



# The Influence of Understanding E-Commerce Tax Regulations, Taxpayer Awareness, and E-Commerce Tax Rates on Tax Paying Compliance (Study of Online Business Owners in Malang City)

Diki Prayoga, Ambar Woro Hastuti, Sri Werdiningsih

University of Merdeka Malang,  
Indonesia

## ABSTRACT

*The increasing number and sophistication of e-commerce transactions requires a government response, especially in terms of taxes. The government issues tax collection regulations and there is no difference in tax treatment of online business and commercial transactions and/or other services. The formulation of the problem in this research is: How does understanding e-commerce tax regulations, taxpayer awareness, and e-commerce tax rates influence taxpayer compliance. This study aims to test knowledge and understanding of e-commerce tax regulations, taxpayer awareness, and e-commerce tax rates on tax compliance. This research uses primary data, namely by distributing questionnaires to online business people in the Malang City area. The sampling used in this research is the convenience sampling method. The number of online business actors in the Malang City area who were sampled in this research was 99 online business actors. Based on the research results, it is known that understanding e-commerce tax regulations, taxpayer awareness, and e-commerce tax rates influence compliance with paying taxes for online business owners.*

**Keywords:** Compliance with Paying Taxes, E-Commerce Tax Rates, Understanding E-Commerce Tax Regulations, Taxpayer Awareness.

## 1. INTRODUCTION

The current situation is in line with the development of the era of globalization which can influence changes in various aspects of world society's life. One of them is e-commerce, which is currently booming and has become a new shopping trend for most people. So we need people who have an entrepreneurial spirit who are able to run MSMEs so they can grow and develop, as well as attracting business sectors with convenience and innovation for urban communities (Hafsah & Hanum, 2021).

MSME innovation with the help of an e-commerce system will facilitate consumer activities because they are connected via the internet network where buyers carry out exchange trading operations without meeting face to face and help save people's time. Apart from making it easier to expand your sales reach, selling online also saves time without sales personnel having to contact consumers directly. Consumers really value the practical aspect in carrying out trading activities, this is due to consumers' decreasing patience with instant gratification.

Internet users in Indonesia experience growth every year. With the number of users in 2022 amounting to 66.48 percent, with an increase of 4.38 percent in the number of Indonesians using the internet in 2021 (Central Statistics Agency, 2023). Many traders are now switching their business online rather than offline, especially if they don't need a physical shop or it's easy to find customers.

The level of e-commerce development in Indonesia is relatively high compared to other countries in the world, namely 78 percent. Indonesian data (2023), e-commerce users in Indonesia will reach 196.47 million people in 2023, higher than the number of e-commerce users in 2022 which will reach 178.94 million people. E-Commerce provides the opportunity for digital trading activities to occur, without being limited by distance and time (Mustakim, 2022).



**Figure 1. Number of E-Commerce Users in Indonesia**

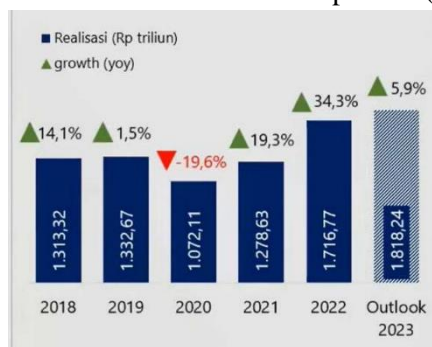
Source : <https://dataIndonesia.id/digital/detaiI/user-ecommerce-ri-diprojecti-capai-19647-juta-pada-2023>

Tax point of view: Basically, in principle there is no difference between traditional business and e-commerce business. Because doing business via e-commerce is the same as selling normally. The difference between the two lies in the way of communication, e-commerce uses the internet as a communication tool.

Based on data collected by the Directorate General of Taxes (DJP), up to 12 December 2023 the realization of tax revenues reached IDR 1,739.8 trillion or 101.3% of the target. From this information it can be concluded that tax revenues are still low and far from the target. The DJP must continue to strive to increase tax revenues by exploiting existing potential in order to achieve the targets that have been set. The 101.3% achievement was a contribution from Corporate Taxpayers and Individual Taxpayers, but only a small amount came from Individual Taxpayers. In his research, Antariksa (2020) revealed that tax revenues in Indonesia are generally still dominated by corporate taxpayers. Because as a formally registered agency, it is easier for an entity to have its identity identified, its presence monitored, its activities detected and its tax objects transparent, whereas when collecting taxes on individuals there are difficulties in monitoring and detection. This is because there is no clear information regarding each individual's financial transactions so that the tax authorities are more optimal than private individuals.

The author chose the conditions and phenomena of e-commerce taxation considering the importance of the growth of e-commerce and electronic tax collection, because tax is a source of government revenue that generates the most, namely more than 80% of state income. Tax itself comes from the people, by the people and, for the people, this means that state revenues or budget sources come from the people by collecting taxes that must be paid by the people for the benefit of the government and the state and the welfare of the community.

However, not everything that is expected can match the reality in the field. Regarding taxes for online shop business owners which influence the application of business capital as a condition for applying for a bank loan. Requirements that sometimes cannot be fulfilled are the absence of a NPWP or the MSME owner not being registered as a Taxpayer. This condition is caused by MSME owners' lack of understanding and lack of information about taxes (SinambeIa et al., 2021). There are also MSME owners with e-commerce systems who are aware of tax obligations, but implementing them also requires attitudes and behavior related to compliance (Ritonga & Zauhari, 2021).



