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The Influence of Service, Innovation, Integrity on Taxpayer Compliance with Education as a Moderating Variable at the UPT PPD/Samsat Karimun Office

Rezy Trilestari
Universitas Batam, Batam, Kepulauan Riau, Indonesia
rezylestari@gmail.com

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Coresponding author:
Rezy Trilestari
Universitas Batam, Indonesia
E-mail: rezylestari@gmail.com

ABSTRACT
Purpose: This study examines the effects of service, innovation, and integrity on taxpayer compliance, with education as a moderating variable at the UPT PPD/Samsat Karimun office.
Methodology/approach: A quantitative descriptive method was applied with 156 respondents. Data were analyzed using Partial Least Squares (PLS-SEM) via SmartPLS 4.0.
Results/findings: Service and integrity significantly influence taxpayer compliance, while innovation does not. Innovation significantly affects education, which in turn impacts compliance. Education mediates the effect of service on compliance, but not for innovation or integrity.
Conclusions: Service quality and integrity play critical roles in boosting compliance, particularly when supported by effective education. Innovation enhances education, but not compliance directly.
Limitations: The study is limited to one region and taxpayer segment, potentially restricting generalizability.
Contribution: This research offers insights for improving tax compliance through service enhancement and educational innovation, especially in regional administrative settings.

Keywords: *Innovation, Integrity, Service, Taxpayer Compliance*

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1. Introduction

Each region has resources that are used to generate income. Income will later be used to run the economy, and is commonly called regional revenue or Regional Original Revenue (PAD) (Rahman, 2023). This goal gives local governments the authority to fund their autonomy in accordance with their potential as a form of decentralization, and it is not surprising that regional revenue comes from several sources (Vidyattama, 2021). Therefore, as a source of regional revenue, the PAD reflects the level of independence of the region.

With the passage of time, the development of technology has become increasingly sophisticated, where services were previously carried out manually, but after the issuance of Presidential Regulation No. 5 of 2015 concerning the Implementation of the One-Stop Administration System for Motor Vehicles by developing information technology-based services. The development of SAMSAT with information technology methods has been ongoing for a long time (Fadhina, Fauzi, Siskawati, Sakti, & Aziz, 2022). To increase taxpayer compliance, it is necessary to have an easy step to pay taxes; therefore, the government has formed a service that is carried out with SAMSAT by forming E-Samsat, Mobile Samsat, and Samsat Drive through units. With the establishment of this service, it is hoped that it will be able to increase motor vehicle tax revenue, especially revenue at the SAMSAT office of the Karimun Regency (Arman, 2021). This service provides an opportunity for motor vehicle owners to choose a more effective and efficient type of service, and the development of this technology is to improve services, namely, to increase community participation in order to pay vehicle taxpayers. With this technological advancement, everyone hopes to obtain easy, rapid, and efficient services (Spring, Faulconbridge, & Sarwar, 2022). Paying vehicle tax is a routine obligation carried out once a year for vehicle owners (Arman, 2021). A person or entity with a tax obligation is called a taxpayer (Barus, 2022). In the procedure for paying vehicle tax, people who are declared taxpayers must know the implementation of paying motor vehicle tax, what things will be needed when paying taxes, and administrative facilities. All of these aspects must be understood clearly (Lo, 2023).

Several factors can increase taxpayer revenue, including tax audits, tax sanctions, taxpayer awareness, service quality, and tax knowledge. There are several things related to the level of taxpayer compliance in carrying out their tax obligations, namely tax audits to test compliance with the fulfillment of tax obligations, and the influence of the level of taxpayer audit is very large on taxpayer compliance because the existence of taxpayer audits of taxpayers will increase taxpayer compliance. The purpose of the audit is to test compliance with the fulfillment of taxpayers' tax obligations and/or other purposes to implement the provisions of tax laws and regulations. According to Mardiasmo (2016), the causes of taxpayers' non-compliance vary; the main reason is the nature of the income earned by taxpayers, which is mainly aimed at meeting their living needs. When the obligation to pay taxes to the state arises, a conflict arises between one's own interests and the interests of the state, which, in general, are always won by personal interests. In addition, the level of education and knowledge regarding the importance of paying motor vehicle taxes for taxpayers is still low, and there is a lack of community participation.

This is because the level of public compliance in paying motor vehicle taxes is still uneven. People who live in urban areas have knowledge about the importance of the obligation to pay motor vehicle taxes because of the ease of accessing information about motor vehicle tax services at the Samsat Karimun office. Meanwhile, people living in remote areas of Karimun are generally less compliant in carrying out their tax obligations because of the lack of knowledge about motor vehicle tax services at the Samsat Karimun office and the distance of travel access to the tax payment counter, so many people choose to be in arrears of tax payments. Based on the data above, the author is interested in conducting a research entitled "The Influence of Service, Innovation, and Integrity on Taxpayer Compliance with Education as a Moderating Variable at the UPT PPD / Samsat Karimun Office"

2. Literature review

2.1 Taxpayer Compliance

Taxpayer compliance is defined as taxpayers' awareness to carry out tax obligations assuming that compliance is social norms and in accordance with applicable tax laws and regulations in an effort to increase taxes as a source of state revenue (Sritharan, Sahari, Sharon, & Syubaili, 2023). Tax compliance, according to Bora, Fanggidae, and Fanggidae (2024), is the amount of tax paid by taxpayers in accordance with the provisions of the applicable laws and regulations or the ability and willingness to pay taxes to comply with applicable laws and regulations, where tax compliance is also determined by ethics, legal environment, and other factors at a certain time and place.

