THE ATTRIBUTES OF PERSONAL TAXPAYER'S COMPLIANCE IN INDONESIA

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ABSTRACT

The aim of this study is to confirm the attributes of personal taxpayer's compliance in Indonesia. The attributes of personal taxpayer's compliance proposed in this research are: awareness, knowledge, perceived equality and fairness, compliance cost, fiscal service quality, tax socialization, tax regulation, tax audit and penalties. The data was gathered from 350 personal taxpayers registered in tax offices of several provinces of Indonesia. The data was processed using Second Order Confirmatory Factor Analysis (SEM-PLS) – SmartPLS 3. The result of the study confirmed that the attributes of awareness, positively, manifest the taxpayer's compliance. It is also confirmed that the attributes of knowledge, positively, manifest the taxpayer's compliance. The attributes of compliance cost, positively, manifest the taxpayer's compliance. The attributes of perceived equality and fairness, positively, manifest the taxpayer's compliance. The attributes of fiscal quality service, positively, manifest the taxpayer's compliance. The attributes of tax socialization, positively, manifest the taxpayer's compliance. The attributes of tax regulation, positively, manifest the taxpayer's compliance. The attributes of tax audit, positively, manifest the taxpayer's compliance. The attributes of penalties, positively, manifest the taxpayer's compliance. These can be concluded that all of the attributes of the constructs confirm to indicate or manifest the personal taxpayer's compliance in Indonesia.

Keywords: personal taxpayer's compliance, awareness, knowledge, perceived equality and fairness, compliance cost, fiscal service quality, tax socialization, tax regulation, tax audit, penalties.

JEL Classification : H21,H24,H26

1.   INTRODUCTION

Tax plays an important role in national development both for developed and underdeveloping countries. In the posture of the State Budget and Expenditure 2018 and in the Draft State Budget and Expenditure 2019 of Indonesia, the tax revenue contributed more than 80in the domestic income scheme. Table 1 presents the tax revenue in domestic revenue scheme over period of 2018 and 2019.

Table 1. Tax Revenues in the Domestic Revenue Scheme for 2018 and 2019 (in billion)

Description	2018		2019	
	IDR	%	IDR	%
Domestic Revenue	1.897.643,30	100.00	2.142.088,80	100.00
Tax Revenue	1.548.485,00	81.60	1.780.995,00	83.14
Non-Tax Revenue	349.158,30	18.40	361.092,90	16.86

Source: Financial Note and Draft of State Budget & Expenditure of Indonesia for Fiscal Year 2019

The realization of of the target of tax revenues in the past few years has not been achieved. There was one challenge for tax officer to achieving the tax targets. It was a transformation of the taxation system in Indonesia, from official assessment becomes self assessment system. In self assessment system, the taxpayers are asked to calculate, report, and pay their taxes independently. Taxpayer's compliance is very crucial to be considered by tax officers on how they encourage taxpayers to voluntarily become an obedient (compliant) taxpayers. In terms of encouraging taxpayer compliance, the analysis of the factors that are considered by taxpayers in affecting taxpayer's compliance becomes important to study. The previous research that combines internal factors and external factors of taxpayer almost not been done. Ardy et al. (2018) examined 6 (six) factors that influence taxpayer's compliance using meta-analysis approach.

Some previous studies examined the relationship between taxpayer awareness and taxpayer compliance (Alabede, 2014; Kristanty et al. 2014; Mir'atussolihah et al 2014; Pandan, 2014; Widorini & Nugroho, 2014; Sudrajat & Ompusunggu, 2015; Tampubolon & Pratomo, 2015; Eddy & Carolina, 2015). They find that the higher the awareness of the taxpayer then higher taxpayer's compliance is concerned. In relation with knowledge of taxation, some researchers tested the relationship between taxpayer's knowledge and taxpayer's compliance (Muarifah, 2012; Ihsan, 2013; Caroko, 2014; Putri, 2015: and Ulfah, 2015). They show that knowledge of taxpayers has a positive relationship with taxpayer's compliance.

The compliance cost has positive relation with taxpayer compliance. The compliance cost refer to willingness of taxpayer to bear costs that arise in fulfilling their tax obligations. Fiscal service quality is related to taxpayer's compliance (Jatmiko, 2006; Sandi, 2010; Rajif, 2012; Rohmawati & Rasmini, 2012; Andyastuti, et al. 2013; Ariesta & Suryaningsih, 2013; Pandan, 2014; Puri, 2014; Kundalini, 2015 ; Mahardika, 2015; Paramartha & Rasmini, 2015; Widyastuti, 2015; Kusuma, 2016). The equality and tax justice as perceived by taxpayers are positively associated to taxpayer's compliance (Engida & Baisa, 2014). In developing countries the issue of tax equality and fairness has become prominent.

