

Tax Compliance Intention : Experimental Analysis Towards Belief, Feeling, and Attitude

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Abstract: Taxes are the largest source of tax revenue today, but the realization of tax revenue has not been optimal. Various government policies have been implemented but not yet able to improve taxpayer compliance in paying or reporting tax obligations. Taxpayer compliance is a very complex issue and it also occurred in almost all countries. The motive derived from the taxpayer's individual self is an expression of the mental attitude towards the tax authorities and prevailing taxation system. This motivational posture will cause beliefs, feelings, and interrelated attitudes. This study was conducted using experimental analysis with 52 students from Accounting Department at Airlangga University Surabaya. The experimental design used was quasi experimental design Between Subject 2x2 with covariate of randomization method. The test results show that taxpayers who have positive and defective motivation posture do not affect the decision of intention to behave as tax obedient. The tests of the variables for audit strategy and tax sanction shows that only the variable of tax sanction which has an effect on decision of intention to behave a tax obedient, especially when the taxpayer is given high tax sanction.

Keywords: Tax Compliance, Motivation Posture, Audit Strategy, Tax Sanction

1. Introduction

The development of socio-economic life and the people of a country can be proven by the change of tax regulations because tax is always dynamic. The tax regulation can be further developed so that the tax services can also be further enhanced as an effort to increase tax revenues. The first phase of tax reform in Indonesia started in 1983 by introducing self assessment system, simplifying and reducing income tax rate and enacting Value Added Tax (VAT) instead of Sales Tax (P.T). The second phase of tax reform was started in 2009, directed to the development of human resources and the use of information technology in the tax administration system. State tax reforms aim to increase tax revenues, improvements and fundamental changes in all aspects of taxation. Increased tax revenue can be realized if the people have high tax compliance levels.

Every country has different approaches, laws, and regulations so that the factors that affect the level of tax compliance will also be different (Palil, 2013). Taxpayers are still aggressive to make efforts for their tax evasion because there are legal, ethical, and administrative reasons (Rahmawati., 2015). Tax evasion by the Asian Agri Group was the largest tax evasion case of 2008 (Rahman, 2008). Tax violations using fake tax invoices had reached to Rp. 1.56 trillion calculated in 2008-2014 (Mohamad, 2014), also another biggest cases such as Panama or Offshore Leak Papers which has falsified and kept tax documents more than 40 years (Himawan, 2016). This is what has occurred in the tax reporting until 2015. There are only about 29.4% of the number of Individual Labor and incomes in Indonesia who registered as taxpayers. A taxpayer who has obligation to submit Annual Tax Return as much as 18,159,840, but the taxpayer who submitted the

Annual Tax Return is only 60.27%. (www.pajak.go.id). Various government policies have been set including the increase in the tax ratio, enforcement law, the increase in non-taxable income, sunset policy, tax amnesty but they could not apparently increase the voluntary taxpayer compliance. This is also supported by a lack of studies that reviews the role of government and the various crimes in the field of taxation (Alabede, 2011).

From the point of view of taxpayers, tax compliance issues are a classic problem faced in almost all countries that implement taxation systems. It seems to be due to the reluctance of taxpayers to fulfill their tax obligations. There is a tendency of taxpayers to minimize the amount of tax payable through tax avoidance efforts and even tax evasion efforts (Michael, 2013).

The pattern of taxpayer behavior is very extreme and complex in individual decision making so it fails to build voluntary tax compliance (Jo Anne, 2012). This universal phenomenon is common in both developed and developing countries. The tax-obedient decisions are not only influenced by economic factors, as well as social and individual psychological factors (Peggy, 2016), (Donna D, 2013), (Donna D, 2003), (Donna D, 2007), (Ern, 2010), (Jo Anne, 2012), (Viswanath, 2003), (Ambra, 2015), (Bismark, 2016). However, the roles and perceptions of the people to the government also have an influence on tax-imposed decisions such as financial management beliefs (Tijani, 2013), (Theresia W, 2015), (Peggy, 2016), government accountability (Abubakari, 2013) governmental fiscal policy (Bismark, 2016), government-imposed laws and regulations (Angus, 2016), perceptions of government corruption (Rahmawati., 2015) and bureaucratic mechanisms established by the government (Yulia, 2015). Such sustained

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improvement efforts have not been able to create voluntary tax compliance. Tax compliance is still interesting to examine, although some researchers have previously tried to develop tax compliance models (Alabede, 2011).