According to Lubis, Zain, and Aristantya (2023), taxpayer compliance is defined as a situation in which taxpayers fulfill all tax obligations and exercise their tax rights. Afriyani, Indrayani, Indrawan, Wibisono, and Ngaliman (2023) said that the taxpayer compliance component consists of compliance

to register themselves, compliance to pay tax obligations (the right amount and time) and compliance to report tax obligations. Tax compliance is divided into two types: formal and material. Formal compliance is the formal compliance of taxpayers in accordance with the provisions of tax law. Material compliance is the material compliance of taxpayers in accordance with the provisions of tax law.

2.2 Education

Global education is an effort designed with the aim of influencing others, both individually, in groups, and society in general, so that they can carry out what has been desired by learners. These limitations include the elements of the input (a process planned to influence others) and output (expected outcome). The expected result of a promotion is behavior to increase knowledge. Education is also a means of supporting one's thinking and understanding through the teaching and learning processes (Kloko & Bayunitri, 2020). A high level of education can mature and shape human character to be better in acting, thinking, and making decisions. In particular, taxpayers can realize and obey their rights and obligations (Baron, 2024).

Tax education has been regulated by the government in a law that explains that tax education to the public cannot be found in the body, but can be found in the general explanation of Law Number 6 of 1983 concerning general provisions and procedures of taxation and its amendments, namely Law Number 6 of 1983 concerning General Provisions and Tax Regulations. Tax Procedures, Law Number 9 of 1994 concerning Amendments to Law Number 6 of 1983 concerning General Provisions and Tax Procedures, and Law Number 16 of 2000 concerning the Second Amendment to Law Number 6 of 1983 concerning General Provisions and Tax Procedures state that the development of the taxpayer community can be carried out through various efforts, including the provision of counseling on tax knowledge both through mass media and information directly to the community.

Because the existence of these causative factors has different implications, different handling and treatments are needed. The first implication, related to ignorance of what is meant by taxes, can be overcome by tax counseling and education that explain what the benefits of taxes are for the life of society, the nation, and the state. The second implication, related to allegations of fraud in tax collection, can be overcome with accountability as a form of responsibility of the state apparatus, accompanied by strict sanctions against officials who commit fraud so that tax collection institutions are free from irresponsible individuals.

2.3 Service

As a provider of public services needed by the community, the government must be responsible and continue to strive to provide the best service for the improvement of public services. Every problem must have a supporting or connecting theoretical foundation to address it. Therefore, the author presents several theories to help solve research problems that are directly related to Public Services. According to Sampara Lukman, quoted by Sinambela (2006), service is an activity or sequence of activities that occurs in direct physical interaction between a person and another person or machine, and provides customer satisfaction. Meanwhile, in the Great Dictionary of the Indonesian Language, service is explained as a thing, way, or result of service work.

Service is essentially a series of activities because it is a process. The service takes place regularly and continuously, covering all organizations in the community (Kocak et al., 2023). Based on the explanation stated above, service is an activity that is carried out through a relationship between the recipient and the service provider, who uses equipment in the form of an organization or company institution. Service can be interpreted as an activity provided to help, prepare, and take care of either in the form of goods or services from one party to another (Hardianto, Zulkifli, & Hidayat, 2021). According to Sinambela (2006), the term public comes from discussing the United Kingdom public, which refers to the general, community, and state. The word *public* has actually been accepted into the Standard Indonesian Language to become public, which means public, crowded, and crowded (Rizki, Rangkuty, & Kiram, 2022). Based on the explanation above, the public can be defined as a broad or general public. The term public service in Indonesia is often identified as a translation of public service.

In Indonesia, the concept of government administration services is often used together or as a synomic concept for licensing services. Meanwhile, according to the AG. Subarsono as described by (Sahatatua et al., 2024) Public service is defined as a series of activities carried out by the public bureaucracy to meet the needs of users. The users referred to here are citizens who need public services, such as ID cards, birth certificates, marriage certificates, death certificates, and certificates.

2.4 Public Service Standards

Every public service implementation must have service standards and must be published as a guarantee of certainty for service recipients. Service standards are measures carried out in the implementation of public services that must be followed by service providers and/or recipients. Based on the Regulation of the Minister of Home Affairs, Number 4 of 2010, concerning Guidelines for Integrated District Administrative Services. Article 5 explains that the sub-district, as the organizer of the PATENT, must meet substantive, administrative, and technical requirements. Article 8 explains that the administrative requirements referred to in Article 5 letter b include service standards and descriptions of duties of sub-district personnel. Meanwhile, the Service Standards referred to in paragraph (1) a are type of service, service requirements, service process/procedure, officials responsible for service, service time, and service costs. The service standards referred to in paragraph (1) a are stipulated by the Regent/Mayor Regulation.

