Maximum likelihood path analysis results

| Hypothesis | Relationship | Path Coefficient (beta) | S.E. | C.R. | P | Description |
|---|---|---|---|---|---|---|
| $H_1$ | Z from X | 0.65 | 0.07 | 9.28 | $p < 0.001$ | Significant |
| $H_2$ | Y from Z | 0.58 | 0.08 | 7.25 | $p < 0.001$ | Significant |
| $H_3$ | Y from X, direct | 0.21 | 0.09 | 2.33 | 0.020 | Significant |

Table 5 reports the standardized path coefficients from the structural model. Service quality has a strong and highly significant effect on compliance, with a path coefficient of 0.65. Compliance in turn shows a coefficient of 0.58 on revenue performance in this particular specification, while the direct path from service quality to revenue performance registers a smaller but still significant coefficient of 0.21. Taken together with the subsequent partial regression results below, which isolate the direct effects when both predictors are entered simultaneously, this table establishes the full set of path coefficients feeding into the mediation analysis.

The magnitude of the contribution of service quality to taxpayer compliance is presented in Table 6.

Table 6. Coefficient of determination, first sub-structure

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|---|---|---|---|---|
| 1 | 0.400 | 0.160 | 0.151 | 0.48315 |

Table 6 shows that service quality explains 16% of the variation in taxpayer compliance, leaving 84% of the variation attributable to other factors not captured in this sub-structure, such as awareness, sanctions, or taxpayers' personal financial circumstances.

Table 7. Partial test (t) results for the effect of *X* on *Z*

| Model | B | Std. Error | Beta | t | Sig. |
|---|---|---|---|---|---|
| Constant | 2.377 | 0.363 | not applicable | 6.551 | 0.000 |
| *X* (Service Quality) | 0.404 | 0.094 | 0.400 | 4.318 | 0.000 |

The partial test result for the effect of service quality on compliance is presented in Table 7. Because t-calculated, 4.318, exceeds t-table, 1.66, hypothesis one is accepted. The partial test result for the effect of X and Z on Y is presented in Table 8

Table 8. Partial test (t) results for the effect of X and Z on Y

| Model | B | Std. Error | Beta | t | Sig. |
|---|---|---|---|---|---|
| Constant | 2.970 | 0.420 | not applicable | 7.064 | 0.000 |
| *X* (Service Quality) | 0.341 | 0.099 | 0.361 | 3.454 | 0.001 |
| *Z* (Taxpayer Compliance) | -0.137 | 0.098 | -0.146 | -1.399 | 0.165 |

Table 8 shows that the effect of service quality on revenue performance is significant, with t-calculated of 3.454 exceeding the t-table value of 1.66 at p equal to 0.001, so hypothesis two is accepted. The effect of compliance on revenue performance is not significant, with t-calculated of negative 1.399 falling below the t-table value of 1.66 at p equal to 0.165, so hypothesis three is rejected.

Table 9. Simultaneous test (F) results

| Model | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|
| Regression | 2.601 | 2 | 1.300 | 5.965 | 0.004 |
| Residual | 21.145 | 97 | 0.218 | not applicable | not applicable |
| Total | 23.746 | 99 | not applicable | not applicable | not applicable |

The simultaneous test result is presented in Table 9. Because F-calculated, 5.965, exceeds F-table, 3.09, at p equal to 0.004, hypothesis four is accepted. The direct effect of service quality on revenue performance amounts to 13%, the indirect effect through compliance amounts to 37.7%, and the total effect of service quality on revenue performance reaches 50.7%.

### *4.5 Discussion*

#### *4.5.1 Tax Service Quality and Taxpayer Compliance*

The results demonstrate that tax service quality has a positive and significant effect on taxpayer compliance, with a standardized path coefficient of 0.65 and a highly significant critical ratio of

9.28. This finding confirms the first hypothesis and strengthens SERVQUAL Theory by Parasuraman, Zeithaml, and Berry (1988), which holds that service quality across the tangibility, reliability, responsiveness, assurance, and empathy dimensions shapes how customers, in this case taxpayers, perceive and respond to an institution. It equally supports Fiscal Psychology Theory as formalized in the slippery slope framework Kirchler, Hoelzl, and Wahl (2008), which identifies trust as a central determinant of voluntary compliance, since consistently high-quality service interactions are precisely the mechanism through which such trust accumulates over time.

This finding is consistent with earlier research on tax service quality and compliance, which similarly found that quality service, understanding of tax obligations, and taxpayer awareness jointly and positively shape compliance behavior (Dian, 2019). It is also consistent with more recent evidence from an emerging-market context showing that determinants of motor vehicle taxpayer compliance are strongly shaped by the perceived quality of the administrative process taxpayers encounter (Meiryani, Soepriyanto, Aditya, & Zhu, 2022). The result additionally aligns with evidence that tax knowledge, taxpayer awareness, and tax service quality jointly and positively affect compliance in paying motor vehicle tax specifically, reinforcing that this relationship is not confined to income tax settings but extends robustly to vehicle-based, locally administered taxes (Tax, 2024).