Tax socialization is related to taxpayer compliance (Rohmawati & Rasmini, 2012; Andyastuti, et al. 2013; Ariesta & Suryaningsih, 2013; Ihsan, 2013; Pamuji, et al. 2014; Putra, et al. 2014; Ananda et al. 2015; Meliala & Inasius, 2015; Sudrajat & Ompusunggu, 2015). Likewise, taxation policies make it easy for tax management procedures to be related to taxpayer compliance (Istiqomah, 2017). Tax audits are related to taxpayer compliance (Anjarini, et al. 2012; Andyastuti, et al. 2013; Mandagi, et al. 2014; Pandan, 2014; Sukmawati, 2015; Aprilina et al., 2016). Tax sanctions also have relevance to taxpayer compliance (Tiraada, 2013; Dharma & Ariyanto, 2014; Putra et al., 2014; Widyastuti, 2015; Aprilina, et al. 2016; Hantoyo, et al., 2016; Kusuma, 2016;).

This study is aimed to examine the attributes of personal taxpayer compliance using the Second Order Confirmatory Analysis through the Structural Equation Model - Partial Least Square (SEM-PLS) approach. The attributes of the proposed construct consist of: awareness, knowledge, perceptions of equality and fairness, compliance costs, fiscal service quality, tax socialization, tax regulation, tax audit, and tax penalties. There was nine construct to be proposed to have positive effect on taxpayers compliance in term of individual perspective and tax office perspective.

2. LITERATURE REVIEWS
2.1. Taxpayer's Compliance.
The taxpayer's compliance is a person's compliance to fulfill his/her tax obligations in accordance with regulations or tax laws (Tiraada, 2013). Based on Minister of Finance of Republik of Indonesia Regulation No. 74/PMK.03/2012, the criteria for taxpayer compliance

include: First, timely submitting notification letters for all types of taxes. Second, there are no tax arrears, except tax arrears that have obtained permission to repay or delay payment of taxes. Third, the financial statements are audited by public accountants or government financial supervision institutions with unqualified opinions for 3 (three) consecutive years. Fourth, they have never been convicted of committing a criminal offense in the field of taxation based on a court decision that has a fixed legal power within the last 5 (five) years.

2.2. Personal Taxpayer perspective

1. *Taxpayer's awareness*. Taxpayer's awareness is awareness that is owned by taxpayers regarding the benefits and importance of taxes for the development of a country. Recognizing that taxes are an obligation of citizens to encourage taxpayers to fulfill their tax obligations. Some of the results of previous studies indicate that the higher the awareness of taxpayers the higher the taxpayer's compliance is concerned (Herryanto and Toly, 2013; Sudrajat and Ompusunggu, 2015; Tampubolon and Pratomo, 2015; Eddy and Carolina, 2015).

2. *Taxpayer's knowledge*. Knowledge of taxpayers refers to the understanding of taxpayers regarding regulations, procedures, tariffs, and other matters related to tax provisions. The more understanding taxpayers of the tax provisions the greater the potential taxpayers to fulfill their tax obligations. Muarifah (2012) and Supriyati (2012) found that tax knowledge has a positive effect on tax compliance. Caroko (2014) also showed the same results that knowledge of taxes had a positive effect on the taxpayer's compliance. Likewise, Ulfa (2015) concluded that taxpayer's knowledge has a positive effect on taxpayer's compliance. This result was supported by Putri (2015) stated that taxpayer's knowledge has a positive effect on taxpayer's compliance.

3. *Perception of equality and fairnes*. Perception of equality and fairness of tax refer to the perception of taxpayers regarding the position of taxpayers and how taxpayers are treated fairly by the government. Engida and Baisa (2014) categorize equity and tax justice as social factors that need to be considered and have relevance to taxpayer compliance. In developing countries the issue of tax equality and fairness has become prominent.

4. *Compliance cost*. Taxpayer's compliance costs are all expenses/costs that are willing to be borne to taxpayers related to their tax compliance or fulfillment of their tax obligations. Savitri and Musfialdy (2016) find that compliance costs are related to taxpayer compliance. The compliance cost has a positive relation with taxpayer compliance. The compliance cost refer to the willingness of the taxpayer to bear the costs that arise in fulfilling their tax obligations. Fiscal service quality is related to taxpayer's compliance (Jatmiko, 2006; Sandi, 2010; Rajif, 2012; Rohmawati and Rasmini, 2012; Andyastuti, et al. 2013; Ariesta and Suryaningsih, 2013; Pandan, 2014; Puri, 2014; Kundalini, 2015 ; Mahardika, 2015; Paramartha and Rasmini, 2015; Widyastuti, 2015; Kusuma, 2016).

2.3. Tax Office Perspective

1. *Fiscal service quality*. Fiscal service quality refers to the quality of services provided by tax officials to the taxpayers. Service quality refers to service quality which includes hospitality, reliability of service, speed of response given to taxpayers. Good public service quality makes taxpayers not reluctant to take care of their taxes independently and have an impact on tax compliance (Jatmiko, 2006; Junita, 2008; Risnawati, 2009; Gerger et.al 2014; Dyah, 2015; Dinku 2018).