**Figure 2. Tax Revenue in Indonesia**

Source : <https://www.cnbcIndonesia.com/research/20231227040329-128-500402/segini-uang-pajak-warga-ri-seIama-2023>

## 2. LITERATURE REVIEW

### 2.1. Tax

Law no. 28 of 2007 concerning General Provisions and Tax Procedures, tax is a mandatory contribution made by individuals or entities to the state without direct compensation and is used for state needs for the greatest prosperity of the people.

WaIuyo (2016), tax is a contribution to the state (which can be enforced) which is owed by Taxpayers (WP) who pay it according to regulations, with no return, which can be directly appointed, and whose use is to finance expenses generally related to the state's duty to organize government.

Mardiasmo (2016), tax is a contribution in the form of money from the people to the state based on law which can be enforced without receiving reciprocal services which can be directly appointed or used to pay public expenses.

Based on the opinions of several experts above, it can be stated that according to the author, the definition of tax is a mandatory payment to the state by individuals or corporate income taxpayers without direct compensation, which is used for the welfare of society. The tax period is the period from January to December that can be used in the tax year. However, exceptions can be made if you apply for permission to use another time period (Harahap, 2021).

### 2.2. E-Commerce

Currently, beI selling activities can not only be carried out face to face. Digital technology makes the entire process of buying money more practical. Rerung (2018), E-Commerce can be interpreted as a place where transactions or exchange of information takes place between sellers and buyers in cyberspace. It cannot be denied that places to sell money in cyberspace were created by connecting millions of computers into one giant network (the internet). E-Commerce is often also said to be a broad market because its existence has directly created a virtual world market that can connect sellers and buyers from various parts of cyberspace via an internet connection. Wicaksono (2018), E-Commerce is an activity carried out by buyers and sellers in buying and selling various products electronically from company to company, using computers as transaction intermediaries. Meanwhile, according to (Abdi, 2022), E-Commerce is an online shopping activity via the internet network and the transaction method is via a computer network or other electronic equipment. The advantage of e-commerce is that it can reduce the cost of goods and services and increase consumer satisfaction. Ethics is needed to obtain good quality goods at the best prices (Harmayani et al., 2020). Harmayani et AI (2020), E-Commerce is the distribution, purchasing, selling, marketing of goods and services through electronic means such as the internet or television, www, or other computer networks. e-commerce can involve electronic funds transfer, electronic data exchange, automatic inventory management systems, and automatic data collection systems.

From the theory above, it can be concluded that e-commerce is a platform for carrying out exchange transactions electronically via the Internet. E-Commerce is a commercial process using electronic media that connects business actors, consumers and society for electronic transactions and the exchange or sale of goods, services and information electronically.

### 2.3. Taxpayer Compliance

Taxpayer compliance is the taxpayer's obedience in implementing the applicable tax regulations (Siti Kurnia Rahayu, 2017:193). "Taxpayer compliance can be interpreted as a situation where the taxpayer fulfills all his tax obligations and carries out his taxation." From the definition above, it can be concluded that the concept of tax obligations is that taxpayers fulfill their tax obligations in accordance with tax laws and regulations.

A compliant taxpayer is a taxpayer who is designated as a taxpayer who has special criteria and can be given a tax levy based on Law no. 6 of 1983 concerning general provisions and tax procedures. The term compliant taxpayer is officially stated in the Director General of Taxes Decree no. KEP-550/PJ/2000 which has been amended by the Decree of the Director General of Taxes Number KEP-213/PJ/2003. Decree no. KEP-550 is a follow-up to Minister of Finance Decree no. 544/KMK.04/2000 concerning the criteria for taxpayers who can be given a refund of tax overpayments which has also been amended by Minister of Finance Decree No. 235/KMK.03/2003.

## 2.4. Hypothesis Development

Based on the theoretical foundation and framework of thought, the hypotheses that can be proposed are:

### 1) Understanding Tax Regulations (X1) influences Compliance with Tax Payments (Y)

Understanding tax regulations is a process where taxpayers know about taxes and apply them when paying taxes. Understanding tax regulations can trigger changes in attitudes and behavior of taxpayers, which is part of the maturity mechanism for taxpayers through learning and education. Formal and informational tax law training can have a positive impact on taxpayers' awareness of paying taxes.

E-commerce taxpayers' understanding of tax regulations is an internal issue that can influence taxpayers' responses to decisions in fulfilling tax obligations. People who understand tax regulations always pay their taxes voluntarily without any coercion and are aware of the obligations they have as obedient citizens who pay taxes.

Nurwahida, (2020) stated that understanding tax regulations has a significant impact on a taxpayer's responsibilities. The meaning of tax regulations is fully related to the tax regulations stipulated by the tax director, which are understood correctly and can be implemented according to general regulations and tax procedures. Ratih & Ahmad (2021), this statement proves that if someone knows the tax regulations well then he will fulfill his tax obligations. So in accordance with the explanation above, the following hypothesis can be drawn:

H1: Understanding E-Commerce Tax Regulations has a positive effect on Compliance with Paying Taxes.