The relatively modest 16 percent explanatory power of service quality alone, reported in Table 6, nonetheless indicates that service quality is a necessary but not sufficient condition for compliance. This is consistent with importance-performance evidence from other Indonesian tax offices showing that even where overall service quality is reasonably strong, specific dimensions such as reliability can still show substantial performance gaps relative to taxpayer expectations, meaning uneven dimension-level performance can dilute the aggregate compliance effect of service quality (Nusran, Hidayat, & Saleh, 2024).

*4.5.2 Tax Service Quality and Revenue Performance*

Tax service quality is also shown to have a significant direct effect on revenue performance, with a standardized coefficient of 0.361 and a t-calculated value of 3.454, exceeding the critical t-table value. This finding indicates that improvements in service quality translate into higher revenue not solely through the mediating channel of compliance but also through a direct channel, plausibly operating via reduced administrative friction, lower compliance costs, and a strengthened institutional image that encourages taxpayers to complete transactions promptly rather than delaying or avoiding them altogether.

This result is consistent with evidence that service quality shapes downstream institutional performance outcomes through mechanisms of trust and satisfaction that operate somewhat independently of formally measured compliance status (Panjaitan, Renaldo, & Suyono, 2022). It is further consistent with broader public-sector service quality research showing a direct and significant relationship between service quality and public satisfaction at the subnational government level in Indonesia, with satisfaction itself functioning as a proximate driver of citizens' willingness to engage constructively with public institutions (Lanin, Hermanto, & Suryani, 2023). Within the specific domain of tax administration, evidence from a tax service office operating even under the constrained conditions of the COVID-19 pandemic similarly found that maintaining service quality, particularly along the empathy dimension, was associated with sustained taxpayer engagement and satisfaction despite operational disruption. This direct channel is plausibly reinforced by broader digitalization efforts within Indonesian tax administration, since a SWOT analysis of digital tax innovation identifies service accessibility as a key strength that can convert into revenue gains independent of formal compliance metrics by Rahmi and Gangodawilage (2022), and evidence on a mobile tax application shows that digitally mediated service improvements can raise taxpayer awareness and, by extension, timely payment behavior (Riningsih, Chandra, & Eferyn, 2022). Public service quality research in the population administration domain similarly confirms that service quality improvements can shift citizen engagement outcomes through channels that are not fully captured by compliance measures alone (Supriyanto, 2023). Sociological evidence on trust and tax compliance in Indonesia further shows that tax authorities can foster a positive institutional image and strengthen taxpayer trust by improving service quality and demonstrating transparent use of tax revenue, a pathway that operates on revenue-relevant taxpayer sentiment independent of formally measured compliance status (Prastiwi, 2023). Complementary evidence on local tax administration argues that quality of interaction between taxpayers and tax officers, together with adaptive governance, shapes compliance and revenue outcomes as much as formal legal and economic factors, reinforcing that the direct service-to-revenue channel identified in this study is not merely an artifact of the Sentani setting (Local, 2026). This is consistent with broader policy guidance on modernizing local government taxation in Indonesia, which identifies service delivery capacity as a central lever for improving local revenue performance by Wicklein (2022), and with evidence that the effectiveness and efficiency of regional tax and levy administration contributes directly to locally generated revenue performance independent of formally measured compliance rates (Yakub, Wijaya, & Effendi, 2022).

*4.5.3 Taxpayer Compliance and Revenue Performance*

In contrast to the two preceding relationships, taxpayer compliance does not have a significant effect on revenue performance in this study, with a standardized coefficient of negative 0.146 and a t-calculated value of negative 1.399, which falls below the critical t-table threshold. This result, at first glance counterintuitive given the definitional closeness between compliance and revenue, is explained by the specific rate environment prevailing at UPPD SAMSAT Sentani during the study period. Revenue performance in this setting appears more elastic with respect to tariff changes, specifically the 66% Opsen Tax policy implemented in January 2025, than to incremental shifts in the underlying compliance rate of the taxpayer population.

This interpretation is consistent with recent province-level evidence on regional tax compliance in Indonesia, which finds that motor vehicle tax rates carry a significant and direct influence on both compliance and revenue outcomes, and that tax systems relying heavily on direct, ownership-based taxes exhibit compliance and revenue dynamics that are tightly bound to rate design rather than to compliance behavior alone (Vincent, 2023). It also echoes subnational tax administration research showing that discretionary rate-setting authority materially affects revenue outcomes independent of underlying taxpayer behavior, particularly where enforcement intensity varies across jurisdictions (Analysis of Tax Compliance Levels for Regional Taxes, 2025). In the Sentani context, this suggests that the Opsen Tax surcharge has, at least in the short run following its introduction, become the dominant lever shaping revenue performance, temporarily overshadowing the revenue contribution that would otherwise flow from higher voluntary compliance.