2. *Tax socialization*. Tax socialization is a set of activities carried out by tax officials, both directly and indirectly, to provide tax information to taxpayers. Counseling, consultation, and socialization through the internet network and other media are expected to increase the knowledge of taxpayers and ultimately improve taxpayer compliance. Tax socialization is related to taxpayer compliance (Rohmawati and Rasmini, 2012;

Andyastuti, et al. 2013; Ariesta and Suryaningsih, 2013; Ihsan, 2013; Pamuji, et al. 2014; Putra, et al. 2014; Ananda et al. 2015; Meliala and Inasius, 2015; Santoso & Sulasmiyati, 2015; Sudrajat and Ompusunggu, 2015).

3. *Tax regulation*. The research conducted by Ngadiman & Huslin (2015) shows that the tax amnesty has a positive efffect on taxpayer's compliance. This result was also supported by Suyanto (2016) that tax amnesty had a positive effect on tax compliance and Pangkey et al (2017). The implementation of tax amnesty in Indonesia has the opportunity to be successfully implemented with the type of investigation amnesty Alberto (2015). The results supported by Ragimun (2015) showed that tax amnesty had been carried out in Indonesia but was less effective. The result of the regulation is that taxpayers have high expectations of tax amnesty and will become a habit.

4. *Tax audit*. Inspection (tax audit) is a series of inspection processes carried out by tax officials to taxpayers related to taxation issues. This is done to ensure that tax procedures and procedures carried out by taxpayers meet applicable standards. Tax audits are related to taxpayer's compliance (Anjarini, et al. 2012; Andyastuti, et al. 2013; Mandagi, et al. 2014; Pandan, 2014; Ginting, 2015; Sukmawati, 2015; Aprilina et al., 2016). Tax sanctions also have relevance to taxpayer compliance (Tiraada, 2013; Dharma and Ariyanto, 2014; Putra et al., 2014; Widyastuti, 2015; Aprilina, et al. 2016; Hantoyo, et al., 2016; Kusuma, 2016).

5. *Tax fines and sanctions (penalties)*. Fines and sanctions are fines and sanctions imposed on taxpayers when the taxpayer does not fulfill his tax obligations. In some studies, fines and tax sanctions are related to taxpayer compliance. Utami and Kardinal (2013) and Jotopurnomo dan Mangoting (2013) confirmed that tax sanction has a significant effect on individual taxpayer compliance in Surabaya. These results are also supported by Fuadi (2013) tax sanctions have a positive effect on tax compliance. Septarini (2015) also concluded that tax sanctions have a positive effect on taxpayer compliance. Likewise Susmita (2016) shows that tax sanctions have a positive and significant effect on tax compliance. Tax sanctions also have relevance to taxpayer's compliance (Muliari, 2011; Tiraada, 2013; Dharma & Ariyanto, 2014; Putra et al., 2014; Fajriyan, 2015; Widyastuti, 2015; Aprilina, et al. 2016; Hantoyo, et al., 2016; Kusuma, 2016; Pujiwidodo, 2016).

2.4. Conceptual framework and hypothesis

As been stated in the literature review and previous studies there are several factors that associated to taxpayer compliance. In this study, factors along with attributes/indicators are used to confirm the relationship with the personal taxpayer's compliance. Several factors tested include: Awareness of taxpayers (awareness), knowledge of taxpayers (knowledge), perceptions of equality and justice (percetpion of equality and fairness) taxation socialization (tax socialization), compliance costs (compliance costs), fines and tax sanctions (penalties), taxpayer review (tax audit), fiscal service quality (fiscal service quality) and taxation policy (tax regulation). Figure 1 describes the conceptual framework of this study.
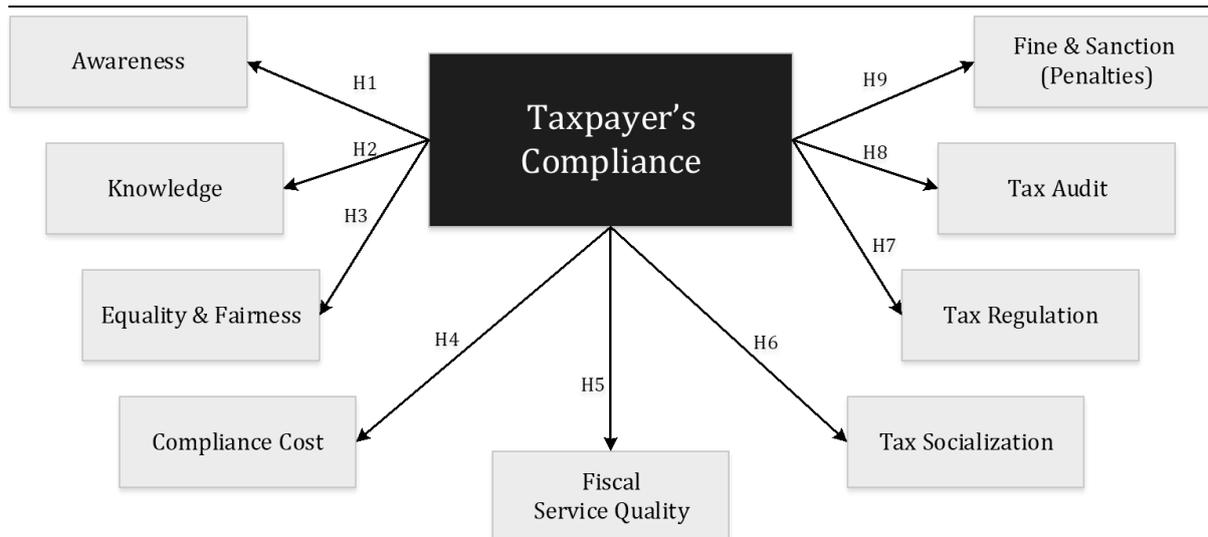
Figure 1: Conceptual Framework