Motivational Posture is a new approach in tax compliance behavior (Braithwaite, 2003). Motives derived from the taxpayer's individual self as an expression of the mental attitude towards the tax authorities and the prevailing taxation system. Between taxpayers and tax authorities, there is a very complex relationship and this is different from the public sector because it has strong intervention with the government (Jo Anne, 2012), (Adriana M, 2012), (Wadim, 2015). This motivational posture will create beliefs, feelings, and interrelated attitudes. This posture of motivation will lead individuals to become either obedient or non-compliant taxpayers. This theory applies to taxpayer compliance behavior with the aim of capturing attitudes of taxpayers on tax authorities and tax regulations established by tax authorities (Tijani, 2013), (Abubakari, 2013), (Alabede, 2011), (Theresia W, 2015), (Peggy, 2016). Tax authorities have legal legitimacy, but do not guarantee the existence of psychological legitimacy to the taxpayer. The taxpayer always evaluates the policy made by the tax authority and determines the position of his or her attitude toward the policy (Donna D, 2003). The position of such attitudes can either determine either the tax rate or the rejection of policies that will subsequently affect their compliance behavior. Previous research has shown that ethics and individual motivation do not affect taxpayer compliance, but individual ability itself is influential because individuals have good planning alternatives (Rashedul, 2014).

In addition to the internal factors of individuals in consideration, the tax authorities also make efforts to prevent non-compliance taxpayer, among others determine the tax audit strategy and the imposition of tax penalties. The low level of tax compliance is likely also due to the low level of government oversight function. Various government policies should be followed by follow-up efforts through supervision.

Tax audit conducted by the tax authorities for the taxpayer compliance supervisory function fulfills its tax obligations. When the tax authorities establish taxpayer criteria that include the subject of the examination, they can affect the tax payers, behavior to be either obediently or not. The tax audit strategy of both random and fixed allegedly influences the intention of individuals behaving in compliance with taxes (Ho D, 2008), (B. Charlene, 2005), (Viswanath, 2003), (Adam, 2007). The most dominant socio-psychological and economic aspects affect taxpayer compliance, while tax audit, penalty and probability detection, tax rate has not delivered good results (Ern, 2010), even tax audits have an impact on the behavior of tax-inducing individuals (Daniel Ho., 2008), (Ambra, 2015).

When the tax audit happens, of course, it has legal consequence in the form of tax assessment letters (SKP), both underpaid, overpaid and nil. If the determination of a tax audit proves to be underpaid, the government will impose sanctions in the form of penalties, interest or

increases. Taxation sanctions are one the effective tools for detecting disobedience (Raihana, 2014b), (Martin, 2016). Increasingly high tax penalties are expected to make taxpayers unable to commit violations so that they will be more obedient. When they make mistakes, they are expected not to make the same mistakes in the future. Higher sanctions will reduce the number of non-compliance of individuals and it can make them fulfill their tax obligations (Daniel Ho., 2008), (Viswanath, 2003), (Michael, 2013). Taxpayers sometimes encounter a dilemma when applying for tax returns, so that ethics, rewards and sanctions have a negative effect in building tax compliance (Donna D, 2007), (Joel, 2007), (Raihana, 2014a).

2. Literature Review

Motivational Posture Theory

Motivational Posture Theory describes five main attitudes in taxpayer compliance behavior. This theory explains the mental-self attitude of individual taxpayer that is expressly indicated by the taxpayer to the tax authority on the prevailing tax system, structure, and procedure (Braithwaite, 2003). This theory is applied to taxpayer compliance behavior in order to capture the attitudes of the taxpayer on the tax authorities and tax regulations set by the tax authorities. Tax authorities have legal legitimacy, but do not guarantee the existence of psychological legitimacy to the taxpayer.

The taxpayer always evaluates the policy made by the tax authority and determines the position of his or her attitude toward the policy. The position of such attitudes can be either determining the tax rate or rejecting the policies that will subsequently affect their compliance behavior.

Motivational posture is created due to the taxpayer's linkage with the tax authorities and tax policy that eventually leads to beliefs, feelings, and interrelated attitudes. The five posture of motivation is an important component in tax compliance that divided into two parts orientation, which is positive orientation to tax authority (motivation commitment and capitulation) and negative orientation that depict resistance / resistance motivation, disengagement and game playing. Commitment motivation describes a level of the consciousness of the individual who wishes for his own will be involved in the mission of tax authorities to maximize the state revenues. The motivation of capitulation describes the individual who accepts the rules set by the tax authority without having to be involved with its mission. Both motivations essentially represent compliant and cooperative taxpayer behavior, if it is seen from the point of view of the tax authorities. The resistance motivation represents an open resistance to the tax authorities in any established tax policy. Motivation of the disengagement represents a more serious resistance to a taxation system. Individuals who have both of these characters build their immunity from any policy established by the tax authorities, and even they feel immune with the law. And, game playing motivation represents imaginative behavior that shows as close to the system, but they view the tax authorities as opposed in a game.

