THE INFLUENCE OF PSYCHOLOGICAL COST, RELIGIOSITY, LOVE OF MONEY, EDUCATION LEVEL AND TAX SOCIALIZATION ON INDIVIDUAL TAXPAYER COMPLIANCE

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ABSTRACT

This research aims to determine the psychological cost, religiosity, love of money, education level and socialization of taxation on individual taxpayer compliance. This research data collection using e-questionnaire (google form). Hypothesis testing using multiple linear regression analysis. The result of the research showed that (1) psychological cost has a negative effect on individual taxpayer's compliance, (2) religiosity has a positive effect on individual taxpayer's compliance, (3) love of money has a negative effect on individual taxpayer's compliance, (4) education level has a moderately positive effect on individual taxpayer's compliance (α= 10%) and (5) socialization of taxation has a positive on individual taxpayer's compliance.

Keywords: *Taxpayer's Compliance, Psychological Cost, Religiosity, Love of Money, Education Level, Socialization of Taxation.*

INTRODUCTION

The current state of the COVID-19 pandemic can have a major impact on the Indonesian economy. Weakening economic growth during the pandemic could have an impact on the tax sector going forward. This is because during the pandemic there is no social and economic activity. So, the result that will be obtained is a decrease in tax revenue, a decrease in state revenue and can increase state spending.

Currently, the government is in need of a lot of funds for alleviation of this pandemic problem. Tax is the share of the state that dominates at 81.79% of total state revenue (Kemenkeu, 2022).

Posture of APBN for Fiscal Year 2018-2022

(In Billion Rupiah)

Year	Country Income	Tax Receipt		PNBP		Hibah Receipt	
		Nominal	%	Nominal	%	Nominal	%
2018	1.894.720,3	1.618.095,4	85,40	275.427,9	14,54	1.196,87	0,06
2019	2.165.111,8	1.786.378,6	82,51	378.297,8	17,47	435,32	0,02
2020	2.233.196,7	1.865.702,8	83,54	366.995,1	16,43	498,74	0,02
2021	1.743.648,5	1.444.541,3	82,85	298.204,1	17,10	902,82	0,05
2022	1.846.136,6	1.510.001,2	81,79	335.555,6	18,18	579,85	0,03

Based on the data above, the tax revenue side from the COVID-19 pandemic since 2020 has decreased to state revenue.

It can be said that one of the causes is the non-compliance of the community to fulfill their tax payments. The role of taxation is very useful in financing national development for the welfare of the community. Therefore, one way that can be done to increase tax sector income is through community development to comply.

The government's concern for the obedient of the community is because the government targets tax revenues to increase. The definition of taxpayer compliance itself is an attitude of submission, obedience, or obedience to taxpayers in obtaining a Taxpayer Identification Number by registering themselves personally, calculating taxes correctly, making tax payments before maturity, reporting Annual Tax Returns (SPT) and being willing to pay fines. administration based on the enactment of the Act (Rahayu, 2010, p. 138).

Psychological cost (psychological cost) is one part of the cost of compliance. This study was conducted by Artharini & Noviari (2021) showing the results that psychological costs have a positive

influence on taxpayer compliance. Then, Pratama & Mulyani's research (2019) showed that compliance costs had a negative effect on MSME taxpayer compliance. Another tax compliance factor is religiosity. Religiosity or belief in religion makes it possible to carry out religious obligations so as to increase taxpayer compliance (Ratnawardhani, Ernawati, & Fatimah, 2020). Another taxpayer compliance factor is love of money. The love of money can trigger non-fulfillment of an obligation (Artharini & Noviari, 2021), while the research of Purwanti & Herawati (2020) suggests that the love of money has a negative effect on taxpayer compliance.

Based on previous research, it will be re-examined regarding taxpayer compliance with factors, namely psychological cost, religiosity, and love of money. Differences with previous research, researchers add other factors, namely the level of education and socialization of taxation, and researchers use individual taxpayers because it is related to the religiosity variable.

Based on the explanation above, this has attracted researchers to carry out research entitled "The Effect of Psychological Cost, Religiosity, Love of Money, Education Level and Tax Socialization on Individual Taxpayer Compliance".

THEORETICAL BASIS
Theory of Planned Behavior
The Theory of Planned Behavior is a refinement of the Theory of Reasoned Action by adding a perceived behavioral control factor (Ajzen, 1991). The main factor of this theory is a person's intention to perform a certain behavior.