Musah and Adutwumwaa (2021) and Rosadi and Barus (2022) state that service quality has a positive effect on taxpayer compliance. The best quality of service received by taxpayers from tax officers makes taxpayers tend to be compliant in paying their tax obligations. Providing quality services to taxpayers will make taxpayers comfortable paying taxes and increase their compliance with paying taxes. According to Rosadi and Barus (2022), responsible fiscal and human resource utilization is needed to increase taxpayer compliance. Fiscal students are expected to have competence in the sense of skills, knowledge, and experience in terms of tax policy, tax administration, and tax legislation. In addition, the fiscal sector must be highly motivated as a public servant.

In contrast to (Mohamed & Farahat, 2020), quality of service has a positive effect but is not supported. Quality of service is an external cause because it comes from outside the taxpayer or is the result of the coercion of the situation. Taxpayers' perception of the quality of service from tax authorities will affect the assessment of each taxpayer to behave obediently in carrying out tax obligations. The quality of service can be measured by the ability to provide satisfactory service and can provide services with responsiveness, ability, courtesy, and trustworthy attitudes possessed by tax officials. If the perceived quality is equal to or exceeds the expected quality of service, the service is said to be of high quality and satisfactory.

2.5 Innovation

Innovation is something new, namely, by introducing and carrying out new practices or processes (goods or services) or by adopting new patterns that come from other organizations. Meanwhile, according to Law No. 19 of 2002, innovation is defined as research, development, and/or engineering activities that are carried out with the aim of developing the practical application of new scientific values and contexts, or new ways to apply existing science and technology to products or production processes. Successful innovation according to (Monyei, Okeke, & Nwosu, 2021) is the establishment and implementation of new processes, products, services, and methods that can result in significant improvements in efficiency, effectiveness or quality of output in service delivery. This definition, when associated with a number of definitions by other experts, can be concluded that innovation indicates a process that has a wide scope and is a long process, as also revealed by Leadbetter in Anoke, Okafor, and Onu (2023) that the innovation process takes a long time, and is interactive and social, involving many people who have different talents, skills, and resources.

2.5.1 Innovation in Public Services

Public services are the most visible benchmark for government performance. The public can directly assess a government's performance based on the services they receive. Therefore, the quality of public services in all ministries/institutions is a fundamental issue that must be improved immediately. The

innovation ability of an organization or institution in the public sector can be measured using several factors referred to as the innovation dimension.

2.6 Integrity

Integrity is an element of character that underlies the emergence of professional recognition. Integrity is a quality that underlies public trust and is a benchmark for members to test all their decisions (Zahari, Said, & Arshad, 2022). Taxpayer integrity includes courageous, honest, wise, and responsible attitudes in compliance with all applicable tax laws and regulations. (Primita & Rolanda, 2024) state that integrity is an attitude that can accept unintentional mistakes and honest differences of opinion but cannot accept cheating in principle.

Integrity is an element of character that underlies the emergence of professional recognition. Taxpayer integrity includes courageous, honest, wise, and responsible attitudes in compliance with all applicable tax laws and regulations. Primita and Rolanda (2024) state that integrity is an attitude that can accept unintentional mistakes and honest differences of opinion but cannot accept cheating in principle. According to (Zahari et al., 2022) defines integrity as integrity is an element of character that underlies the emergence of professional recognition which is a quality that underlies public trust and is a benchmark for members in testing all decisions they make. Integrity requires a member to be honest and straightforward without sacrificing the recipient's confidentiality.

2.7 Framework of Thought

According to (Thalib, Kumadji, Edis, & Saikim, 2023), a framework of thought is a conceptual model of how theories relate to various factors or variables that have been identified (identified) as very important problems. The determination of a variable or factor is considered to be studied because it is one of the causes of problems and is completely based on relativistic theory. The framework of thinking will theoretically explain the variables that have been studied, especially the relationship between independent and dependent variables.

Maximizing services, innovation, and integrity has an impact on public perception of taking care of tax payment requirements, and technology applications to facilitate the tax payment process often encounter obstacles. For example, taxpayers who pay taxes through E-samsat still have to print SKPD to the Samsat Office, and banking services appointed as partners are often problematic. The framework of thinking from the influence of service, innovation, and integrity on taxpayer compliance with education as a moderating variable at the UPT PPD/Samsat Karimun Office is as follows.

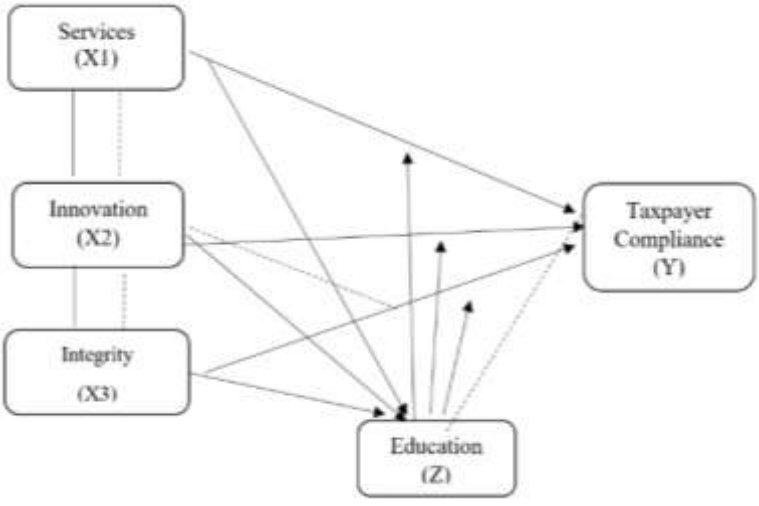

Figure 1. Thought Framework
Source: Processed Data 2024

Information:
——► : Direct influence
------► : Indirect influence

2.8 Hypotheses

The hypotheses used by the author were as follows:

H1 : It is suspected that there is a positive influence between services on taxpayer compliance at the UPT PPD / Samsat Karimun Office

H2 : It is suspected that there is a positive influence between innovation on the compliance of motor vehicle taxpayers at the UPT PPD / Samsat Karimun Office

H3 : It is suspected that there is a positive influence between Integrity and compliance of motor vehicle taxpayers at the UPT PPD / Samsat Karimun Office

H4 : It is suspected that there is a positive influence between services and education

H5 : It is suspected that there is a positive influence between innovation and education

H6 : It is suspected that there is a positive influence between Integrity and Education

H7 : It is suspected that there is a positive influence between Services on Taxpayer Compliance with Education as a moderating variable

H8 : It is suspected that there is a positive influence between Innovation on Taxpayer Compliance with Education as a moderating variable

H9 : It is suspected that there is a positive influence between Integrity on Taxpayer Compliance with Education as a moderating variable

H10 : It is suspected that there is a positive indirect influence between Service, Innovation and Integrity on Taxpayer Compliance with Education as a moderating variable

3. Research methodology

3.1 Types and Design of Research

The type of research used in this study is quantitative, namely collecting, compiling, processing, and analyzing data in a way that, in practice, is given certain treatment that is studied in it. Meanwhile, the operations in this study are all 2-wheeled motor vehicle taxpayers, which is as many as 64,003 people. The distribution of the respondents is shown in the following table:

Table 1. Distribution Of Respondents

No	**Gender**	**Sum**	**Percentage**
1	Male	55	35%
2	Female	101	65%
Total		**156**	**100%**
No	**Age**	**Sum**	**Percentage**
1	21-35 Years	63	40,38%
2	36-50 Years	51	32,69%
3	>50 Years	42	26,92%
Total		**156**	**100%**
No	Education Level	Sum	Percentage
1	Graduated from elementary school / Equivalent or not in school	40	25,64%
2	Graduated from junior high school / equivalent	38	24,36%
3	High school graduation / equivalent	34	21,79%
4	Diploma / Master's Degree Completion	44	28,21%
Total		**156**	**100%**
No	**Job Type**	**Sum**	**Percentage**
1	Civil servants	21	13,46%
2	Private Employees	18	11,54%
3	Entrepreneurial	34	21,79%
4	Honorary	33	21,15%
5	Merchant	26	16,67%
6	Other	24	15,38%
Total		**156**	**100%**
No	**Income**	**Sum**	**Percentage**
1	>Rp. 3,000,000	43	27,56%

2	IDR 2,000,000-IDR 3,000,000	37	23,72%
3	IDR 1,000,000-IDR 2,000,000	33	21,15%
4	IDR 500,000-IDR 1,000,000	43	27,56%
Total		**156**	**100%**

3.2 Conceptual and Operational Definitions of Variables

Operational definition is an aspect of research that provides information on how to measure variables, based on the conceptual definition that has been explained earlier, the measurement of research variables is as follows:

Table 2. Operational Research Variables

Variable	Indicators	Scale	Grain
Service (X1)	1. Tangible 2. Reliability 3. Responsiveness 4. Assurance 5. Empathy	Likert	1-15
Innovation (X2)	1. Strategic goals 2. Form of service organization 3. Service delivery 4. Process 5. Interaction System	Likert	1-15
Integrity (X3)	1. Honesty 2. Not concerned about personal gain 3. Wise Attitude 4. Attitude of Responsibility	Likert	1-15
Education (Z)	1. Tax Awareness Counseling and Education 2. Accountability 3. Penalty 4. Ideal Conditions	Likert	1-15
Taxpayer Compliance (Y)	1. Taxpayers fill out tax returns correctly 2. Correct tax calculations 3. Make tax payments on time 4. Warning letter	Likert	1-15

4. Result and discussion

4.1 Model Evaluation

Before applying the instrument in the study, it was important to conduct a validity and reliability test by first involving 156 respondents. If the instrument is valid, it means that it can accurately measure what it means, and if it is reliable, it will give consistent results if tested at different times. The variables in this study are service (X1), innovation (X2), integrity (X3), taxpayer compliance (Y), and education (Z). This study includes 15 statements for each variable.

4.2 Validity Discrimination Test

4.2.1 Heterotraite Monotrait Ratio (HTMT) Value

The validity of this study was measured by calculating the Discriminant Validity of each construction indicator. A construct was considered valid and met the research criteria if the Heterotrait-Monotrait Ratio (HTMT) value was less than 0.90.