### 2) Taxpayer Awareness (X2) of Compliance in Paying Taxes (Y)

Taxpayer awareness can be interpreted as a moral attitude that helps support the country's economy and tries to comply with all regulations set by the government which are enforced. Therefore, taxpayer awareness about taxation is very necessary to increase tax payments. Taxpayers who are aware and tax compliant automatically pay their taxes on time and in accordance with statutory regulations. Lack of taxpayer awareness can reduce taxpayer responsibility.

Taxpayer awareness is something that is based on internal factors, namely one's own strength. Taxpayer awareness is clear, so that every taxpayer can understand taxes without the need for external requirements. Thus, when e-commerce taxpayers receive complete information, taxpayers will be more routine in fulfilling their tax obligations.

Research by Nurwahida (2020) explains that taxpayer awareness influences taxpayer obligations. Consciousness is a state of understanding, knowledge and feeling. Indicators of taxpayer awareness include (1) awareness that taxes are part of the contribution to national development, (2) efforts to understand tax laws and regulations and sanctions, (3) awareness that paying taxes is an obligation, (4) understanding of taxpayers towards income tax penalty obligations. Of the four indicators, the first indicator is the strongest indicator. Respondents are aware that taxes are part of the contribution to national development.

H2: Taxpayer awareness has a positive effect on compliance with paying taxes.

### 3) E-Commerce Tax Rates (X3) on Compliance with Paying Taxes (Y)

The tax rate is an amount that is used as a benchmark for tax payments to a taxpayer. The interest paid is in accordance with the income earned by the taxpayer. When income levels change, the amount of tax liability changes.

Based on PP no. 23 of 2018 concerning income tax on income received from businesses or obtained by taxpayers who have certain gross turnover, changes in the final tax rate to 0.5%, the implementation of which is regulated in the Minister of Finance of the Republic of Indonesia No. 99/PMK.03/2018. So, as long as the final tax rate is lowered, e-commerce taxpayers can fulfill their obligations.

External forces are behavior that is caused by external pressure or situations that influence a person's behavior. One of the external forces that originates from the environment is government regulation. Tax rates are an external issue for taxpayers. From the taxpayer's point of view, the lower the government tax rate, the less tax is paid. This reduces costs associated with paying taxes and benefits the business world, so that taxpayers' commitment to paying their tax obligations increases.

Research conducted by Nurwahida (2020), shows that tax rates influence taxpayer obligations. The following hypothesis can be made:

H3: E-Commerce Tax Rates have a positive effect on Compliance with Tax Payments.

### 3. RESEARCH METHODS

#### 3.1. Operational Definition of Variables

The independent variables and dependent variables in this research are as follows:

##### a. Independent Variable (X)

An independent variable is a free variable that is not influenced by other variables and is predicted to be a variable that can explain variations in the dependent variable both negatively and positively (Burhan, 2015). The independent variables in this research consist of the variable understanding of e-commerce tax regulations (X1), the taxpayer awareness variable (X2), and the e-commerce tax rate variable (X3).

**Table 1. Variable Instruments for Understanding E-Commerce Tax Regulations (X1)**

Indicators	Sub Indicators	No. Item
Understanding e-commerce tax regulations	Taxpayers' knowledge of tax regulations can easily be obtained from mass media (such as radio and television), advertisements, banners and other print media.	1
	Online business owners are aware of e-commerce tax regulations.	2
	Know how to calculate tax payable for e-commerce tax.	3
	Know the procedures that must be carried out to pay e-commerce tax.	4
	Online business owners know where to pay the taxes they owe.	5
	Know how to fill out an SPT (Notification Letter) to the tax office.	6
	Know the procedures for reporting an SPT (Notification Letter) to the tax office.	7
	Knowing that in the Taxation Law, taxpayers who are late or do not pay taxes can be given administrative sanctions (fines) and criminal sanctions (imprisonment).	8
	Know how to pay taxes owed in Indonesia using the Self-Assessment Tax Collection system (Calculating, Paying and Reporting Taxes Due yourself).	9

Source: Sulisty (2019)

**Table 2. Taxpayer Awareness Variable Instrument (X2)**

Indicator	Sub Indicators	No. Item
Taxpayer awareness	Pay taxes out of your own conscience.	10
	Happy to pay taxes and report SPT.	11
	Paying taxes is an obligation of citizens, especially those who already have a NPWP.	12
	Taxes paid can be used for state development.	13
	Paying taxes not according to the calculated amount is very detrimental to the state.	14
	Choose to always pay taxes on time.	15
	Sanctions in the Notification Letter (SPT) are very necessary.	16
	Ready to get sanctions if I violate tax regulations.	17

Source: Hama (2021)

**Table 3. E-Commerce Tax Rate Variable Instruments (X3)**

Indicator	Sub Indicators	No. Item
E-commerce tax rates	KPP provides information on new tax regulations.	18
	Ask a tax officer when you have tax difficulties.	19
	Tax officers provide explanations and understanding of taxes.	20
	Information about taxes can be found through print media such as electronic media advertisements such as tax websites.	21
	Information about taxes is very difficult to find out through electronic media.	22
	Tax counseling can provide motivation for taxpayers to comply with paying taxes.	23
	The current tax rates are appropriate.	24

Source: Nurwahida (2020)

**b. Dependent Variable (Y)**

Dependent variables are variables that are influenced or caused by the presence of independent variables. The dependent variable used in this research is the variable compliance with paying taxes (Y).