Based on Figure 1 then the hypothesis in this study can be formulated as follows:

Hypothesis 1 : The attributes of taxpayer's awareness positively and significantly reflect the construct of personal taxpayer's compliance.

Hypothesis 2 : The attibutes of taxpayer's knowledge attributes positively and significantly reflects the construct of personal taxpayer's compliance.

Hypothesis 3 : The attributes of perception of equality and fairness positively and significantly reflects the construct of personal taxpayer's compliance.

Hypothesis 4 : The attributes of compliance cost positively and significantly reflects the construct of personal taxpayer's compliance.

Hypothesis 5 : The attributes of fiscal service quality positively and significantly reflects the construct of personal taxpayer's compliance.

Hypothesis 6 : The attributes of tax socialization positively and significantly reflects the construct of personal taxpayer's compliance.

Hypothesis 7 : The attributes of tax regulation positively and significantly reflects the construct of personal taxpayer's compliance.

Hypothesis 8 : The attributes of tax audit positively and significantly reflects the construct of personal taxpayer's compliance.

Hypothesis 9 : The attributes of tax fines and sanctions (penalties) positively and significantly reflects the construct of personal taxpayer's compliance.

3. RESEARCH METHOD

This study uses 270 personal taxpayers registered in tax officials of several provinces in Indonesia as the sample. Technically, this study distributes questionnaires for 300 respondents but only 280 respondents sent back the questionnaires. On 280 questionnaires, there are 270 questionnaires filled in complete. Table 2 describes all attributes of all proposed constructs that manifest personal taxpayer's compliance.

Table 2. The attributes of the construct that manifest personal taxpayer compliance

Construct	Indicators/Attributes
Awareness	Aware that tax renvenues are used to finance national development Aware that tax is an obligation of citizens. Aware that taxes provide benefits for others.
Knowledge	Knowledge regarding tax regulations Knowledge regarding taxation procedures Knowledge regarding tariffs and tax periods
Equality & Fairness	The position of the taxpayer is equal and not discriminatory Every taxpayer is treated equally and fairly Taxpayers with same category and income are subject to the same tax
Compliance Cost	Willingness to bear the costs of tax compliance. Willingness to meet taxation process and procedures Willingness to consult related tax issues.
Fiscal Service Quality	The hospitality of the tax officer The reliability of tax services The speed of response to fix the problems faced by taxpayers
Tax Socialization	The clarity of tax information The availability of tax consultation time The reliability of media (internet and social media)
Tax Regulation	The clarity of tax process and procedures. The tax incentives for taxpayers The tax amnesty policy
Tax Audit	Ease of audit process and procedures The reliability of tax auditors Providing solutions to tax problems
Penalties	Penalties are applied transparently Tax sanctions are applied expressly and fairly Law enforcement fulfills the principle of equality and justice

All of the attributes in each construct are measured using a 5 points of Likert scale. To confirm that the attributes of the construct are significant in indicating or reflecting constructs are tested using the Second Order Confirmatory Factor Analysis (Second Order CFA) through the Structural Equation Model - Partial Least Square (SEM-PLS) approach using SmartPLS 3.0.

4.   RESULTS AND DISCUSSIONS
The Second Order Confirmatory Factor Analysis (Second Order - CFA) is used to test the proposed hypotheses. First, the significance test of the outer loading of all attributes in reflecting/manifesting the constructs of taxpayer compliance. Second, the significance test of constructs in reflecting/manifesting taxpayer's compliance. PLS analysis is conducted in two stages. The first stage is to evaluate the measurement model for each latent construct. At this stage, to test and assess the validity and reliability of measurements. The second stage is to conduct a second order confirmatory factor analysis. In the PLS analysis, Chin, Marcolin & Newsted (2003) suggested that the adequacy of measurements is assessed by evaluating three

components; (1) individual item reliability, (2) internal consistency of items that measure the respective latent construct, and (3) discriminant validity of the construct.

The reliability of indicator is assessed through the loading factors of the respective construct. The bigger the loading factor of an indicator to respective construct, the more reliable the indicator in manifesting its construct. The measurement of internal consistency is assessed using Composite Reliability (CR) with the required value above 0.7. The last indicator is average variance extracted (AVE), the expected value for AVE is above 0.5.

