

The Influence of Attitude, Subjective Norms, Perceived Behavior Control and Sanctions on Taxpayers' Noncompliance with Intention as the Intervening Variable (Survey on Corporate Taxpayers in Kendari Small Taxpayers Office)

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***Abstract:** The purposes of this research are to investigate the Influence of Attitude, Subjective Norm, perceived behavioral control, and Sanctions against Tax Noncompliance with the intention as an intervening variable". This study is a survey of taxpayer registered on Kendari Small Taxpayers Office. This research will test the hypothesis of the influence of individuals' behavior within the company towards the corporate taxpayers' noncompliance. This research was an empirical research using the analysis in order to get an idea of the influence of individual behavior and organizational or corporate condition towards corporate tax noncompliance. Based on the analysis of the research show: non-compliance attitude has a significant influence on the intention to behave non-compliant, Subjective Norms have a significant influence on the intention to behave non-compliant, perceived behavioral control has significant influence but insignificant on the intention to behave non-compliant, Sanctions have a significant influence on the intention to behave non compliance, Sanctions have a significant direct influence on tax noncompliance, and The intention to behave non-compliantly on tax non-compliance.*

***Keywords:** Attitude, Subjective Norms, PBC, Sanction Intention, Taxpayers*

1. INTRODUCTION

The low level of taxpayer's compliance becomes one of the reasons of non-optimal tax revenues in Indonesia. Citing from *www.kompas.com* (October 20th, 2012), Finance Minister, Agus Martowardojo reveals the level of compliance of Indonesian public as taxpayers is still low. According to him, the fact can be seen from the individuals submitting Annual Tax Return is only 8.5 million taxpayers out of 110 million people actively working, thus the ratio of Annual Tax Return is only 7.7 per cent or in other words the level of tax compliance is not sufficient. Furthermore, companies submitting

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Annual Tax Return are only amounted to 466 thousand, meanwhile the number of active business companies registered are more than 12 million. It means the taxpayers' compliance is relatively low as the amount is only 3.6 per cent of the number of existing companies.

Taxpayers' non-compliance has caused the large amount of tax gap and tax ratio. Tax gap is the amount of lost tax revenue some due to taxpayers' non-compliance, such as underreported income and overstated deductions. According to James (2003) in Santoso (2009), the large amount of the tax gap reflects the level of tax compliance, the greater tax gap indicates that the level of taxpayers' compliance in paying taxes is getting worse; meanwhile the smaller tax gap shows that taxpayers' compliance in paying taxes is better. The ratio compliance done by taxpayers in Southeast Sulawesi in completing and submitting the Annual Tax Return (SPT) of their taxes until November 2012 is still low, i.e. only 50 per cent of the total taxpayers, a presentation of the compliance rate is still below the national average that has reached 62.5 per cent. The level of compliance or punctuality in paying taxes in accordance with the applicable procedures or provisions is still low for Southeast Sulawesi region, "by Muhammad Naya, Head of Kendari Small Taxpayers Office (harianberitadaerah.com, 2012).

There are two major implications related to the low tax ratio. *Firstly*, on one side, it reflects the low level of tax compliance of the public so as to the amount of tax collected is relatively small compared to the existing tax base. *Secondly*, the relatively low amount of tax collected compared to the existing tax base also provides hope for further improvement of tax acceptance. In other words, there is still a room for the government to increase tax revenue (Gunadi, 2010). According to Mustikasari (2007:3), in order to reach the tax target, awareness and compliance of tax payers should be developed continuously to comply with tax obligation in accordance with the prevailing regulations. In the light of the taxpayers' awareness and compliance are important factor for the increase in tax revenue, it is necessary to intensively asses the taxpayers' compliance. Taxpayers' noncompliance may resulted from several factors including the lack of attention and attitude of taxpayers to pay and report the tax payable, the lack of encouragement from the surrounding environment of the taxpayers to provide motivation in doing tax compliance, the lack of awareness of the taxpayers to be obedient and sanctions or punishment given by the government to taxpayers who do not comply are considered mild and less serious, as well as the taxpayer's financial condition may influence the taxpayer's intention to behave non-compliant.

In this research, the researcher would like to expand research by adding a variable in planned behavior theoretical framework. Ajzen (1991, & 2002) explains that the model planned behavior theory is highly open for addition from other predictor variables to predict one's intention and behavior on the object being investigated. The addition of a variable has been done by previous researchers, the model modification is intended to be capable of explaining the taxpayers' intentions and behavior prediction

better. Several researchers use the framework model of the Theory of Planned Behavior (TPB) to explain the behavior of taxpayers' tax compliance, both individual taxpayers and corporate taxpayers. Bobek & Hatfield (2003), Blanthorne (2000), Kamleitner, Korunka, Kirchler (2012), Hanno & Violette (1996) in Mustikasari (2007: 3) Benk et al, (2011), and Hidayat & Nugroho (2010) employed the Theory of Planned Behavior (TPB) to explain the tax compliance of individual taxpayers. Meanwhile Siahaan (2005), Mustikasari (2007), Miladia (2010) and Harisnani (2011) conducted a study on corporate taxpayers' compliance with tax professional respondents or tax staffs.