Table 4. Variable Instrument for Compliance in Paying Taxes (Y)

Indicator	Sub Indicators	No. Item
E-commerce tax rates	Taxpayers must have a NPWP which is used as Taxpayer identity.	25
	Always keep bookkeeping/recording for business.	26
	Online business owners are required to calculate taxes correctly and according to tax regulations.	27
	Pay taxes on time.	28
	Submit SPT (Notification Letter) on time.	29
	Willing to fulfill obligations for tax arrears (if any).	30

Source: Meutia (2021)

Measurement of each variable is carried out using a Likert Scale with a scaling technique using several questions related to an issue or object, then respondents answer each question using the following answer choices: 1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree

**3.2. Population and Sampling**

Based on data from the Malang City Cooperatives, Industry and Trade Department, in 2022 there will be 7,920 online shop business owners in Malang City spread across several sub-districts. Sampling in this study used the Solvin formula with a critical value of 0.1 (10%) because the population was so large. Based on the respondent criteria that the researcher explained above, the total number used in this research was 99 (ninety-nine online business owners in Malang City).

**3.3. Data Analysis Techniques**

Data analysis uses descriptive statistical analysis and multiple regression analysis. Descriptive statistical analysis provides an overview or description of data in terms of the mean (average), standard deviation, variance, maximum, minimum, number, extent of kurtosis and skewness (distribution differences) (Ghozali, 2018). Multiple linear regression analysis is a linear relationship between two or more independent variables (X1,X2,X3...Xn) with a dependent variable (Y). The multiple regression mode has the aim of predicting the magnitude of the dependent variable using independent variables whose magnitude is already known (Ghozali, 2018). This mode is used to test whether there is a causal relationship between the two variables to examine how big the influence is between the independent variable, namely understanding taxes and compliance with paying taxes on the dependent variable, namely online business owners in Malang City.

**4. RESULTS AND DISCUSSION**

**4.1. Research Results**

1) Data Quality Test

a. Validity Test

The validity test aims to measure whether questionnaire data is valid or not using the degree of freedom (df) = (n-2) and  $\alpha = 0.05$ , so the instrument can be said to be valid if rcount is positive and rcount > than rtable then the data is said to be valid. If rcount < rtable then the instrument is said to be invalid (Imam ghozali, 2018).

So the results of the validity level of the variables Understanding E-Commerce Tax Regulations (X1), Taxpayer Awareness (X2), E-Commerce Tax Rates (X3), and Compliance with Paying Taxes (Y) for each variable can be seen in the following table:

Table 5. Questionnaire Item Validity Test

Variables	Item	Correlation Coefficient	r tabel	Sig	Information
Understanding E-Commerce Tax Regulations (X1)	X1.1	0.714	0.197	0,000	Valid
	X1.2	0.656	0.197	0,000	Valid
	X1.3	0.674	0.197	0,000	Valid
	X1.4	0.758	0.197	0,000	Valid
	X1.5	0.758	0.197	0,000	Valid
	X1.6	0.725	0.197	0,000	Valid
	X1.7	0.830	0.197	0,000	Valid
	X1.8	0.774	0.197	0,000	Valid
	X1.9	0.677	0.197	0,000	Valid
	X1.10	0.345	0.197	0,000	Valid
Taxpayer Awareness (X2)	X2.1	0.819	0.197	0,000	Valid
	X2.2	0.850	0.197	0,000	Valid
	X2.3	0.854	0.197	0,000	Valid
	X2.4	0.730	0.197	0,000	Valid
	X2.5	0.780	0.197	0,000	Valid
	X2.6	0.748	0.197	0,000	Valid
	X2.7	0.676	0.197	0,000	Valid
	X2.8	0.704	0.197	0,000	Valid
E-Commerce Tax Rate (X3)	X3.1	0.718	0.197	0,000	Valid
	X3.2	0.691	0.197	0,000	Valid
	X3.3	0.815	0.197	0,000	Valid
	X3.4	0.771	0.197	0,000	Valid
	X3.5	0.829	0.197	0,000	Valid
	X3.6	0.757	0.197	0,000	Valid
Compliance with Paying Taxes (Y)	Y.1	0.856	0.197	0,000	Valid
	Y.2	0.796	0.197	0,000	Valid
	Y.3	0.837	0.197	0,000	Valid
	Y.4	0.890	0.197	0,000	Valid
	Y.5	0.807	0.197	0,000	Valid
	Y.6	0.716	0.197	0,000	Valid

Source: primary data processed by SPSS 16, 2024

Validity is measured by comparing the correlation value of each indicator with the correlation value of the table (rtabel). The rtabel value at  $\alpha = 0.05$  and 99, at rtabel is 0.197. From the data processing above, there were 30 statement items tested, all indicators had a positive correlation and were greater than rtabel, and the probability value was smaller than  $\alpha = 0.05$ . So the data is said to be significant because the rcount is greater than the rtabel and is suitable for use as a tool for collecting data.

#### b. Reliability Test

Reliability is an instrument that can measure what can be measured consistently over time. A variable can be said to be reliable if it shows a Cronbach Alpha value  $> 0.6$  (Imam Ghozali, 2018).