Table 3. Reliability, internal consistency, and average variance extracted

Construct	R	Composite Reliability	AVE
Awareness	0.584	0.921	0.795
Knowledge	0.722	0.728	0.491
Equality & Fairness	0.501	0.905	0.761
Compliance Cost	0.652	0.783	0.548
Fiscal Service Quality	0.715	0.820	0.604
Tax Socialization	0.554	0.803	0.577
Tax Regulation	0.601	0.849	0.657
Tax Audit	0.677	0.731	0.481
Penalties	0.527	0.763	0.521

Table 3 shows that all of the construct of taxpayer's compliance consist of: awareness, knowledge, equality & fairness, compliance cost, fiscal service quality, tax socialization, tax regulation, tax audit and penalties are reliable. Its indicated by the composite reliability score were above 0.7. Besides, knowledge and tax audit constructs have the AVE score below 0.5.
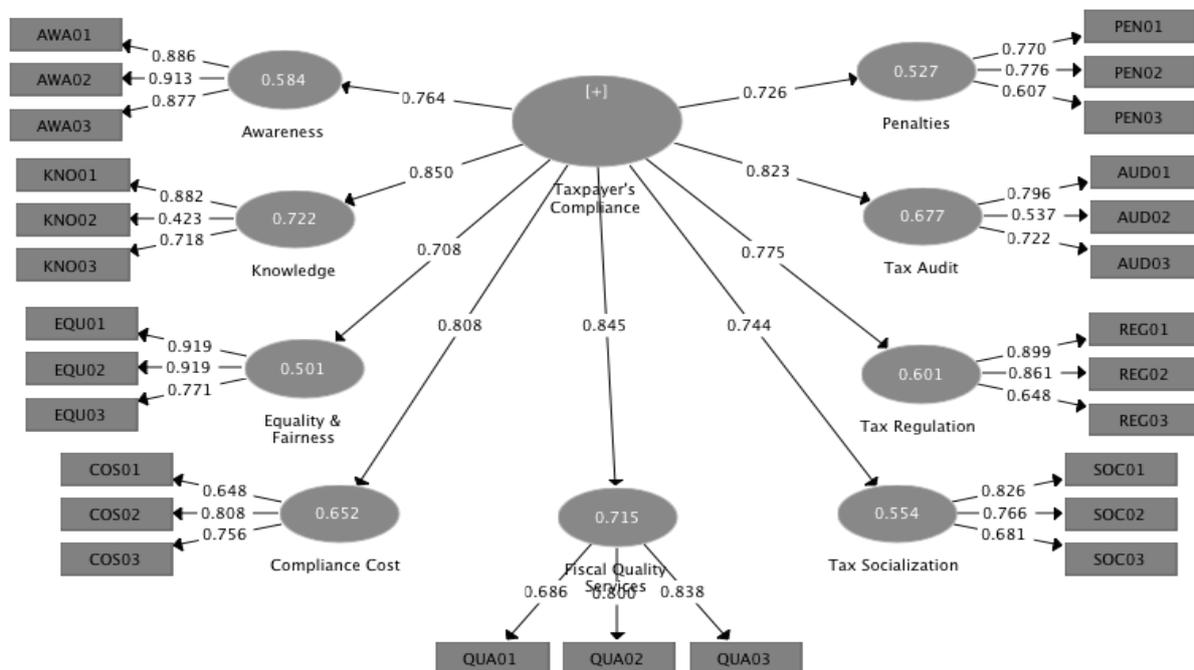
Figure 2: Second order confirmatory factor analysis personal taxpayer compliance attributes

Taxpayer Compliance Attributes - First Order Confirmatory Factor Analysis

The attributes of awareness. Statistically, indicators are stated to have reflective ability to proxy latent variables as stated in the amount of loading factor. To test the significance of attributes in reflecting/manifesting latent variables, the $s_{statistics}$ must be greater than 1.96 and the probability (p-$_{values}$) must be lower than 0.05. Table 4 presents the t$_{statistic}$ of the attributes in the taxpayer's awareness construct. Table 4 shows that result of First Order Confirmatory Factor Analysis, the outer loading factor of all attributes manifest the construct of awareness of the taxpayers. The higher the loading factor (original sample and sample mean) then better the attribute to reflect/manifest the construct of awareness of the taxpayer. The test results show that t$_{statistics}$ is higher than 1.96 and p$_{value}$ is lower than 0.05, so all of the attributs, significantly, reflect/manifest the construct of taxpayer's awareness.