Motivational posture includes a belief, intention, morals, ethics, and attitudes that originate within the individual with regard to the issue of taxation. This motivational posture is the integration of trust, evaluation and expectation of the taxpayer against the tax authorities and its policies (Braithwaite, 2003). This posture of motivation can change as the situation changes and conditions faced by the taxpayer. When the perceived situation and condition of the individual related to the role and policy of the tax authorities the better, then the decisions made tend to be tax-compliant. Individuals who have positive motivation and defiance-oriented will certainly differ in decision-making behavior obediently.

H1: *Intent decision to behave obediently to the tax will be higher in mandatory prospective tax payers who have positively-oriented posture motivation than those who have defiance-oriented motivation posture*

Tax Audit Strategy

Tax audit is a series of activities to search, collect evidence, process data and other information in order to determine compliance level of tax obligations (RI, 2007). There are two ways of audit strategy conducted by the tax auditors, namely random and fixed strategies. This random audit strategy is random when the level of uncertainty is high. Fixed audit strategy is a strategy to be selected tax inspector by giving the announcement or priority provisions of taxpayers to be examined. The selected tax strategy is influenced by the possibility of increased income, the existence of alleged non-adherence, the utilization of taxpayer's historical information, found evidence of fraud or dishonesty in tax reporting.

There are several reasons of potential taxpayers to be examined, among others: overpayment in annual tax return (SPT) with the consequences of taxpayer filed restitution, tax returns and taxpayers to compensate, annual tax return (SPT) is not accepted or not submitted, taxpayers meet the selection criteria and there are complaints from the public. In addition, to meet other objectives that tend to tax, the inspectors will perform a fixed audit strategy such as Giving Tax ID Number (NPWP) or deletion of tax ID number (NPWP), Collection of materials to compile Norms Net Income Calculation, VAT Centralization, Determination of remote taxpayers and Matching data or tool description.

When the taxpayer belongs to the taxpayer of other purposes or in the effort of restitution, the tax inspector tends to perform a fixed audit strategy. The taxpayer under these conditions is likely to be better prepared for the tax examiner later on, so it is unlikely that the taxpayer will make a mistake in reporting or tend to be taxed. Conversely on the conditions of random audit strategy, taxpayers feel themselves not necessarily examined even the possibility is so small that they are sometimes too reckless to report taxes are not correct or not obedient.

H2 : *Intent decision to behave obediently to the tax will be higher in the prospective taxpayers given the treatment of fixed tax audit than those given random tax audit treatment.*

Tax Sanctions

Tax penalties applied in Indonesia can be in the form of fines and penalties. This tax sanction is expected to make the taxpayers prevent from being the disobedient. Each taxpayer's tax penalties are differentiated by different levels of tax violations committed, such as not submitting SPT, submitting SPT but reporting earnings are too small than actual, no bookkeeping of invoices, receipt of money and so on. The current tax penalty is in the form of fine sanction of Rp. 100,000- Rp. 1,000,000, interest sanctions of 2% to 48%, sanction of increase of 50% or 100%. The problem of tax sanction is quite much related in the Law of General Taxation provisions, namely Article 7 paragraph (1) and (2), Article 8 paragraph (2) (3) and (5), Article 9 paragraph (2), Article 13 Paragraph (2) and (3), Article 14 Paragraph (3) (4) and (5), Article 15 Paragraph (2), Article 17C Paragraph (5), Article 17D Paragraph (5), Article 19 Paragraph (1) (2) and (3), Article 20 paragraph (1) and (2), Article 25 paragraph (9) and (10), Article 36 paragraph (1) and (2).

When the tax authorities impose too high tax sanctions, they would expect taxpayers not either neither commit tax violations nor become compliant taxpayers. Conversely, when the tax authorities determine the low tax penalty instead taxpayers, the tax payers will feel too lenient sanctions and there is the ability to pay the sanctions so that taxpayers tend to behave disobediently.