**Table 6. Variable Reliability Coefficient Values**

Variables	Value Cronbach's Alpha	Criteria	Information
Understanding E-Commerce Tax Regulations (X1)	0.880	0.6	ReliabilityI
Taxpayer Awareness (X2)	0.902	0.6	ReliabilityI
E-Commerce Tax Rate (X3)	0.852	0.6	ReliabilityI
Compliance with Paying Taxes (Y)	0.900	0.6	ReliabilityI

Source: primary data processed by SPSS 16, 2024

From table 6, it can be concluded that of the 30 statement items from the variables Understanding E-Commerce Tax Regulations (X1), Taxpayer Awareness (X2), E-Commerce Tax Rates (X3), and Compliance with Paying Taxes (Y) can be said to be significant because If the Cronbach's Alpha value is > the significant level, then all questionnaire statement items are declared reliable or consistent.

2) Klasik Assumption Test

a. Data Normality Test

In this research, normality testing uses the Kolmogrov-Smimov test by looking at the significance of the resulting residuals. The results of the data can be seen from what was obtained as follows:

**Table 7. Normality Test Results**

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		99
Normal Parametersa	Mean	.0000000
	Std. Deviation	2.74170873
	Absolute	.223
	Positive	.113
	Negative	-.223
Statistical Tests		.113
Asymp. Sig. (2-tailed)		.061

Source: primary data processed by SPSS 16, 2024

From the normality test data above, it can be concluded that, if the sig value is > 0.05, the distribution is normal. Then for the results of the Kolmogrov-Smimov test above, a sig value of 0.061 > 0.05 was obtained, then the variables were Understanding E-Commerce Tax Regulations (X1), Taxpayer Awareness (X2), E-Commerce Tax Rates (X3) and Compliance with Paying Taxes ( Y) that the residual value is normally distributed and has met the requirements of the norm test.

b. TestMulticollinearity

This research technique to determine whether there is multicollinearity in a regression mode is by testing the value and tolerance of the Variance Inflation Factor (VIF). If the tolerance value is > 0.10 or the VIF value is < 10.00 then there is no multicollinearity in the data being tested, if the tolerance value is < 0.10 or VIF > 10.00 then there is multicollinearity.

**Table 8. Multicollinearity Test Table**

Model	Collinearity Statistics
-------	-------------------------



		Tolerance	VIF
1	(Constant)		
	Understanding E-Commerce Tax Regulations	,573	1,746
	Taxpayer Awareness	,327	3,062
	E-Commerce Tax Rates	,367	2,723
a. Dependent variable: Compliance with Paying Taxes			

Source: primary data processed by SPSS 16, 2024

The results of the multicollinearity test show that the tolerance value of Understanding E-Commerce Tax Regulations (X1) is  $0.573 > 0.10$  and the VIF value is  $1.746 < 10.00$ , the tolerance value of Taxpayer Awareness (X2) is  $0.327 > 0.10$  and the VIF value  $3.062 < 10.00$ , and the tolerance value of the E-Commerce Tax Rate (X3)  $0.367 > 0.10$  and the VIF value  $2.723 < 10.00$ . It can be concluded that there is no multicollinearity in variables X1,

**c. Test Heteroscedasticity**

The heteroscedasticity test uses the scatterplots test and the Glajser test. This test has the aim of testing the regression mode for differences in variation from the residuals of one observation to another observation. The basis for decision making in this test is that if the significance value is  $> \alpha = 0.05$ , it means that heteroscedasticity does not occur and if the significance value is  $< \alpha = 0.05$ , then heteroscedasticity occurs.

**Table 9. Heteroscedasticity Test Results**

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficient		Standardized Coefficients	Q	Sig.
		B	Std. Error	Beta		
1	(Constant)	6,300	1,340		4,703	,000
	Understanding E-Commerce Tax Regulations	,027	,042	,080	,647	,519
	Taxpayer Awareness	-.054	,066	-.135	-.819	,415
	E-Commerce Tax Rates	-.176	,082	-.332	-2,142	,035
a. Dependent Variable: ABS_RES						

Source: primary data processed by SPSS 16, 2024

The significance value of the variable Understanding of E-Commerce Tax Regulations (X1) is  $0.519 > 0.05$ , then there are no symptoms of heteroscedasticity, then the significance value of the variable Taxpayer Awareness (X2) is  $0.415 > 0.05$ , then there are no symptoms of heteroscedasticity, then the value The significance of the E-Commerce Tax Rate variable (X3) is  $0.035 < 0.05$ , so symptoms of heteroscedasticity occur. In this case, it shows that in this research there are symptoms of heteroscedasticity in the E-Commerce Tax Rate variable (X3).

