THE ROLE OF TAX SANCTIONS IN MODERATING THE EFFECT OF THE SELF ASSESSMENT SYSTEM ON HOTEL TAX REVENUE IN THE CITY OF DENPASAR

Made Rai Edi Mulyawan and A.A.I.N Marhaeni
Faculty of Economics and Business, Udayana University, Bali, Indonesia

http://doi.org/10.35409/IJBMER.2022.3389

ABSTRACT
This study aims to simultaneously analyze the effect of the self-assessment system and tax sanctions on hotel tax receipts in Denpasar City, partially analyze the positive effect of the self-assessment system and tax sanctions on hotel tax receipts in Denpasar City and analyze the role of tax sanctions capabilities in moderating the effect of the self-assessment system on hotel tax revenues in Denpasar City. Hotel tax is a local tax that has the largest proportion among other local taxes in increasing local revenue (PAD) in Denpasar city, therefore this hotel tax is a focus for many people so that hotel tax revenues can increase every year. The research was conducted on hotel taxpayers in Denpasar City. Research data were collected through in-depth interviews. The sample in this study were 86 respondents. The method used to determine the number of samples in this study used a non-probability sampling technique; non-random sampling. This sampling was carried out using the Accidental Sampling technique, which is a sampling technique based on chance, so that the researchers took samples from anyone they met without prior planning. The data analysis technique used is the Moderated Regression Analysis (MRA) test. The results showed a significant effect between the self-assessment system and tax sanctions simultaneously on hotel tax revenues in Denpasar City, a significant positive effect between the self-assessment system and partial tax sanctions on hotel tax revenues in Denpasar City. Tax sanctions moderate the effect of the self-assessment system on hotel tax revenues.


1. INTRODUCTION
The autonomy granted to districts and municipalities is carried out by giving local governments the authority to regulate their regions (Dalimunthe, et al 2016). The impact of the existence of regional autonomy is the greater the authority and responsibility given to the regions to be able to maximize the existing potential. One of them is the optimization of regional potential in the management of local revenue sources (PAD).

In line with this authority, local governments are expected to be better able to explore financial sources, especially to meet the financing needs of government and development in their regions through increasing Regional Original Income (PAD). This PAD is used to measure the ability and financial independence of a region (Nasir, et al 2017). The higher the proportion of PAD to Regional Revenue in the APBD, the better the level of financial independence and the greater the financial capacity of a region to finance the implementation of government and development tasks (Yahya et al., 2017). Regional autonomy financing that comes from Regional Original Revenue (PAD) includes regional taxes and regional levies (Rooy and Novi, 2015). Generally, most of the regional income is contributed by local tax collection (Sitompul et al.,

http://ijbmer.org/
2014), in addition to several other sources of regional income, namely regional levies, the results of separated regional wealth management and other legitimate local revenue.

Regional tax components that have an important role and very good prospects to be developed for regional income are hotel taxes and restaurant taxes (Janah et al. 2016). A strong local revenue base is essential for the sustainability of the decentralization program (Karimi et al., 2017). This hotel tax has a characteristic where the taxpayer is an individual or business entity in the hotel sector who is obliged to collect on the object of the tax or any services that have been provided to customers.

The increasing number of hotel taxpayers will certainly have an impact on increasing income taxes and levies, so that they will be able to meet local revenue targets (Yuliandari et al., 2017). However, in reality the increase in hotel taxpayers every year does not directly have a positive effect on local tax revenues. One of the factors that led to a decrease in hotel tax revenue is the implementation of a self-assessment system.

In this phenomenon, it can be concluded that the self-assessment system has an influence on tax revenue. This is in accordance with previous research by Trisnayanti and Jati (2015) and Ebimobowei et al., (2014) which stated that the self-assessment system had a significant effect on tax revenue. This research contradicts research conducted by Rohmasari (2015) and Maulida and Adnan (2015) which state that the self-assessment system has no effect on value added tax revenue. Based on the exposure to research on the effect of the self-assessment system on hotel tax revenues, it was found that the results were varied/inconsistent or still controversial, which was thought to be due to other factors affecting the relationship between the independent variable and the dependent variable. Certain factors or better known as contingency factors Murray (1990) explains that in order to reconcile conflicting results, a contingency approach is needed to identify other variables that act as moderators or mediating in the research model. Conceptually and empirically research results, there are several variables that are thought to play a role in moderating the effect of the self-assessment system on hotel tax revenues, one of which deserves consideration, namely tax sanctions.