H3 : *High tax penalties can increase the intention to behave as tax compliance rather than low tax sanction*

H4 : *High tax penalties and fixed audit strategies can increase intention of be tax-compliance rather than low tax sanctions and randomized audit strategies.*

3. Problem Definition

Efforts made by the tax authorities through tax audit strategies and the imposition of tax sanctions, will certainly lead to different consequences on the intention to behave as compliantly toward the tax regulation. The imposition of high and low tax penalties is also suspected to affect the intentions of individuals behaving tax compliance. This research was done by using motivational posture approach, which emphasizes more on the aspect of individual attitude in looking at the role and policy of tax authority. This study tries to use experimental testing with the subjects of experiments of students majoring in accounting because this study still emphasizes the measurement of intention in behaving taxes obediently and when students become taxpayers later, they are expected to become obedient taxpayers. The problems formulated in this research are as follows: 1) is there any difference of decision of intention to behave obediently to tax by the taxpayer when the motivation is different, 2) is there any difference of decision of intention to behave obediently to tax when different tax strategy, 3) is there difference of decision of intention to behave obediently to tax when there is a difference in tax sanctions.

4. Methodology

Research Setting

This study is related to intention decision to behave obediently to the tax so that it is a laboratory experimental research. This research was conducted in a regulated situation and manipulated directly against external factors of taxpayer candidates. Independent variables used are potential tax audit and tax sanction so that it can be determined the relation of causality of independent and dependent variable. Internal factor of taxpayers in this study is the posture of motivation as a covariate factor that has the possibility of influencing the dependent variable in the intention to behave to the tax obediently. This covariate factor cannot be controlled by the researcher, so this research is quasi experimental design. The experimental subjects used in this study are students who have taken the subject of taxation. They were classified as a regular class. This was done to eliminate the weakness of experimental research in terms of low external validity.

Experiment Design

The research design used in experimental quasi is between subject with covariate and random assignment method. Motivation posture variable is covariate variable, which is the variable that cannot be controlled in an experiment research, but has the possibility to influence result on dependent variable. The independent variable used will be given two treatments (treatment). Each subject will obtain only one treatment level from each experimental variable. Experimental Design 2 x 2, namely: the treatment of potential tax audit (fixed and random) and the treatment of tax sanctions (high and low).

36 Research variable

Dependent variable in this research is intention to behave tax obediently which is the intention to make ethical decisions made by the student as future taxpayer later. This ethical decision intent is related to the statement of the amount of income tax to be levied. The taxpayer's intent in this study is measured by the intention of reporting the amount of income tax from each level of treatment or manipulation provided. The independent variables in this study are external and internal factors of individual taxpayer candidates. The independent variable for this external factor will be manipulated so that it is called experimental variable, that is potential tax audit and tax sanction. Internal factor of taxpayer candidate is motivation posture as covariate variable.

Table 1: Research Variable

Variable	Research Variable	level
Dependent	Tax compliance behaviour intention	INTENTION
Independent (eksperiment)	Strategy Tax Audit (AUDIT)	Random Audit (SAR) Fixed Audit (FA)
	Tax Sanction (sanction)	High (HIGH) Low (LOW)
Independent (covariate)	Motivation Posture	POSTMOTIV

A potential tax audit is defined as the way that the tax authorities consider to audit the veracity of tax reporting

payable by the taxpayer. The potential tax audit in this study consisted of two possible strategies performed by the tax authorities that are random and performed on a fixed basis. The manipulation done in this experimental research is by providing information about the audit strategy undertaken. Tax sanctions are defined as sanctions in the form of penalties and penalties that will be imposed to the taxpayer when the taxpayer to make tax reporting errors. Manipulation is done by providing information to the subject of various tax sanctions ranging from fine, interest and increase.

The posture of motivation describes the mental attitude shown from within the individual taxpayer candidates openly to the tax authorities. The statement on posture commitment and capitulation reflects the positive oriented taxpayer. Statements on resistance posture, disengagement and game playing illustrate defiance-oriented tax attitudes towards tax authorities. The posture of motivation was measured at the beginning of the experiment using a motivational postures instrument in the form of a questionnaire with 29 statements using a 5-point likert scale (Braithwaite, 2003).

Table 2: Motivation Posture

Covariate Variable	Total Item	
Motivation Posture		
1	Commitment	8
2	Capitulation	5
3	Resistance	6
4	Disengagement	5
5	Game Playing	5
Total		29

Sumber: (Braithwaite, 2003)

Experimental Procedure

Experiments begin with building internal validity where participants can follow experimental stages with fun. The second stage, is in the form of exposure of experimental procedures to be executed. The third stage is a submission of questionnaire of geographic data and statement of motivation posture from the participants. The researcher set the list of questions and it took 40 minutes to receive them back. The experimental manipulation stage begins where each participant received a level of treatment for the experimental variable (between subjects). Participants at this stage were required to take experimental media in the case or tax scenarios. The time was given to the participants to make a decision on the amount of reported income.