**4.2. Multiple Linear Regression Test**

Multiple linear regression is useful for examining the influence of the independent variables Understanding E-Commerce Tax Regulations (X1) and Taxpayer Awareness (X2), and E-Commerce Tax Rates (X3) on the dependent variable Compliance with Paying Taxes (Y). The results of multiple linear regression analysis in the research are as follows:

**Table 10. Multiple Linear Regression Analysis Test Results**

Coefficients <sup>a</sup>	
---------------------------	--

	Model	Unstandardized Coefficient		Standardized Coefficients	Q	Sig.
		B	Std. Error	Beta		
1	(Constant)	-2,305	1,864		-1,236	,219
	Understanding E-Commerce Tax Regulations	,308	,059	,414	5,211	,000
	Taxpayer Awareness	,225	,092	,258	2,449	-.016
	E-Commerce Tax Rates	,285	.114	,248	2,498	.014

a. Dependent Variable: ABS\_RES

Source: primary data processed by SPSS 16, 2024

Based on the results of the multiple linear test, the following equation is obtained:

$$Y = -2.305 + 0.308 X1 + 0.225 X2 + 0.285 X3 + e$$

Based on the results of the equation above, it can be explained as follows:

- The constant value ( $\alpha$ ) is -2.305, which means that if the variable size Understanding E-Commerce Tax Regulations (X1), Taxpayer Awareness (X2), and E-Commerce Tax Rate (X3) is the same as noI (0) then there is a positive tendency variable Compliance in Paying Taxes (Y).
- The regression coefficient value of the variable Understanding of E-Commerce Tax Regulations (X1) has a positive value, namely 0.308, meaning that it has a unidirectional relationship where every time Understanding of E-Commerce Tax Regulations (X1) increases, the dependent variable Compliance with Paying Taxes (Y) will increase and vice versa.
- The regression coefficient value of the variable Taxpayer Awareness (X2) has a positive value, namely 0.225, meaning that it has a unidirectional relationship where every time Taxpayer Awareness (X2) increases, the dependent variable Compliance with Paying Taxes (Y) will increase and vice versa.
- The regression coefficient value of the variable E-Commerce Tax Rate (X3) has a positive value, namely 0.285, meaning that it has a unidirectional relationship where every time the E-Commerce Tax Rate (X3) increases, the dependent variable Compliance with Paying Taxes (Y) will also increase as well.

### 4.3. Hypothesis test

- F Test (Model Feasibility Test)

Using the basic F test decisions as follows:

- If the Fcount value > Ftable value, then the research model is declared feasible.
- If the Fcount value < Ftable value, then the research model is declared unfeasible.

**Table 11. F Test Results (Model Feasibility Test)**

ANOVAa						
	Model	Sum of Squares	Df	MeanSquare	F	Sig.
1	Regression	1408,085	3	469,362	60,529	,000a
	Residual	736,663	95	7,754		
	Total	2144,747	98			

a. Predictors: (Constant), E-Commerce Tax Rates (X3), Taxpayer Awareness (X2), Understanding of E-Commerce Tax Regulations (X1)

b. Dependent Variable: Compliance with Paying Taxes

Source: primary data processed by SPSS 16, 2024

Based on the table of F test results, the calculated F value is 60.529 > 2.70 (F table) and the significant value is 0.000 < 0.05, then Ha is accepted, meaning the research model is declared feasible, so the t test and R2 test can be carried out.

- t test

Using the basic t test decision as follows:

- 1) If  $t_{count} > t_{table}$  ( $H_0$  is rejected and  $H_a$  is accepted).
- 2) If  $t_{count} < t_{table}$  ( $H_0$  is accepted and  $H_a$  is rejected).
- 3) If the sig value is  $> 0.05$  then variable X has no significant effect on variable Y.
- 4) If the sig value  $< 0.05$  then variable X has a significant effect on variable Y.

**Table 12. t Test Results (Partial)**

Model		Coefficients <sup>a</sup>				
		Unstandardized Coefficient		Standardized Coefficients	Q	Sig.
		B	Std. Error	Beta		
1	(Constant)	-2,305	1,864		-1,236	,219
	Understanding E-Commerce Tax Regulations	,308	,059	,414	5,211	,000
	Taxpayer Awareness	,225	,092	,258	2,449	-.016
	E-Commerce Tax Rates	,285	.114	,248	2,498	.014

a. Dependent Variable: Compliance with Paying Taxes

Source: primary data processed by SPSS 16, 2024

From the results of the t test above, it can be concluded as follows:

- 1) From the results of the t test in the table above, Understanding E-Commerce Tax Regulations (X1) has an effect on Compliance with Paying Taxes. It is obtained that the significant value of Understanding E-Commerce Tax Regulations (X1) is  $0.000 < 0.05$  with a calculated t value of  $5.211 > 1.660$  t table, so  $H_0$  is rejected or  $H_a$  is accepted. This means that the variable Understanding E-Commerce Tax Regulations (X1) has a significant and positive influence on Compliance with Paying Taxes (Y), so it can be concluded that the first hypothesis is "Understanding E-Commerce Tax Regulations has a positive and significant influence on Compliance with Paying Taxes among online business owners in Malang City" was accepted.
- 2) From the results of the t test in the table above, the influence of Taxpayer Awareness (X2) on Compliance with Paying Taxes shows that the significant value of Taxpayer Awareness (X2) is  $-0.016 < 0.05$  with a calculated t value of  $2.449 > 1.660$  ttable value, then  $H_0$  is rejected or  $H_a$  is accepted . This means that the variable Taxpayer Awareness (X2) has a significant and positive influence on Compliance with Paying Taxes (Y), so it can be concluded that the second hypothesis, namely "Taxpayer Awareness has a positive and significant influence on Compliance with Paying Taxes among online business owners in Malang City" is accepted.
- 3) From the results of the t test in the table above, the influence of the E-Commerce Tax Rate (X3) on Compliance with Paying Taxes shows that the value is not significant, the E-Commerce Tax Rate (X3) is  $0.014 > 0.05$  with a calculated t value of  $2.498 > 1.660$  t table, then  $H_0$  is accepted or  $H_a$  is rejected. This means that the E-Commerce Tax Rate variable (X3) does not have a significant and positive effect on Compliance with Paying Taxes (Y), so it can be concluded that the third hypothesis is "E-Commerce Tax Rates do not have a positive and significant effect on Compliance with Paying Taxes among online business owners in Malang City" was accepted.
- 4) From the results of the t test in the table above, the results show that the beta table coefficient of Understanding E-Commerce Tax Regulations (X1) has a value of 0.414 with a significant value of 0.000 so that Understanding E-Commerce Tax Regulations (X1) has a dominant influence on the Tax Compliance Variable ( Y).