Ajzen (1991) suggests that a person's character related to behavioral intention consists of three components, namely:
1. Attitude Toward Behavior
   Behavior belief is an individual's understanding of behavior. This understanding encourages individuals to have attitudes, namely which

attitudes can be positive or negative towards behavior obtained from beliefs
2. Subjective Norm
   Normative belief is an opinion formed by the surrounding environment. This opinion may or may not affect subjective norms or individual perceptions.
3. Perceived Behavioral Control
   Control belief is a person's personal experience. control this behavior can encourage a person's perception to believe they are able to perform the behavior or not.

Taxpayer Compliance
Taxpayer compliance is the behavior of a person submitting, obeying, or obeying a Taxpayer in obtaining a Taxpayer Identification Number by registering himself, correctly in tax calculations, making timely payments, reporting Annual Tax Returns and being willing to pay administrative fines. based on the enforcement of existing laws (Rahayu, 2010, p. 138).

Psychological Cost
Psychological costs (psychological costs) are feelings of anxiety, stress, disappointment, and worry that can arise when taxpayers experience problems in fulfilling their tax obligations (Artharini & Noviari, 2021).

Religiosity
Mohdali & Pope (2014) stated that in general the study of religiosity consists of 2 religios aspects, namely:
1. Religious affiliation is a grouping based on the religion one believes in. For example: a person is Buddhist, Christian, Muslim and Hindu.
2. Religious commitment as long as individuals practice their religious values, beliefs, and religious practices and carry them out in daily activities (Worthington, et al., 2003).

Love of Money
Research conducted by Tang & Chen (2007) states that a person's desire for

money or love of money is higher related to a person's unethical behavior than materialistic or someone's achievement in life well.

Education Level

Definition of education level based on (Peraturan Pemerintah Republik Indonesia Nomor 57 Tahun 2021 tentang Standar Nasional Pendidikan) reads, "Educational level is an educational stage that is determined based on the level of development of students, goals to be achieved, and abilities developed".

Socialization of Taxation

The definition of tax socialization is that this socialization activity is organized by the Directorate General of Taxes (DJP) which aims to be able to convey a deeper understanding of understanding, knowledge, tax information to the public which is carried out either directly or indirectly to the public (Windiarni, Majidah, & Kurnia, 2020).

HYPOTHESES

Based on the Theory of Planned Behavior, psychological cost is related to the theory used, namely control belief. Something that describes a person's behavior can be from the individual itself or it can be from the outside/environment. Intentions can influence a person to want to have a taste. The more the intention grows which is imagined as being satisfied, not worried and not depressed, the more obedient taxpayers are to comply with their tax obligations.

The results of research conducted by Artharini & Noviari (2021) indicates psychological costs have a positive effect on taxpayer compliance in the MSME sector. However, there are studies that are not in line with the Artharini & Noviari, namely the research of Purwanti & Herawati (2020) which shows that the cost of tax compliance has a negative and significant effect on the compliance of motorized vehicle taxpayers. Based on

different results above, we developed the first hypothesis below.

H₁: Psychological cost has a negative effect on individual taxpayer compliance.

Based on the Theory of Planned Behavior, religiosity has an attitude relationship with the theory used, namely normative belief. When instilled obedience to religion is high in the individual's perception to do things that behave positively. If the higher the religiosity or the level of trust and obedience to religion, the taxpayer is obedient to his tax obligations,

This is also supported by research conducted by Artharini & Noviari (2021) explaining that religiosity has a positive effect on corporate taxpayer compliance in the MSME sector.

H₂: Religiosity has a positive effect on individual taxpayer compliance.

Based on the Theory of Planned Behavior, love of money in this study is related to attitude and belief behavior. This relates to the individual's behavior in getting the belief that the love of money can cause excessive nature to the individual. Therefore, if there are individuals who have high confidence in the love of money, they spend money that does not get a big good reward. So, this can affect tax obligations.

Ratnawardhani, Ernawati, & Fatimah (2020) empirical results indicate that love of money has an influence on the compliance of prospective taxpayers. However, there are studies that are not in line with Ratnawardhani, Ernawati, & Fatimah, namely the research conducted by Artharini & Noviari (2021) shows that love of money has a negative effect on corporate taxpayer compliance in the MSME sector. In this research we formulate the third hypothesis as follow:

H₃: Love of Money has a negative effect on individual taxpayer compliance.