Table 3. Heterotrait Monotrait Ratio Value

	Education	Innovation	Integrity	Taxpayer Compliance	Service
Education					
Innovation	0.671				
Integrity	0.771	0.604			
Taxpayer Compliance	0.588	0.576	0.571		
Service	0.643	0.610	0.777	0.616	

Source: SmartPLS Processed Primary Data (2024)

Table 3 shows that the Heterotrait-Monotrait Ratio (HTMT) value was less than 0.90, which means that it met the research criteria. Thus, the indicator construct used in this study was valid.

4.2.2 Cross Loading Values

The cross-loading value compares the indicators and blocks of surrounding variables, where the value between indicators and their variables must be higher than the values of indicators related to other blocks. The results of the cross-loading value in this study are shown in the following table.

Table 4. Cross Loading *Analysis*

	Education	Innovation	Integrity	Taxpayer Compliance	Service
X1.3	0.398	0.445	0.587	0.508	0.757
X1.4	0.491	0.467	0.467	0.439	0.751
X1.5	0.486	0.405	0.5	0.401	0.837
X1.6	0.597	0.412	0.522	0.483	0.792
X1.7	0.461	0.594	0.708	0.455	0.83
X1.8	0.504	0.449	0.687	0.584	0.773
X1.10	0.519	0.418	0.69	0.42	0.753
X1.11	0.444	0.463	0.588	0.426	0.842
X2.6	0.471	0.91	0.559	0.439	0.558
X2.7	0.629	0.875	0.702	0.601	0.504
X2.8	0.461	0.829	0.344	0.325	0.473
X2.10	0.741	0.84	0.645	0.57	0.514
X2.12	0.419	0.844	0.226	0.416	0.372
X3.1	0.726	0.447	0.742	0.301	0.547
X3.2	0.793	0.542	0.899	0.41	0.658
X3.3	0.722	0.605	0.921	0.551	0.654
X3.4	0.652	0.544	0.869	0.539	0.485
X3.5	0.47	0.276	0.787	0.466	0.583
X3.6	0.747	0.523	0.911	0.523	0.715
X3.7	0.458	0.326	0.794	0.433	0.776
X3.8	0.37	0.248	0.703	0.539	0.533
X3.9	0.394	0.5	0.736	0.609	0.537
X3.10	0.65	0.619	0.852	0.488	0.58
X3.11	0.749	0.571	0.939	0.486	0.733
X3.12	0.711	0.699	0.88	0.415	0.617
X3.13	0.544	0.528	0.811	0.409	0.618
X3.14	0.654	0.633	0.826	0.369	0.6
Z.2	0.754	0.429	0.595	0.383	0.584
Z.5	0.81	0.461	0.553	0.395	0.286
Z.6	0.856	0.443	0.779	0.462	0.612
Z.7	0.767	0.689	0.56	0.582	0.417

Z.8	0.773	0.568	0.639	0.387	0.512
Z.9	0.891	0.443	0.652	0.47	0.505
Z.11	0.876	0.585	0.633	0.547	0.471
Z.12	0.77	0.43	0.526	0.352	0.584
Z.14	0.884	0.739	0.676	0.446	0.504
Z.15	0.79	0.561	0.517	0.569	0.497
Y.2	0.475	0.453	0.533	0.769	0.527
Y.3	0.464	0.481	0.399	0.867	0.454
Y.4	0.503	0.443	0.599	0.701	0.614
Y.8	0.319	0.294	0.31	0.775	0.39
Y.9	0.454	0.65	0.443	0.819	0.522
Y.12	0.452	0.337	0.365	0.814	0.454
Y.13	0.31	0.385	0.253	0.761	0.184
Y.15	0.493	0.429	0.444	0.777	0.418

Source: SmartPLS Processed Primary Data (2024)

Table 4 shows that the cross-loading value between indicators with each variable was higher than the value of the indicators in other blocks. Therefore, all the variables met the criteria for the cross-loading test.

4.2.3 Fornel's Lacker's Value

This test is carried out by comparing the root value of the AVE, which must be higher than the correlation between the variable and the other construction variables. That is, the AVE value must be greater than the square of the correlation between constructs, or the square root of the mean variance extracted by a construct must be greater than the correlation between that construct and the other constructs. The results of the Fornell-Larcker test in this study are as follows.

Table 5. Fornell-Larcker *Analysis*

	Education	**Innovation**	**Integrity**	**Taxpayer Compliance**	**Service**
Education	0.819				
Innovation	0.662	0.860			
Integrity	0.753	0.614	0.837		
Taxpayer Compliance	0.567	0.570	0.556	0.787	
Service	0.607	0.570	0.736	0.594	0.781

Source: SmartPLS Processed Primary Data (2024)

Table 5 shows that the results of the analysis of the Fornell-Larcker values for each indicator were significantly higher than the Fornell-Larcker values for other variables. These findings are in accordance with the test conditions.

4.3 Reliability Testing

After confirming that the data in this study were valid, the researcher proceeded with the reliability testing. Data were considered reliable if they had a value greater than 0.7. This reliability test was conducted using SmartPLS calculations, which were evaluated using Cronbach's Alpha and Composite Reliability values. The results of the reliability tests in this study are as follows.