Table 4. Manifestations of the attributes of taxpayer awareness

Construct	Original Sample (O)	Sample Mean (M)	Standard Deviation	T Statistic (IO/STDEV)	P Values
AUD01 <-- Tax Audit	0.796	0.800	0.034	23.251	0.000
AUD02 <-- Tax Audit	0.537	0.532	0.122	4.409	0.000
AUD03 <-- Tax Audit	0.722	0.712	0.071	10.198	0.000

The attributes of knowledge. The loading factors (original sample and sample mean) shows the ability of attributes to reflect/manifest measured construct. Table 5 presents the t$_{statistic}$ of the attributes of taxpayer's knowledge construct. Table 5 shows that result of First Order Confirmatory Factor Analysis, the outer loading factor of all attributes manifest the construct of knowledge of the taxpayer. The higher the loading factor (original sample and sample mean) then better attributes to reflect/manifest construct of knowledge of taxpayer. The test results show that t$_{statistics}$ is higher than 1.96 and p$_{value}$ is lower than 0.05, so all of attributes, significantly, reflect/manifest the construct of knowledge of the taxpayers.

Table 5. Manifestations of the attribbutes of taxpayer's knowledge

Construct	Original Sample (O)	Sample Mean (M)	Standard Deviation	T Statistic (IO/STDEV)	P Values
AWA01 <-- Awareness	0.886	0.884	0.031	28.184	0.000
AWA02 <-- Awareness	0.913	0.912	0.023	40.115	0.000
AWA03 <-- Awareness	0.877	0.877	0.034	25.513	0.000

Equality and fairness attributes. The loading factors (original sample and sample mean) shows the ability of attributes to reflect/manifest the measured construct. Table 6 presents the t$_{statistic}$ of the attributes in the construct of perceived equality and fairnes. Table 6 shows that result of First Order Confirmatory Factor Analysis, the outer loading factor of all attributes manifest the construct of perceived equality and fairness. The higher the loading factor (original sample and sample mean), the better the attribute to reflect/manifest the construct of equality and fairness. The test results show that the t$_{statistics}$ is higher than 1.96 and p$_{value}$ is lower than 0.05, so all attributes, significantly, reflect/manifest the construct of perceived equality and fairness.

Table 6. Manifestations of the attributes of perceived equality and fairness

Construct	Original Sample (O)	Sample Mean (M)	Standard Deviation	T Statistic (IO/STDEV)	P Values
EQU01 <-- Equality and fairness	0.919	0.919	0.018	51.304	0.000
EQU01 <-- Equality and fairness	0.919	0.921	0.019	49.527	0.000
EQU01 <-- Equality and fairness	0.771	0.764	0.060	12.749	0.000

The attributes of compliance cost. The loading factors (original sample and sample mean) shows the ability of attributes to reflect/manifest the measured construct. Table 7 presents the $t_{statistic}$ of the attributes in the construct of compliance costs. Table 7 shows that the result of First Order Confirmatory Factor Analysis, the outer loading factor of all attributes manifest the construct of compliance costs. The higher the loading factor (original sample and sample mean), the better the attributes to reflect/manifest the construct of compliance costs. The test results show that the $t_{statistics}$ is higher than 1.96 and p_{value} is lower than 0.05, so all attributes, significantly, reflect/manifest the construct of compliance costs.

Table 7. Manifestation of the attributes of compliance cost

Construct	Original Sample (O)	Sample Mean (M)	Standard Deviation	T Statistic (IO/STDEV)	P Values
COS01 <-- Compliance cost	0.648	0.651	0.067	9.662	0.000
COS01 <-- Compliance cost	0.808	0.800	0.053	15.295	0.000
COS01 <-- Compliance cost	0.756	0.750	0.051	14.725	0.000

The attributes of fiscal service quality. The loading factors (original sample and sample mean) shows the ability of attributes to reflect/manifest the measured construct. Table 8 presents the $t_{statistic}$ of the attributes in the construct of fiscal service quality. Table 8 shows that the result of the First Order Confirmatory Factor Analysis, the outer loading factor of all attributes manifest the construct of fiscal service quality. The higher loading factor (original sample and sample mean) then better attribute to reflect/manifest the construct of fiscal service quality. The test results shows that $t_{statistics}$ is higher than 1.96 and p_{value} is lower than 0.05, so all attributes are significantly reflect/manifest construct of quality of fiscal services.

Table 8. Manifestations of the attributes of fiscal service quality

Construct	Original Sample (O)	Sample Mean (M)	Standard Deviation	T Statistic (IO/STDEV)	P Values
QUA01 <-- Fiscal Service Quality	0.686	0.676	0.083	8.224	0.000
QUA02 <-- Fiscal Service Quality	0.800	0.799	0.044	18.319	0.000
QUA03 <-- Fiscal Service Quality	0.838	0.840	0.033	25.634	0.000

The attributes of tax socialization. The loading factors (original sample and sample mean) show the ability of attributes to reflect/manifest the measured construct. Table 9 presents the $t_{statistics}$ of the attributes in the construct of tax socialization. Table 9 shows that the result of the First Order Confirmatory Factor Analysis, the outer loading factor of all attributes manifest the construct of tax socialization. The higher the loading factor (original sample and sample mean), the better the attribute to reflect/manifest the construct of tax socialization. The test results show that $t_{statistics}$ is higher than 1.96 and p_{value} is lower than 0.05, so all attributes, significantly, reflect/manifest the construct of tax socialization.