Table 3: Eksperiment Scenario

Tax Sanction	Tax Audit Strategy	
	Random	Fixed
High	Scenario 1	Scenario 2
Low	Scenario 3	Scenario 4

Analysis Technique

Manipulation check is performed on the data obtained from the participants, with the aim of knowing the level of understanding related to the experimental procedures undertaken. Hypothesis testing is done with ANCOVA (Analysis of Covariance). The equation model used to test the hypothesis is as follows:

$$INTENTION = \mu + \alpha AUDIT_i + \alpha MODERN_j + \beta POSTMOTIV_k + \epsilon$$

Where:

<i>Intention</i>	: The Intention Decision to Behave to Tax
<i>Audit</i>	: The effect of the i-th level of the potential tax audit factor (random audit and Fixed audit)
<i>Modern</i>	: The effect of j-level of taxation sanction factor (high and low)
<i>POSTMOTIV</i>	: The regression coefficient of the covariate value of the posture of motivation
ϵ	: <i>Random error</i>

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Analysis of the effect of each independent variable on the dependent variable decision intention to behave in a profound tax is the proof of the proposed hypothesis. Therefore, the Pairwise Comparison was one resulting from Estimated Marginal Means. However, the placement of the motivation posture variable in the ANCOVA step resulted in the SPSS data output not generating Pairwise Comparisons resulting from Estimated Marginal Means of the covariate variable, thus further testing is using Independent Sample t-Test.

5. Result and Discussion

This study has been done with the participants of accounting undergraduate students at Airlangga University Surabaya with the total number of 78 students, where it was previously as a pilot project at STIE Perbanas Surabaya, with the total number of students of 49. The results of a manipulation were checked with three questions and it was as many as 52 students who fulfilled the result.

The first test was conducted to measure the posture of motivation of each participant as measured at the beginning of the experimental stage. Motivation posture measurement result shows that 80.04 percent has motivation posture of positively oriented, while 19.96 percent has motivation posture of defiance-oriented. The result of significance also shows bigger than $\alpha = 0,05$ which means decision of intention to behave tax obedient between taxpayer who have positive motivation posture, has no different with the taxpayers who have posture of defiance motivation.

The next step is a randomized test of the participants' personal characteristics that include genital, religious, post-graduate ideals and priority expenditures other than food and clothing. Chi-Square test results on gender showed Pearson Chi-Square value of 0.080. For the characteristics of religion, it shows a value of 0.740, on the characteristics of dream, a value of 0.744, characteristic expenditure priority, a value of 0.606. All the results of Chi-Square test show that the results are not significant. This means that the characteristics of sex, religion, ideals, and expenditure priorities have no significant differences between cells so that they have been randomized and this does not need to be tested as covariate variables. The next step is to test the description between groups or scenarios where the results show the following.

Table 4: Description Test

		Tax Sanction		
		High	Low	
Tax Audit Strategy	Random	Group 1 (N= 15) Mean= 8,33 Std= 1,759	Group 2 (N= 13) Mean= 6,62 Std= 2,725	N= 28 Mean= 7,54 Std= 2,380
	Fixed	Group 3 (N=13) Mean= 7,23 Std= 2,619	Group 4 (N=11) Mean= 6,64 Std= 2,335	N= 24 Mean= 6,96 Std= 2,458
		N= 28 Mean= 7,82 Std= 2,229	N= 24 Mean= 6,63 Std= 2,499	N= 52 Mean= 7,27 Std= 2,410

Meanwhile, the result between the subjects' effects test with dependent variable of tax compliance intention, it indicates that only tax sanction has an effect on intention to behave obediently to tax, while audit strategy has no effect on intention to behave as tax obedient. The influential tax penalties in this study is high tax sanctions rather than low tax sanctions, as evidenced by the high mean tax penalty of 7.82 and the low tax sanction of 6.63.