Table 6. Reliability Test

Variable	**Cronbach's alpha**	**Composite reliability (rho_a)**	***Averagevariance extracted (AVE)***
Service	0.945	0.948	0.611
Innovation	0.915	0.939	0.740
Integrity	0.966	0.972	0.700

Education	0.912	0.919	0.640
Taxpayer Compliance	0.92	0.923	0.619

Source: SmartPLS Processed Primary Data (2024)

Based on Table 6, the results of the reliability test show that all the variables in this study are reliable. This is because each variable meets the set criteria, which have a value of more than 0.70.

4.4 Inner Model

After evaluating the model and ensuring that each construct met the requirements of Convergent Validity, Discriminant Validity, and Composite Reliability, the next step was to evaluate the structural model. This evaluation included testing the model fit (model fit), Path Coefficient (path coefficient), and R^2 value.

4.4.1 Path Coefficient

Table 7. Path Coefficient

Variable	Path coefficients
Services > Taxpayer Compliance	0.319
Innovation > Taxpayer Compliance	0.246
Integrity > Taxpayer Compliance	0.025
Services > Education	0.034
Innovation -> Education	0.314
Integrity -> Education	0.534
Education > Taxpayer Compliance	0.192

Source: SmartPLS Processed Primary Data (2024)

Based on Table 7, which reflects the results after eliminating invalid statements, the influence of the variables in this study on the other variables is as follows: The service variable affects the taxpayer compliance variable by 0.319% and 31.9%, respectively. The innovation variable affects the taxpayer compliance variable by 0.246 or 24.6%. The integrity variable affects the taxpayer compliance variable by 0.025% and 2.5%. The service variable had an effect on the education variable of 0.034 or 3.4%. Additionally, the innovation variable affected the education variable by 0.314 or 31.4%. The integrity variable affects the education variable by 0.534 or 53.4%, and the education variable influences the taxpayer compliance variable by 0.192 or 19.2%.

4.5 Hypothesis Test Results

To understand the structural relationship between latent variables, it is necessary to test the hypothesis of the path coefficient between variables by comparing the p-value with the alpha (0.05) or t-statistic (>1.96). The p-values and t-statistics were obtained from the SmartPLS output using the bootstrapping method. Hypothesis testing was carried out by analyzing the results of Bootstrapping Output to evaluate the influence of the research variables. The results of the Bootstrapping Output test are shown in the following model image:

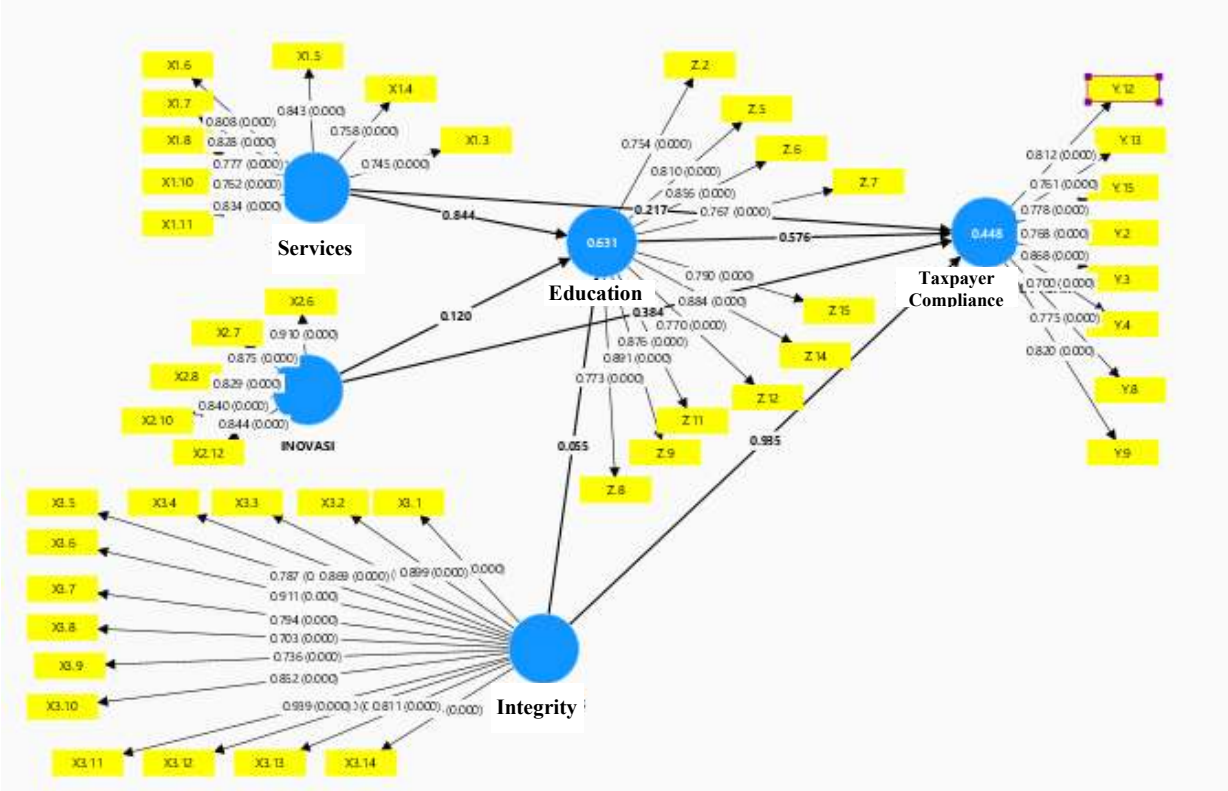

Figure 2. Bootstrapping Output
Source: SmartPLS Processed Primary Data (2024)