Tax sanctions can be imposed on taxpayers who do not comply with the rules in the tax law, namely in the form of fines, higher interest, and taking hostage (Andriani, 2017). Tax sanctions can also be interpreted as guarantees for the provisions of tax laws and regulations (tax norms) that will be obeyed, so that tax sanctions are able to prevent taxpayers from committing acts that violate tax norms (Mardiasmo, 2018). This is supported by research conducted by Savitri and Nuraeni (2017), Lubis (2018) and Lydiana (2018), which state that the firmness of tax sanctions has a positive and significant effect on taxpayer compliance.

Taxpayer compliance as a reflection in the implementation of the self-assessment system which is routinely reported every month by the taxpayer as an indicator that affects the level of tax revenue. Taxpayers are required to be aware of or responsible for the implementation of tax obligations. A taxpayer will comply with taxes if there are sanctions or regulations regulated in it, so that the existence of tax sanctions is a (preventive) system so that taxpayers do not violate tax norms.

This study is a modification of previous research conducted by Emy et al. (2017) and Ebimobowei and Ogbonna (2014) by adopting the self-assessment system and tax revenue variables. The difference between this research and previous research is by adding tax sanctions as a moderating variable. The reason for adding this tax sanction variable is because tax sanctions
as a punishment for tax non-compliance are a perceived risk differently for each person, because risk is a subjective assessment of the occurrence of adverse opportunities. In this study, the perception of punishment which is a tax sanction is conceptualized as an external variable that moderates the taxpayer’s self-assessment system in hotel tax revenue.

2. LITERATURE REVIEW

Government Regulation Number 91 of 2010 concerning Types of Regional Taxes that are collected based on the determination of the Regional Head or paid by the taxpayer himself, in which the regulation regulates the types of taxes and the method of payment using a self-assessment system by the taxpayer. This self-assessment system causes taxpayers to get a heavy burden because all activities to fulfill tax obligations are carried out by taxpayers themselves (Rahayu, 2017:102).

This self-assessment system according to attribution theory is an internal behavior that comes from the individual's own personal control so in its implementation there are still many weaknesses (Tarjo and Kusumawati, 2006). Weaknesses in the self-assessment system can be seen from the statement letter (SPT) which is reported to have not been optimal, causing tax revenues to have not reached the target.

In 2020 there was a decrease in the percentage of hotel taxpayer compliance which had an average of 76.68 percent. The application of this self-assessment system will determine the amount of tax that will be received by the local government, this is in line with the research conducted by Sadiq et al. (2015) and (Harris et al. 2016) by showing that the self-assessment system has a significant effect on tax revenue. The same result was also shown by Trisnayanti and Jati (2015) who stated that the self-assessment system had a positive effect on tax revenue.

Tax sanctions are an important indicator in the implementation of the self-assessment system so that the implementation of the collection process can be carried out in an orderly manner. Tax sanctions are applied not to take advantage but from a moral point of view with a view to preventing violations of tax norms. Zain (2007:35) states that for the trust given to taxpayers in reporting their obligations in a self-assessment system, it is necessary to take action to improve taxpayer compliance, one of which is by imposing sanctions on non-compliant taxpayers. Taxpayers will comply if they think there will be severe sanctions due to illegal actions in their efforts to smuggle taxes. The application of tax sanctions, both administrative (fines, interest, increases) and criminal penalties (imprisonment or imprisonment) encourages taxpayer compliance, but the application of sanctions must be consistent and apply to all taxpayers who do not fulfill their tax obligations. The results of Siregar's research (2017) are the same as the results of research conducted by Ardyanto and Utaminingsih (2014) which found that tax sanctions have a positive and significant effect on taxpayer compliance. In line with the results of this study, Wirawan and Naniek (2017) also conclude that the application of tax sanctions on taxpayer compliance has a positive effect because when a regulation is not implemented properly or is violated, there must be a sanction that can be imposed so that it has a deterrent effect.