Table 5: Between Subject Effects Test

Source	F	Sig
Intercept	1,602	0,201
Tax Audit Strategy	475,311	0,000
Tax Sanction	0,670	0,417
Tax Audit Strategy	3,061	0,087
Tax Sanction	0,723	0,400

Intention decision to behave to as tax obedient or tax avoidance act is determined by the intention that exists within the individuals. The government's effort to improve taxpayer compliance through audit strategies and tax sanctions on taxpayers has different results in this study. Audit strategies performed both random and fixed for taxpayer selection criteria, also have no effect on the increase of intention to behave as tax obedient. This is different from the government's effort through the provision of tax penalties that shows it has a significant effect on the increase of intention to behave as tax obedient. These results are seen in the test results that show only the tax sanction variables that affect the decision of intent to behave tax compliance.

The government initial effort to see the compliance of taxpayers has been conducted so far through the efforts of tax audit. Tax audit is one of law enforcement functions toward self-assessment system in order to improve tax compliance. Tax audits can be done optimally, if the inspection activities are conducted with a planned, professional, in accordance with applicable tax provisions, focus and based on specific strategies.

Fixed tax inspection on the taxpayers including selection criteria has been contained in the tax laws. This taxation regulation has become a guide for taxpayers to act and it seems that taxpayers are beginning to act cautiously in order not to become the target of tax audit. Meanwhile, the tax audits conducted randomly done to minimize error or non-compliance taxpayer. Even these results indicate that taxpayers are very careful or do not even intend to do tax

evasion. Taxpayers tend to pay taxes according to the realization of their income, although what they are paying tends to be larger than they should be.

All those government efforts are apparently not responded by taxpayers, who are making tax evasion efforts. There are several reasons taxpayers choose not to make tax evasion efforts when the potential tax audit is done. First, the taxpayer assumes that paying taxes has become an obligation of every citizen. Secondly, taxpayers also assume that so far the government has provided various facilities and easiness such as tax amnesty that oriented to ease tax payments. Third, taxpayers who are mostly private taxpayers, tend not to have staff or tax employees so that when the tax examination was found there are irregularities would be harm their selves. They will get bigger tax penalties than they should for the deviation.

Another government effort to reform taxation is the establishment of tax penalties. When the government conducts various facilities and tax breaks, such as tax amnesty, it is certainly supported by the tax sanctions applied. That is, when taxpayers who meet the criteria do not report the tax amnesty, of course the government will provide severe tax sanctions. High and low tax penalties are responded by the taxpayers by doing the intention of behaving either obediently or not to tax. This study shows that high penalty for tax violation or underpaid taxes payable from it, has an effect on intention in behaving as tax obedient. However, when tax sanctions are considered low, taxpayers tend to be non-compliance with taxes. Tax penalties enacted by the government make taxpayers more obideinet or scared to make irregularities. Tax sanctions not only affect the amount of expenditure, but it also provides a bad image for their business operations.

6. Conclusion

Tax is one of the largest sources of state revenues at this time. However, so far, the realization of tax revenue has not been optimal. The fundamental problem is the low compliance of the taxpayer. Taxpayer compliance is a complex problem because it involves many aspects and perspectives. Several previous tax compliance studies have also shown inconsistencies in their results.

This study focuses on the aspects of taxpayer behavior on government behavior and policies that are focused on audit strategies and tax penalties. This study was done by testing the experiment towards the accounting students at Airlangga University Surabaya with 52 students who meet the checked manipulation. The test results show that from the aspect of posture motivation, most participants including positive motivational posture and statistical results, show only tax sanctions that have an effect on the intention decision to behave as tax obedient especially when the government imposes high tax sanctions.

Audit strategies conducted by the government both random and fixed, have been understood by the taxpayers. They assume that paying taxes is an obligation. In that, the government has provided many facilities or conveniences, and they do not want to get sanctioned with high taxes. This

causes them to decide whether they intend to behave in compliance with taxes or not commit a tax evasion. However, when the government cahnges the tax sanctions it was responded by the taxpayers. When tax sanctions are set high, taxpayers are less likely to not doing tax evasion or they tend to report the tax because they realize it.

7. Future Scope

This study has limitations especially when viewed from the way of selecting the participants. When they graduate, they will choose to become a taxpayer who owns a business or who works freely or who works with an employer. The selection of their career in the future certainly affects the calculation of tax payable. In addition, this study only focuses on measuring intentions not yet fully leading to actual behavior in the future. Nevertheless, this study has an implication for the government. For the government, the characteristics and human nature that exist in the taxpayer should be the basis of consideration in decision making. Taxation strategies, changes in tax regulations, and taxation reforms implemented should be understandable and they also should be directed to increase taxpayer compliance values in order to increase voluntary compliance.

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