**c. Coefficient of Determination ( $R^2$ )**

The  $R^2$  coefficient of determination test is to show the ability of the independent variable to explain the dependent variable.

Table 13. Results of the R2 Determination Coefficient Test

Model Summary b				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,810	,675	,646	2,785
a. Predictors: (Constant), E-Commerce Tax Rates (X3), Taxpayer Awareness (X2), Understanding of E-Commerce Tax Regulations (X1)				
b. Dependent Variable: Compliance with Paying Taxes				

Source: primary data processed by SPSS 16, 2024

In the determination coefficient table (R2) in the Adjusted R square column, the value is 0.646, where the independent variable Understanding E-Commerce Tax Regulations, Taxpayer Awareness, and E-Commerce Tax Rates has an influence of 64.6% on the dependent variable Compliance with Paying Taxes, while 35.4% was influenced by other variables not examined in this research.

#### 4.4. Discussion of Research Results

##### 1) Understanding E-Commerce Tax Regulations on Tax Paying Compliance

Understanding E-Commerce Tax Regulations (X1) is  $0.000 < 0.05$ , so it can be concluded that Understanding E-Commerce Tax Regulations has a positive and significant influence on Compliance with Paying Taxes among online business owners in Malang City. This research explains that if taxpayers understand more about e-commerce tax regulations, the higher the compliance with paying taxes by online business owners in Malang City. Based on the test results above, it can be concluded that the beta coefficient of variable X1, namely Understanding E-Commerce Tax Regulations, is 0.414 with a significant value of 0.000. So that variable X1, namely Understanding E-Commerce Tax Regulations, has a dominant influence on Variable Y, namely Compliance with Paying Taxes. The results of this research are in line with research conducted by Ratih KumaIa, and Ahmad Juanedi (2021), namely that understanding tax regulations has a significant influence on taxpayer compliance.

Understanding as taxpayer knowledge can increase tax compliance. When one party does not have an understanding of tax regulations, there will be no attitude of compliance in paying taxes on the part of the Taxpayer. To increase this understanding, outreach or education is needed by the Director General of Taxes to the public, either directly or using online media. Understanding is considered an important factor. So the higher the understanding of tax regulations, the higher the level of compliance with paying taxes.

##### 2) Taxpayer Awareness of Tax Paying Compliance

Taxpayer Awareness (X2) regarding Taxpayer Compliance (Y) obtained a significant value of Taxpayer Awareness of  $-0.016 < 0.05$ , so it can be concluded that Taxpayer Awareness has a significant and positive effect on Taxpayer Compliance. This research explains that the higher the level of taxpayer awareness, the impact it will have on compliance with paying taxes among online business owners in Malang City. The results of this research are in line with research conducted by Nurwahida, Syamsu Nujum (2020), namely that taxpayer awareness has a positive and significant effect on e-commerce taxpayer compliance.

Awareness in paying taxes is a very important attitude for taxpayers. Becoming more aware of taxes and obligations in paying taxes will have an impact on increasing public compliance in paying taxes. Awareness is an individual responsibility that is embedded personally. Awareness is one of the critical factors, so the higher the awareness of taxpayers, the more impact it will have on compliance with paying taxes.

##### 3) E-Commerce Tax Rates on Compliance with Tax Payments

The E-Commerce Tax Rate (X3) is  $0.014 > 0.05$ , so the E-Commerce Tax Rate does not have a significant and positive effect on Compliance with Paying Tax (Y), so it can be concluded that the E-Commerce Tax Rate does not have a positive and significant effect on Compliance. Paying taxes to online business owners in Malang City. This research explains that the cheaper the e-commerce tax rate offered, it will not affect compliance with paying taxes for online business owners in Malang City. The results of this research are different from research conducted by Ningsih (2019) which shows that there is a positive and significant relationship between e-commerce tax rates and compliance with paying taxes.

Perceptions of tax rates have no influence on compliance with paying taxes. In relation specifically to e-commerce, tariff perception can be interpreted as the amount of fees paid by taxpayers which has been regulated in law. So if taxpayers are not compliant in paying taxes then the tax rate is not the main factor. The negative influence in the relationship between tax rates and compliance with paying taxes can be caused by high Regional Minimum Wage levels or rates that have been set in law.