Tax sanctions are perceived as detrimental to taxpayers, so this will lead to increased taxpayer compliance in their payments (Jotopurnomo, 2013). Taxpayer obedience in paying taxes can be increased with strict sanctions (Webley et al., 1991). Increased taxpayer compliance as a result of tax sanctions will also be able to increase tax revenue. This is supported by the findings of Warliana and Syamsul (2016) and Rusmadi. (2017) concludes that tax sanctions have a positive
3. METHODS

This research was conducted in Denpasar City. The reason for choosing this location is because when compared to Gianyar Regency with almost the same development conditions and tourism potential, it turns out that the proportion of hotel taxes to Denpasar City's PAD is much smaller than that of Gianyar Regency. In this study, the population of 596 hotel taxpayers was narrowed down by calculating the sample size using the solving technique. Based on the calculation of the solvent formula, the sample of respondents in this study was adjusted to 86 respondents, this was done to facilitate data processing and for better test results. Samples were taken based on non-probability sampling technique; non-random sampling, where the researcher determines the sampling by setting special characteristics that are by the research objectives so that it is expected to be able to answer research problems. Sampling is done by using the technique Accidental Samplings technique based on chance so that researchers take samples from anyone they meet without prior planning.

The regression coefficient analysis test will use the Moderating Regression Analysis (MRA) test which is a special application containing an interaction element, namely the multiplication of two or more independent variables (Liana, 2009). In this study, MRA was chosen because it can explain the effect of moderating variables in strengthening or weakening the independent and dependent relationships. Statistical calculations will be considered significant if the test value is in the critical plan (the area where Ho is rejected). On the other hand, if the test value is outside the critical area (Ho is accepted), then the statistical calculation is not significant.

4. RESULTS AND DISCUSSION

Respondent Characteristics

The characteristics of the respondents are quite diverse, the sex composition is 53.49 percent male and 46.51 percent female. Length of work < 5 years was 41.86 percent and length of work > 5 years was 58.14 percent. The sample used as the respondent has an education level of Senior High School/Vocational as much as 6.98 percent, Diploma I/II/III as much as 17.44 percent, Bachelors/Diploma IV as much as 54.65 percent, and professional education as much as 20.93 percent. A summary of the characteristics of the respondents can be seen in Figure 1, which is as follows.
Figure 1. Respondent Characteristics Chart

Moderated Regression Analysis (MRA)

To find out whether the tax sanctions variable can moderate the effect of the self-assessment system on hotel tax revenues, an interaction test model (Moderated Regression Analysis-MRA) is used. This model aims to determine whether the moderating variable is able to the relationship between the independent variable and the dependent variable, where the regression equation contains an interaction element (multiplication of two or more independent variables). The results are presented as follows.

Table 1. Moderated Regression Analysis (MRA)

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>(Constant)</td>
<td>3.236</td>
<td>0.058</td>
<td></td>
<td>56,000</td>
</tr>
<tr>
<td>X1</td>
<td>0.199</td>
<td>0.037</td>
<td>0.486</td>
<td>5,364</td>
</tr>
<tr>
<td>X2</td>
<td>0.091</td>
<td>0.037</td>
<td>0.222</td>
<td>2,423</td>
</tr>
<tr>
<td>X1_X2</td>
<td>0.129</td>
<td>0.054</td>
<td>0.200</td>
<td>2,396</td>
</tr>
<tr>
<td>Adjusted R-square: 0.423</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FValue: 21.762</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Based on Table 1, a moderating regression equation model can be made as follows.

\[ Y = 3.236 + 0.199X_1 + 0.091X_2 + 0.129X_1X_2 \]

**The Effect of Self-Assessment System and Partial Tax Sanctions on Hotel Tax Revenue (H2)**

On Table 1 it can be seen that the results of the statistical test of the self-assessment system variable obtained a regression coefficient of 0.199 with a significance probability of 0.000 which means lower than 0.05, while the tax sanctions variable obtained a regression coefficient of 0.091 with a significance probability of 0.018 which means lower than 0.05 so that \( H_0 \) is rejected or \( H_2 \) is accepted. Based on the results of these statistical tests, the self-assessment system and tax sanctions partially have a positive effect on hotel tax revenues (H2).

Fettry (2015) also concludes that tax sanctions have a positive and significant relationship to individual taxpayer compliance at the Jabodetabek and Bandung Tax Service Offices. This shows that the more effective the application of tax sanctions, the higher the level of tax compliance.

**Tax Sanctions Moderate Effect of Self-Assessment System on Hotel Tax Revenue (H3)**

Based on Table 1, the results of the statistical test of the interaction between the self-assessment system and tax sanctions (\( X_1X_2 \)) show a regression coefficient of 0.129 with a significance probability level of 0.019. This shows that the significance for moderation is smaller than the 0.05 level of significance, which means rejecting \( H_0 \) and accepting \( H_3 \). Based on these statistical tests, hypothesis 3 which states that tax sanctions moderate the effect of the self-assessment system on hotel tax revenues is accepted (\( H_3 \) is accepted).