Figure 2 shows three independent variables: service, innovation, and integrity. There is one moderation variable, education, and one dependent variable, namely taxpayer compliance; the influence of these variables can be seen in the following table:

Table 8. Hypothesis Test Results (Direct influence)

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Value
Services > Taxpayer Compliance	0.305	0.297	0.247	2.235	0.021
Innovation > Taxpayer Compliance	0.252	0.285	0.290	0.87	0.284
Integrity > Taxpayer Compliance	0.313	0.022	0.361	2.082	0.037
Services > Education	0.043	0.065	0.217	0.196	0.446
Innovation -> Education	0.313	0.336	0.201	1.984	0.001
Integrity -> Education	0.529	0.513	0.276	1.916	0.400
Education > Taxpayer Compliance	0.419	0.189	0.339	1.976	0.042

Source: SmartPLS Processed Primary Data (2024)

Table 8 shows the results of testing the hypothesis of direct influence, which are described as follows.

1. The Effect of Service on Taxpayer Compliance
   The value of the original sample (O) is 0.305 with a T-statistic of 2.235, which is greater than the t-critical (> 1.96) with a P Value of 0.021; then, H0 is rejected and Ha is accepted. This indicates that services have a positive and significant influence on taxpayer compliance.
2. The Effect of Innovation on Taxpayer Compliance
   The original sample value (O) is 0.252 with a T-statistic of 0.870, which is smaller than the t-critical value (> 1.96) with a P value of 0.284; then, H0 is tested and Ha is rejected. This indicates that innovation does not have a positive and significant influence on taxpayer compliance.
3. The Effect of Integrity on Taxpayer Compliance
   The value of the original sample (O) is 0.313 with a T-statistic of 2.082, which is smaller than the t-critical (> 1.96) with a P Value of 0.037; then, H0 is rejected and Ha is accepted. This indicates that integrity has a positive and significant influence on taxpayer compliance.
4. The Influence of Service on Education
   The value of the original sample (O) is 0.043 with a T-statistic of 0.196, which is smaller than the t-critical (> 1.96) with a P Value of 0.446; then, H0 is accepted and Ha is rejected. This shows that the ministry does not have a positive and significant influence on education.
5. The Influence of Innovation on Education
   The original sample value (O) is 0.313 with a T-statistic of 1.984, where this value is greater than the t-critical value (> 1.96) with a P Value of 0.001, H0 is rejected, and Ha is accepted. This indicates that innovation has a positive and significant influence on education.
6. The Influence of Integrity on Education
   The value of the original sample (O) is 0.529 with a T-statistic of 1.916, which is smaller than the t-critical (> 1.96) with a P Value of 0.400; then, H0 is accepted and Ha is rejected. This indicates that integrity does not have a positive or significant influence on education.
7. The Effect of Education on Taxpayer Compliance
   The original sample value (O) is 0.419 with a T-statistic of 1.976, where this value is greater than the t-critical value (> 1.96) with a P Value of 0.042, H0 is rejected, and Ha is accepted. This indicates that education has a positive and significant influence on taxpayer compliance.

The results of indirect influence testing are as follows:

Table 9. Results of Indirect hypothesis testing

	Original sample (O)	**Sample mean (M)**	**Standard deviation (STDEV)**	**T statistics (|O/STDEV|)**	**P value**
Services > Education > Taxpayer Compliance	0.308	0.025	0.089	2.091	0.017
Innovation > Education > Taxpayer Compliance	0.059	0.065	0.162	0.367	0.110
Integrity > Education > Taxpayer Compliance	0.100	0.087	0.196	0.51	0.299

Source: SmartPLS Processed Primary Data (2024)

1. Indirect influence of services on taxpayer compliance through education
   The value of the original sample (O) is 0.308 with a T-statistic of 2.091, which is greater than the t-critical (> 1.96) with a P Value of 0.017; then, H0 is rejected and Ha is accepted. This indicates that services have a positive and significant influence on taxpayer compliance through education.
2. Indirect influence of innovation on taxpayer compliance through education
   The value of the original sample (O) is 0.059 with a T-statistic of 0.367, which is smaller than the t-critical (> 1.96) with a P Value of 0.110; then, H0 is accepted and Ha is rejected. This shows that innovation does not have a positive and significant influence on taxpayer compliance through education.

3. Indirect influence of integrity on taxpayer compliance through education
   The value of the original sample (O) is 0.100 with a T-statistic of 0.510, which is smaller than the t-critical (> 1.96) with a P Value of 0.299; then, H0 is accepted and Ha is rejected. This shows that integrity does not have a positive and significant influence on taxpayer compliance through education.

5. Conclusion

5.1 Conclusion

The conclusions of this study are based on the results of hypothesis testing as follows.