Table 9. Manifestations of the attributes of tax socialization

Construct	Original Sample (O)	Sample Mean (M)	Standard Deviation	T Statistic (IO/STDEV)	P Values
SOC <-- Tax Socialization	0.826	0.822	0.043	19.080	0.000
SOC <-- Tax Socialization	0.766	0.763	0.055	13.907	0.000
SOC <-- Tax Socialization	0.681	0.680	0.078	8.698	0.000

The attributes of tax regulation. The loading factors (original sample and sample mean) show the ability of attributes to reflect/manifest the measured construct. Table 10 presents the $t_{statistic}$ of the attributes in the tax policy construct. Table 10 shows that the result of the First Order Confirmatory Factor Analysis, the outer loading factor of all attributes manifest the construct of tax regulation. The higher the loading factor (original sample and sample mean), the better the attributes to reflect/manifest the construct of tax regulation. The test results show that the $t_{statistics}$ is higher than 1.96 and p_{value} is lower than 0.05, so all attributes, significantly, reflect/manifest the construct of tax regulation.

Table 10. Manifestations the attributs of tax regulation

Construct	Original Sample (O)	Sample Mean (M)	Standard Deviation	T Statistic (IO/STDEV)	P Values
REG01 <-- Tax Regulation	0.899	0.896	0.024	37.280	0.000
REG02 <-- Tax Regulation	0.861	0.858	0.044	15.590	0.000
REG03 <-- Tax Regulation	0.648	0.649	0.061	10.545	0.000

The attributes of tax audit. The loading factors (original sample and sample mean) show the ability of attributes to reflect / manifest the measured construct. Table 11 presents the $t_{statistic}$ of the attributes in the construct of tax audit. Table 11 shows that the result of the First Order Confirmatory Factor Analysis, the outer loading factor of all attributes manifest the construct of tax audit. The higher the loading factor (original sample and sample mean), the better the attribute to reflect/manifest the construct of tax audit. The test results show that $t_{statistics}$ is higher than 1.96 and p_{value} is lower than 0.05, so that all attributes, significantly, reflect/manifest of tax audit.

Table 11. Manifestations of the attributes tax audit

Construct	Original Sample (O)	Sample Mean (M)	Standard Deviation	T Statistic (IO/STDEV)	P Values
AUD01 <-- Tax Audit	0.796	0.800	0.034	23.251	0.000
AUD02 <-- Tax Audit	0.537	0.532	0.122	4.409	0.000
AUD03 <-- Tax Audit	0.722	0.712	0.071	10.198	0.000

The attributes of fines and sanctions (penalties). The loading factors (original sample and sample mean) show the ability of attributes to reflect/manifest the measured construct. Table 12 The $t_{statistic}$ of the attributes in the fine and sanction (penalties) construct. Table 12 shows that the result of the First Order Confirmatory Factor Analysis, the outer loading factor of all attributes manifest fine and sanction (penalties) constructs. The higher the loading factor (original sample and sample mean), the better the attributes to reflect/manifest the construct of fines and sanctions (penalties). The test results show that $t_{statistics}$ is higher than 1.96 and p_{value} is lower than 0.05, so that all attributes, significantly, reflect/manifest of construct of fines and sanctions (penalties).

Table 12. Manifestations of fines and sanctions attributes

Construct	Original Sample (O)	Sample Mean (M)	Standard Deviation	T Statistic (IO/STDEV)	P Values
PEN01 <-- Penalties	0.770	0.767	0.057	13.453	0.000
PEN02 <-- Penalties	0.776	0.772	0.057	13.519	0.000
PEN03 <-- Penalties	0.607	0.596	0.095	6.363	0.000

The Hypothesis Testing - Second Order Confirmatory Factor Analysis. To test the hypotheses, this study have to the inner loading factor and the level of significance ($t_{statistic}$ and p_{value}). The higher the loading factor then greater the manifestation/reflection of one construct to another. The influence of the construct is statistically significant if the $t_{statistic}$ is higher than 1.96 and the p_{value} is lower than 0.05 at the interval of the 95% confidence level. Table 13 presents the results of hypotheses testing using the Second Order Confirmatory Factor Analysis.

Table 13. Hypothesis testing results

	Original Sample (O)	Sample Mean (M)	Standard Deviation	T Statistic (IO/STDEV)	P Values	Hypothesis Testing
Taxpayer's Compliance <-- Awareness	0.764	0.760	0.046	16.491	0.000	Positive Significant
Taxpayer's Compliance <-- Knowledge	0.850	0.847	0.029	28.882	0.000	Positive Significant
Taxpayer's Compliance <-- Equality & Fairness	0.708	0.702	0.058	12.207	0.000	Positive Significant
Taxpayer's Compliance <-- Compliance Cost	0.808	0.807	0.038	21.037	0.000	Positive Significant
Taxpayer's Compliance <-- Fiscal Quality Service	0.845	0.846	0.027	31.593	0.000	Positive Significant
Taxpayer's Compliance <-- Tax Socialization	0.744	0.745	0.037	20.064	0.000	Positive Significant
Taxpayer's Compliance <-- Tax Regulation	0.775	0.774	0.041	19.001	0.000	Positive Significant
Taxpayer's Compliance <-- Tax Audit	0.823	0.826	0.032	25.421	0.000	Positive Significant
Taxpayer's Compliance <-- Penalties	0.726	0.722	0.060	12.188	0.000	Positive Significant