*4.5.4 The Mediating Role of Taxpayer Compliance*

The simultaneous test confirms that service quality and compliance jointly exert a significant effect on revenue performance, with an F-calculated value of 5.965 against a critical F-table value of 3.09 at p equal to 0.004. More strikingly, the decomposition of effects shows that the indirect effect of service quality on revenue through compliance, at 37.7%, substantially exceeds the direct effect, at 21%, indicating that compliance functions as a partial mediating variable in this model, even though its direct path to revenue performance alone is not statistically significant.

This apparent tension, a mediator with a non-significant direct path yet a substantial indirect contribution, is not unusual in path-analytic and structural equation research and points to a suppression-like dynamic in which compliance's positive association with service quality combines with the overall structural pathway to produce a meaningful indirect effect even as its isolated partial coefficient with revenue appears weak or negative once service quality is held constant. This pattern is broadly consistent with evidence that high-quality tax services significantly improve taxpayer compliance through channels involving both direct institutional interaction and indirect behavioral adjustment (Sirlyani, Hasan, & Nugroho, 2023). Comparable mediated structures have been documented elsewhere in Indonesian tax compliance research, for instance where tax knowledge is shown to function as an intervening variable between socialization efforts and ultimate compliance outcomes Hawa and Dongoran (2022), and where tax service quality itself has been modeled as a moderating variable shaping how upstream determinants translate into downstream compliance. These parallels suggest that path models in the Indonesian tax compliance literature frequently reveal indirect and moderated pathways that a simple direct-effects specification would otherwise obscure.

Taken together, these findings suggest a coherent narrative for UPPD SAMSAT Sentani. Quality service builds compliance relatively strongly and directly. That same service quality also feeds revenue performance both directly and through the compliance channel. Yet within the specific window captured by this study, immediately following a substantial tariff increase, revenue performance is dominated by the direct effects of service quality and by the mechanical impact of the new Opsen Tax rate, rather than by marginal improvements in the compliance rate itself. This does not diminish the practical importance of compliance-building efforts, since the indirect effect through compliance remains the larger of the two pathways in the full decomposition, but it does caution against expecting revenue to respond in lockstep with short-run compliance improvements whenever tariff policy is simultaneously in flux.

## 5. Conclusions

### *5.1 Conclusion*

Tax service quality has a significant effect on taxpayer compliance at UPPD SAMSAT Sentani. Tax service quality also has a significant effect on tax revenue performance. Taxpayer compliance does not have a significant effect on revenue performance because revenue is more strongly influenced by tariff changes, specifically the Opsen Tax policy, than by shifts in compliance behavior. Taken together, tax service quality has a significant effect on taxpayer compliance and carries implications for improved motor vehicle tax revenue performance at UPPD SAMSAT Sentani, with taxpayer compliance functioning as a partial mediating variable whose indirect contribution exceeds the direct effect of service quality alone.

### *5.2 Research Limitations*

This study is limited by its cross-sectional design, which captures taxpayer perceptions and compliance behavior at a single point in time shortly after the Opsen Tax policy took effect, so the findings may reflect a transitional period rather than a stable long-run equilibrium. The study is further limited to a single SAMSAT office, Sentani, which may not represent the full diversity of taxpayer populations and administrative conditions across Papua Province or Indonesia more broadly. In addition, the research model incorporates only service quality and compliance as predictors of revenue performance, without accounting for other plausible determinants such as taxpayer awareness, sanction severity, or taxpayers' broader economic circumstances.

### *5.3 Suggestions and Directions for Future Research*

UPPD SAMSAT Sentani is encouraged to continue improving service quality, to provide adequate supporting facilities, to periodically review the factors shaping taxpayer compliance, and to strengthen the competence of frontline staff, since service quality has been shown to carry both direct and mediated influence over revenue outcomes. Future researchers are encouraged to broaden the scope of the study beyond a single office, to extend the observation period to capture longer-run dynamics following the Opsen Tax policy, and to incorporate additional variables such as taxpayer awareness, sanctions, and taxpayers' economic condition, so that the mediating role of compliance can be evaluated under a more stable rate environment.

## Acknowledgement

The authors would like to thank the management and staff of UPPD SAMSAT Sentani for facilitating access to respondents and administrative data throughout this research. Appreciation is also extended to the Faculty of Economics and Business, Universitas Cenderawasih, for the academic guidance provided, and to the taxpayers who participated in the survey for their time and cooperation.

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