Based on the Theory of Planned Behavior, the level of education has an attitude relationship with the theory used, namely normative beliefs. This is because

taxpayer compliance can be formed from the surrounding environment or the individual's own perception. Therefore, if the higher the level of education of the taxpayer in fulfilling tax obligations, the results obtained can affect taxpayer compliance. This is because a high level of education can facilitate and understand the applicable tax provisions and regulations. This is also supported by Yulia, et. al. (2020), the level of education has an influence on taxpayer compliance.

H₄: Education level has a positive effect on individual taxpayer compliance.

Based on the Theory of Planned Behavior, socialization of taxation has a relationship with the theory used, namely normative beliefs. This is because individual perceptions of taxpayer compliance can be formed through the surrounding environment. Therefore, it is the same as tax socialization if the individual has a perception that is influenced by the existence of socialization activities. So, it is expected that they are obliged to behave obediently in fulfilling their tax obligations.

This is also supported by Yulia, et al (2020), tax socialization has an influence on taxpayer compliance. We hypothesize the positive effect of socialization as follow:

H₅: Socialization of taxation has a positive effect on individual taxpayer compliance.

METHOD

The type of research used in this study is survey research using descriptive qualitative research methods. The unit of analysis used is the individual/person. The location of this research is not limited to just one area because the data used by researchers uses primary data and this research was carried out online by distributing questionnaires via google form. Google form links are shared using social media, such as: Whatsapp groups, Instagram, and others so that can reach a broader area. Therefore, the researcher has

no reason to limit the area in this study. This research started from February 2022 to completion.

The population used in this study is individual taxpayers. Considering the large number of private taxpayers and due to its relationship with time, the sampling was carried out using the purposive sampling method, namely the sampling technique using certain criteria considerations. The sample criteria used by the researcher are individual taxpayers who have tax ID number.

RESULTS AND DISCUSSION

The distribution of questionnaires in this study was carried out from April 19, 2022 to May 16, 2022. The number of respondents who had filled out the google form was 158 respondents.

There are 132 questionnaires that can be processed from a total of 158 respondents who can be processed, while there are 26 questionnaires that cannot be processed because they do not meet the criteria, namely not having a tax ID number as many as 24 respondents and there are 2 respondents left blank.

Descriptive Analysis

Keterangan	Y	X1	X2	X3	X4	X5
Mean	4,571	2,638	4,286	2,962	4,259	4,487
Standard Error	0,050	0,082	0,052	0,073	0,053	0,047
Median	4,800	2,500	4,400	3,000	4,250	4,714
Range	2,600	4,000	2,000	4,000	2,250	2,143
Minimum	2,400	1,000	3,000	1,000	2,750	2,857
Maximum	5,000	5,000	5,000	5,000	5,000	5,000
Count	132	132	132	132	132	132

Based on the table above shows that the number of respondents as many as 132 people. For the average respondent in answering questions on per-variable shows that (1) Taxpayer Compliance on average answered strongly agree; (2) the average psychological cost answered neutral; (3) the average religiosity answered agree; (4) Love of money answered neutrally; (5) the average level of education answered agree; and (6) the average tax socialization answered strongly agree.

Multiple Regression Analysis

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	1,258	0,425		2,960	0,004
Psychological Cost (X1)	0,037	0,046	0,062	0,808	0,421
Religiusitas (X2)	0,247	0,078	0,257	3,154	0,002
Love of Money (X3)	-0,066	0,050	-0,097	-1,322	0,188
Tingkat Pendidikan (X4)	0,184	0,094	0,194	1,953	0,053
Sosialisasi Perpajakan (X5)	0,349	0,096	0,329	3,623	0,000

The results of the multiple regression can be expressed in the equation below:

$$Y = 1{,}258 + 0{,}037X_1 + 0{,}247X_2 - 0{,}066\,X_3 + 0{,}184\,X_4 + 0{,}349X_5$$

Model Test

Model	Sum of Square	df	Mean Square	F	Sig.
1 Regression	17,858	5	3,572	17,864	0,000[b]
Residual	25,192	126	0,200		
Total	43,051	131			

Based on the table above, it shows that the probability value of sig. of 0,000 less than of 0,05 which results in the decision Ho is rejected. So, it can be concluded that this model can be used to describe the effect of psychological cost, religiosity, love of money, education level and tax socialization on individual taxpayer compliance.

Coefficient of Determination Test

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0,644[a]	0,415	0,392	0,447

Based on the test results, the coefficient of determination was 0,392. This means that this model can explain the relationship between the independent variables, namely psychological cost, religiosity, love of money, education level and tax socialization on the compliance of individual taxpayers by 39,2% and the remaining 60,8% explained by other variables besides the five variables.