1. **The Effect of Service on Taxpayer Compliance**
   The test shows that service quality has a significant positive effect on taxpayer compliance, with an original sample value (O) of 0.305, a T-statistic of 2,235, which is greater than 1.96, and a P Value of 0.021. This indicates that increasing the level of service has the potential to increase public compliance with tax obligations. Good service quality, including easy access to information and responsiveness to complaints, is critical for strategies to improve tax compliance.
2. **The Effect of Innovation on Taxpayer Compliance**
   The test revealed that innovation had no significant influence on taxpayer compliance, with an original sample value (O) of 0.252, a T-statistic of 0.870, which was smaller than 1.96, and a P Value of 0.284. These results were consistent with those reported by Astutik et al. (2022). This shows that the innovation factor is not sufficiently influential to improve taxpayer compliance, so it is necessary to consider other approaches.
3. **The Effect of Integrity on Taxpayer Compliance**
   The test results showed that integrity had a significant positive effect on taxpayer compliance, with an original sample value (O) of 0.313, a T-statistic of 2.082, which was greater than 1.96 and a P Value of 0.037. Although these results contradict those of Khotimah et al. (2018), the difference may be due to additional context or variables that were not previously studied. Further research is required to understand the interaction between integrity and other factors that influence tax compliance.
4. **The Influence of Service on Education**
   The test showed that the service had no significant effect on tax education, with an original sample value (O) of 0.043, a T-statistic of 0.196, which was smaller than 1.96 and a P Value of 0.446. This shows that other factors may play a greater role in determining the effectiveness of tax education than quality of service. Further research should explore the methods of information delivery and the quality of educational materials.
5. **The Influence of Innovation on Education**
   The test shows that innovation has a significant positive effect on tax education, with an original sample value (O) of 0.313 and a T-statistic of 1.984, which is greater than 1.96, and a P Value of 0.001. This shows that innovation can increase the effectiveness of tax education programs. Therefore, tax agencies must integrate innovation into their educational strategies.
6. **The Influence of Integrity on Education**
   The test results showed that integrity had no significant effect on tax education, with an original sample value (O) of 0.529, a T-statistic of 1.916, which was smaller than 1.96, and a P Value of 0.400. This shows that integrity may not be the main factor that determines the effectiveness of tax education. Other factors, such as the quality of the material and the method of delivery, may be more influential.
7. **The Effect of Education on Taxpayer Compliance**
   The test shows that education has a significant positive influence on taxpayer compliance, with an original sample value (O) of 0.419, a T-statistic of 1.976, which is greater than 1.96, and a P Value of 0.042. This shows that the higher the level of education provided, the more likely it is that the community will comply with its tax obligations.
8. **Indirect Influence Between Services on Taxpayer Compliance Through Education**
   The test shows that the service has a significant positive influence on taxpayer compliance through education, with an original sample value (O) of 0.308, a T-statistic of 2.091, and a P Value of 0.017. This shows that good service quality plays an important role in influencing taxpayer compliance, especially when accompanied by an effective education.

9. **Indirect Influence Between Innovation on Taxpayer Compliance Through Education**
   The test results showed that innovation did not have a significant effect on taxpayer compliance through education, with an original sample value (O) of 0.059, a T-statistic of 0.367, and a P Value of 0.110. This can be interpreted as follows: even though there is an innovative process implemented, if the innovation does not succeed in effectively touching or influencing the tax education aspect, the impact on taxpayer compliance will remain minimal.
10. **Indirect Influence of Integrity on Taxpayer Compliance through Education**
    The test shows that integrity has no significant effect on taxpayer compliance through education, with an original sample value (O) of 0.100, a T-statistic of 0.510, and a P Value of 0.299. This shows that integrity has no indirect effect on taxpayer compliance through education, which can be interpreted as, although employee integrity is important in the general context, in this case, the improvement of integrity does not sufficiently affect the level of taxpayer compliance when mediated by education.

5.2 Suggestion

Suggestions for further research are as follows:

1. To increase taxpayer compliance, the focus should be on improving service quality. This includes improving ease of access to information, clarifying procedures, and increasing responsiveness to taxpayer complaints. The implementation of a more efficient and user-friendly service system can help people fulfill their tax obligations more easily.
2. Because innovation does not have a significant effect on taxpayer compliance, it is best to consider other approaches that may be more effective. Focus on other methods, such as improving services or developing more targeted educational programmes. Further research can identify more impactful types of innovation or alternative ways to improve compliance.
3. While integrity has a positive influence on taxpayer compliance, the results that are inconsistent with previous research point to the need for a deeper understanding. Consider exploring the contextual variables that might affect this relationship. Additional research can evaluate how other factors interact with integrity to influence tax compliance.
4. Since services do not have a significant effect on education, they improve the method of delivering information and the quality of educational materials. Evaluate the approaches used in the education program and consider more effective methods of reaching and engaging the community, such as interactive training or digital technology.
5. Considering that innovation has a significantly positive effect on education, it is better to integrate innovation into tax education programs. The exploration of new teaching methods, the latest technology, and innovative approaches in the delivery of materials can increase the effectiveness of educational programs and their impact on public understanding of tax obligations.

It is hoped that these suggestions can increase the effectiveness of tax strategies and tax education to achieve higher tax compliance in the community.

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