This means that a hotel taxpayer will be more obedient to the behavior of the self-assessment system if there are strict sanctions or regulations, so that the existence of tax sanctions is a (preventive) system so that taxpayers do not violate tax norms. The application of strict tax sanctions from Denpasar City Regional Revenue Agency against the self-assessment system of hotel taxpayers who do not pay taxes so that taxpayers are motivated and obedient to pay taxes because taxpayers do not want to receive severe sanctions if they are late or do not pay taxes. So the increasing self-assessment system with added tax sanctions given by the Denpasar City Regional Revenue Agency, the taxpayers are increasingly obedient in paying taxes so that hotel tax revenues will also increase.

**Coefficient of Determination Test (R^2)**

Based on Table 1, it can be seen that the value of adjusted \( R^2 \) is 0.423 or 42.3 percent, this means that 42.3 percent of the variation in hotel tax revenue is effected by the model formed by the self-assessment system (\( X_1 \)), tax sanctions (\( X_2 \)), the interaction of the self-assessment system with tax sanctions (\( X_1X_2 \)), while the remaining 57.7 percent was explained by other factors not explained in this study.
Based on the results of the processed data, the results of the model feasibility test can be presented in Table 2 as follows.

**Table 2. Model Feasibility Test Results**

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>6,326</td>
<td>3</td>
<td>2,109</td>
<td>21,762</td>
<td>0.000</td>
</tr>
<tr>
<td>Residual</td>
<td>7,945</td>
<td>82</td>
<td>0.097</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>14.271</td>
<td>85</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Primary Data, 2021

Table 2 shows that the calculated F value is 21.762 with a significance level of 0.000. Because the probability of significance is smaller than 0.05. So it can be concluded that the self-assessment system and tax sanctions simultaneously affect hotel tax revenues (H1 is accepted).

Research by Erani and Meiliana (2016), Siamena et al. (2017), Siregar (2017) also shows that tax sanctions in the form of fines affect taxpayer compliance. This is because of the respondent's awareness that taxes are a source of state revenue that finances the needs of the state up to public facilities and infrastructure, which has increased the level of tax compliance in financing the state. Therefore, if the imposition of tax sanctions is carried out regularly and in an orderly manner, the tax sanctions will increase the compliance of the corporate taxpayers themselves.

5. CONCLUSION

Significant effect between self-assessment system and tax sanctions simultaneous to hotel tax revenue in Denpasar City. This means that the behavior of the self-assessment system and the implementation of higher tax sanctions will have a better effect on hotel tax revenues.

Significant effect between self-assessment system and tax sanctions. Partial on hotel tax revenue in Denpasar City. This means that if the implementation of the self-assessment system has increased, hotel tax revenues will increase, as well as the more assertive the application of tax sanctions will increase taxpayer compliance in paying taxes, so that tax revenues will also increase.

Tax sanctions moderate the effect of the self-assessment system on hotel tax revenues. This means that the existence of tax sanctions will strengthen the self-assessment system on hotel tax revenues.

It is also recommended that the Denpasar City Regional Revenue Agency be able to carry out socialization both through print, electronic media and seminars to the public so that all levels of society can understand and be aware of the importance of carrying out their obligations in paying taxes. Tax sanctions that have been implemented in a computerized system by the Denpasar City Regional Revenue Agency must also be monitored regularly in order to minimize the occurrence of system errors that result in losses in tax revenues and losses to taxpayers who are subject to tax sanctions.

REFERENCES

http://ijbmer.org/


Ghozali, I. 2016. Aplikasi Analisis Multivariate Dengan Program IBM dan SPSS 21, in Aplikasi


Akuntansi Going Concern, 12(2), h: 917–927.
Sitompul, A. et al. 2014. the Role of Hotel and Restaurant Taxes and Its Effect on Banda Aceh ’ S Local Own Source Revenue, 3(June), p: 45–57.


Yuliandari, R., Chaidir, T. and Mahmudi, H. 2017. The Analysis of Effectivity and Efficiency of Tax Collection from Hotels and Restaurant in Order to Increase the Original Regional
Income (PAD) in Mataram, *ekonomi dan studi pembangunan*, 9(2), pp. 251–256.