## **5. CONCLUSIONS AND RECOMMENDATIONS**

### **5.1. Conclusion**

Based on the results of data analysis and calculations that have been carried out, used to answer questions in the problem formulation that has been proposed, the answers to the problem formulation and conclusions regarding "Understanding E-Commerce Tax Regulations, Taxpayer Awareness, E-Commerce Tax Rates on Compliance with Paying Taxes on Online Business Owners in Malang City" can be concluded as follows:

- 1) Understanding E-Commerce Tax Regulations has a significant and positive effect on compliance with paying taxes. This can happen because the more taxpayers understand about e-commerce tax regulations, the higher the compliance with paying taxes by online business owners in Malang City.
- 2) Taxpayer awareness has a significant and positive effect on tax compliance. This can happen because the higher the level of taxpayer awareness, the more impact it will have on compliance with paying taxes for online business owners in Malang City.
- 3) E-Commerce Tax Rates do not have a significant and positive effect on tax compliance. So the cheaper the e-commerce tax rate offered, it will not affect compliance with paying taxes for online business owners in Malang City.

### **5.2. Suggestion**

From the results of the research carried out, there are several suggestions to improve the quality of future research as follows:

- 1) It is recommended for future researchers to add other variables in measuring taxpayer compliance in the sample used by respondents. For example, tax sanctions variables and the economic level of the taxpayer.
- 2) It is recommended to expand the scope of research for future researchers by increasing the number to produce findings that are much useful for practitioners in the field of taxation.
- 3) It is recommended for further researchers to carry out direct observations or interviews with business respondents, to find out more deeply about factors that can influence taxpayer compliance.
- 4) It is recommended that practitioners in the field of taxation, such as the DJP, expand socialization of Taxpayers, increase Taxpayers' knowledge and understanding of the priority of taxes and the imposition of applicable tax rates and sanctions. So that the sense of compliance among taxpayers is built and increases.

## **REFERENCES**

- Abdi, H. (2023, November 15). Understanding E-Commerce According to Experts and Examples in Indonesia. <https://hot.liputan6.com/read/4856338/pengertian-e-commerce-menurut-para-ahli-dan-cepatnya-di-Indonesia>.
- Space, B. (2020). Analysis of Tax Compliance Levels for Online Transactions (E-Commerce) in East Java.
- Indonesian Central Bureau of Statistics, (2023). Indonesian Telecommunication Statistics 2022. Jakarta: Central Statistics Agency.
- DataIndonesia.com. (2023, September 4). RI E-Commerce Users Projected to Reach 196.47 Million in 2023. Accessed December 20 2023, from <https://dataIndonesia.id/digital/detail/user-ecommerce-ri-diprojection-capai-19647-juta-pada-2023>
- Ghozali, priest. (2018). MuItivariate Analysis Application with the IBM SPSS 25 Program. Diponegoro University Publishing Agency: Semarang Ghozali 2018.
- Hafsah, H., & Hanum, Z. (2021). The Use of Accounting in Running a Business for Micro, Small and Medium Enterprises (MSMEs) in the Gedung Johor District, Medan Johor District. Proceedings of the National Seminar on Entrepreneurship, 2(1), 307-318.

- Pest, A. (2021). The Influence of Taxpayer Awareness, Knowledge of Tax Regulations, and Tax Counseling on E-Commerce Transaction Tax Payment Compliance. *Ascarya: Journal of Islamic Science, Culture, and Social Studies*, 1(2), 173-185. <https://doi.org/10.53754/iscs.vli2.87>.
- Harahap, R. U. (2021). Reporting of Income Tax (Pph) Owed by Corporate Taxpayers to KPP Pratama Binjai. UMSU.
- Harmayani, Marpaung, D., Hamzah, A., & MuIyani, N. (2020). *E-Commerce An Introduction to Digital Business*. Menuilis Writers Foundation.
- Mardiasmo. (2016). *Tax. Andi Offset*.
- Meutia, T., Ray, S. A., & Rizal, Y. (2021). The Influence of Understanding Tax Regulations, Awareness of Paying Taxes, and Tax Sanctions on Taxpayer Compliance (Study of Motor Vehicle Taxpayers in Langsa City). *Samudra Accounting Student Journal (Jmas)*, 2(3), 216-229.
- Nurwahida, Syamsu, and Amirudin. (2020). "The Influence of Understanding Tax Regulations, Tax Rates, the Environment and Taxpayer Awareness on E-Commerce Taxpayer Compliance". *Accounting Journal*.
- Rerung, R. (2018). *E-Commerce Creates Competitiveness Through Information Technology*. CV Budi Utama.
- Ritonga, P., & Zauhari, V. (2021). The Influence of Tax Knowledge, Quality of Tax Services, and Taxpayer Awareness on Individual Taxpayer Compliance at the East MEDAN KPP. UMSU.
- Sinambela, E., Sanjaya, S., & Irsan, M. (2021). MSME Tax Socialization and Business Bookkeeping Training for MSMEs in AmpIas Percut Sei Tuan Village, Deli Serdang Regency, North Sumatra. *Proceedings of the National Seminar on Entrepreneurship*, 2(1), 1096-1103.
- Siti Kurnia Rahayu. (2017). *Tax Concepts and Formal Aspects*. Bandung: Science Engineering.
- Waluyo. (2016). *Indonesian Tax. Battle Four*.
- Wicaksono, M. (2018). *Online Business*. Kompas Gramedia.