The results of hypothesis testing using the Second Order Confirmatory Factor Analysis (SEM PLS) show that the loading factor of taxpayer's compliance as reflected by the taxpayer's awareness construct is 0.764, the $t_{statistic}$ is 16.491 and the p_{value} is 0.000. Statistically, the hypothesis 1: The attributes of taxpayer's awareness, positively and significantly, reflect/manifest the personal taxpayer's compliance is supported. The higher the awareness of the taxpayers, the higher the taxpayer's compliance of the individual concerned. The loading factor of taxpayer compliance as reflected by the knowledge of the taxpayer is 0.850, the $t_{statistic}$ is 28.882 and the p_{value} is 0.000. Statistically, the hypothesis 2: The attributes of taxpayer knowledge, positively and significantly, reflect/manifest personal taxpayer's compliance is supported. The more knowledge of personal taxpayers, the higher the taxpayer's compliance of the individual concerned.

The loading factor of taxpayer compliance as reflected by the construct of perceptions of equality and fairness is 0.708, the $t_{statistic}$ is 12.207 and the p_{value} is 0.000. Statistically, Hypothesis 3: The Attributes of perceptions of equality and fairness positively and significantly can reflect statutory taxpayer compliance statistically supported. The better the perception of equality and justice of personal taxpayers, the higher the taxpayer's compliance of the individual concerned.

The loading factor of taxpayer compliance, reflected by the construct of compliance costs, is 0.807 and the $t_{statistics}$ is 21.037 and the p_{value} is 0.000. Statistically, Hypothesis 4: The attributes of compliance cost, positively and significantly, reflect personal taxpayer compliance is supported. The greater the willingness of personal taxpayers to bear the costs of compliance, the higher the taxpayer's compliance of the individual concerned.

The loading factor of taxpayer compliance as reflected by the construct of fiscal service quality is 0.846, $t_{statistic}$ is 31,593 and p_{value} is 0,000. Statistically, the hypothesis 5: The attributes of fiscal service quality, positively and significantly, reflect/manifest personal taxpayers compliance is supported. The better the quality of fiscal services as perceived by personal taxpayers, the higher the taxpayer's compliance of the individual concerned.

The loading factor of taxpayer's compliance as reflected by the tax socialization construct is 0.744, the $t_{statistic}$ is 20.064 and the p_{value} is 0.000. Statistically, the hypothesis 6: The attributes of tax socialization, positively and significantly, reflect personal taxpayer's compliance is supported. The better and more informative socialization of taxation, the higher the taxpayer's compliance with the individual concerned.

The loading factor of taxpayer compliance reflected by the tax policy construct is 0.775 and the $t_{statistic}$ is 19.001 and the p_{value} is 0.000. Statistically, Hypothesis 7: The attributes of tax regulation, positively and significantly, reflect personal taxpayer compliance supported. The better the tax regulation, the higher the taxpayer's compliance with the individual concerned.

The loading factor of taxpayer compliance is reflected by the tax audit construct is 0.823, the $t_{statistic}$ is 25.421, and the p_{value} of 0.000. Statistically, the hypothesis 8: The attributes of tax audit, positively and significantly, reflect personal taxpayer compliance is supported. The better the procedure of tax audit, the higher the taxpayer's compliance with the individual concerned.

The loading factor of taxpayer's compliance as reflected by the construct of fines and sanctions (penalties) is 0.726, the $t_{statistic}$ is 12.188 and p_{value} is 0.000. Statistically, the hypothesis 9: The Attributes of fines and sanctions (penalties), positively and significantly, reflect personal taxpayer compliance is supported. The more stringent of fines and sanctions (penalties), the higher the taxpayer's compliance of the individual concerned.

5. CONCLUSION

Based on the results of the result analysis above, the conclusion of the research are as follows:

1. The personal taxpayer's compliance is driven by internal factors of taxpayers: taxpayer's awareness, taxpayer's knowledge, perceptions of equality and fairness, and willingness to bear compliance costs.

2. The personal taxpayer's compliance is also driven by external factors of taxpayers (social factors and tax institutions): fiscal service quality, tax socialization, tax regulation, tax audit, and penalties.

3. All of the attributes of nine constructs reflect/manifest the taxpayer's compliance.

In Indonesia, the taxation system transforms from official assessment to self assessment system, in which the system gives the taxpayer confidence to register, calculate, pay and report his/her own tax obligations. The taxpayer's compliance manifested by awareness, knowledge, perceptions of equality and fairness, and the willingness of taxpayers to bear the costs of compliance are very important factors. From the tax official side, the advance of fiscal service quality, tax socialization, tax regulation, tax audit and penalties have to be practiced intensively.

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