T Test

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
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Tingkat Pendidikan (X4)	0,184	0,094	0,194	1,953	*0,053
Sosialisasi Perpajakan (X5)	0,349	0,096	0,329	3,623	**0,000

Description:
* : Significant at =10%
**: Significant at =5%

The Influence of Psychological Cost on Individual Taxpayer Compliance

Based on the data analysis that has been tested, it shows that the psychological cost has a negative effect on individual taxpayer compliance so that the result of the decision, namely **H₁ is not supported**. From the results that are not supported or not significant because the majority of taxpayers in this study are employees whose taxes are deducted before receiving salaries. Therefore, whether the taxpayer wants to be worried or not, this has no relationship with taxpayer compliance so that the results obtained that psychological cost have a negative influence on taxpayer compliance. The results of this study are not in line with the research results of Artharini & Noviari (2021) which show that the cost of tax compliance has a positive effect on taxpayer compliance.

The Effect of Religiosity on Individual Taxpayer Compliance

Based on the data analysis that has been tested, it shows that religiosity has a positive influence on individual taxpayer compliance so that the results of the decision on **H₂ are supported**. From the results that are supported/significant because religion teaches its people to always carry out their obligations. One of the obligations that must be fulfilled in this study is tax obligations by example paying taxes. If the taxpayer is obedient to religious orders, the taxpayer obeys state orders in fulfilling tax obligations. The results of this study are in line with the research of Artharini & Noviari (2021) which shows that religiosity has a positive influence on taxpayer compliance.

The Effect of Love of Money on Individual Taxpayer Compliance

Based on the analysis of the data that has been tested, it shows that love of money has a negative effect on individual taxpayer compliance so that the result of the decision, namely **H₃ is not supported**. From this unsupported/insignificant result,

it is because if the taxpayer is already in love with his money, it cannot affect his compliance. This is because the taxpayer whose tax has been deducted, willingly or unwillingly, does not affect the money because it has been deducted and the taxpayer only has to accept the evidence. The results of this study are not in line with the research of Ratnawardhani, Ernawati, & Fatimah (2020) which states that love of money has a positive influence on taxpayer compliance.

The Effect of Education Level on Individual Taxpayer Compliance

a. Using =5%, based on data analysis that has been tested, it shows that education level has a negative influence on individual taxpayer compliance so that the result of the decision, namely **H4 is not supported**. From this unsupported result, after tracing the characteristics of the respondent's education level for the SMA level with the Bachelor level, the difference is 1 point and for the results the significance value is 0.053. If seen, individuals who lack tax knowledge will not fulfill their tax obligations. The results of this study contradict the research of Yulia, et al. (2020) shows that the level of education has a positive effect on taxpayer compliance.

b. Using =10%, based on data analysis that has been tested, it shows that the level of education has a positive influence on individual taxpayer compliance so that the decision result, namely **H4 is supported.** This supported result shows that the higher the taxpayer's education in fulfilling tax obligations, the results obtained can affect taxpayer compliance. This can be because the high level of education can facilitate and understand the applicable tax provisions and regulations. This is supported by the research of Yulia, et al. (2020) explains that education level has an influence on taxpayer compliance

The Effect of Tax Socialization on Individual Taxpayer Compliance

Based on the data analysis that has been tested, it shows that tax socialization has a positive influence on individual taxpayer compliance so that the decision result, namely **H5 is supported**. From the supported results, it shows that the existence of tax socialization can increase the awareness of taxpayers to fulfill their obligations so that tax socialization can lead to taxpayer compliance. The results of this study are in line with the research of Yulia, et al (2020), which shows that tax socialization has a positive effect on taxpayer compliance.

Based on the table above, when viewed from the standardized coefficients Beta values show the magnitude of the influence of the independent variables, namely psychological cost, religiosity, love of money, education level and tax socialization on the dependent variable, namely taxpayer compliance. The coefficient values between variables are compared showing the results that the order of variables that have the most influence is the tax socialization variable (X_5) of 0.329; The religiosity variable (X_2) is 0.257; and the education level variable (X_4) is 0.194

CONCLUSION

The conclusion of the research showed that (1) psychological cost has a negative effect on individual taxpayer's compliance, (2) religiosity has a positive effect on individual taxpayer's compliance, (3) love of money has a negative effect on individual taxpayer's compliance, (4) if using a significant level of 5%, education level has a negative effect on individual taxpayer's compliance, if using a significance level of 10%, education level has a positive effect on individual taxpayer's compliance, and (5) socialization of taxation has a positive on individual taxpayer's compliance.

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