This research used the same TPB model as in the research by Mustikasari (2007), Miladia (2010) and Harisnani (2011) which provides a significant explanation, that the non-compliance behavior of the taxpayer is highly influenced by attitude variable, subjective norms and perceived behavioral control. Meanwhile, the research by Hidayat & Nugroho (2010) yields the conclusion that the influence of attitude, subjective norms, and perceived behavioral control on intention to tax non compliance is insignificant, while the intention influences the tax noncompliance behavior significantly.

Blanthorne (2000) and Arniati (2009) modify the model theory of planned behavior by adding one variable, namely ethics. The addition of the variable in model theory of planned behavior is also conducted by Hanno and Violette (1996), and Widi (2011) by adding sunset policy variable; as well as Bobek and Hatfield (2003) by adding moral obligation variable. Mustikasari (2007) adds moral obligation variable, corporate financial condition, corporate facilities, and organizational climate, whereas in this research, the researcher will add a variable that is expected to influence tax compliance intention, namely sanctions. The presence of sanctions stipulated by the government is expected to influence the taxpayers' intention not to commit tax evasion and improve tax compliance. Sanctions are controlling factors to the occurrence of intention and compliance and non-compliance behavior. Therefore, the sanctions stipulated do not only influence the behavioral intention but also influence non-compliance behavior directly. The influence of sanctions on tax obedience is previously investigated by Benk *et al.*, (2011) on personal taxpayers. Based on the description of the previous background and research, the phenomena are interesting to study. For that reason, this research examines more in depth about the "Influence of Attitude, Subjective Norm, perceived behavioral control, and Sanctions against Tax Noncompliance with the intention as an intervening variable". This study is a survey of taxpayer registered on Kendari Small Taxpayers Office.

2. LITERATURE REVIEW

Attitude is an evaluation of belief on positive and negative feelings from an individual if he/she ought to act the behavior that will be determined. Fishbein and Ajzen (1975) in Jogiyanto (2007) define attitude as the number of affective (feeling) perceived by an individual to accept or reject an object or behavior and is measured by placing the individual on a two poles evaluative scale. For example, good or bad, agreeing or

refusing, and so forth. According to Mutikasari (2007), one's attitude to an object is a favorable feeling and unfavorable or unsupportive feeling to the object in question. In the Theory of planned of behavior, attitude toward the behavior is influenced by behavior beliefs in which these beliefs are owned by an individual towards the result of a behavior and evaluation on the result done (Jogiyanto, 2007).

In the Theory of Planned Behavior (TPB), the behavior performed by individuals emerges because of the intention to behave. While the emergence of behavior intention is determined by three determinants, namely: (1) behavioral beliefs, i.e. the individual beliefs of the result of a behavior and evaluation on the result (beliefs strength and outcome evaluation), (2) normative beliefs, the beliefs about the normative expectations towards others and motivation to comply these expectations (normative beliefs and motivation to comply), and (3) control beliefs, namely the belief of the presence of things that support or inhibit the behavior that will be displayed (control beliefs) and the perception of the power of things supporting and inhibiting such behavior.

Normative beliefs are beliefs about the normative expectations from others that motivate somebody to meet these expectations (normative beliefs and motivation to comply). Normative beliefs are an indicator which later generates subjective norms. Therefore, subjective norm is one's perception of social influence in the formation of certain behavior. Someone may be affected or not affected by social pressure. In relation to this study, subjective norms are the taxpayers' belief about the power of the influence of people or other factors in their environment that motivates someone to conduct tax compliance or not.

In Theory of planned of behavior subjective norms are influenced by normative beliefs, i.e. beliefs about expectations held by individuals doing the behavior towards the views of others in order to be able to receive. Perceived behavioral control in the context of taxation is the power of degree of control possessed by the taxpayers in displaying certain behavior, such as reporting their income lower, reducing expenses that should not be reduced into income and other tax non-compliance behavior (Bobek and Hatfield, 2003). Perceived behavioral control has two influences, i.e. influence on the intention to behave and on behavior. Ajzen (2002) says that behavioral control that influences the intention is based on the assumption that perceived behavioral control by individuals will have implications on the person's motivation. In that sense, the intention would be formed if the individuals are able to show the behavior.

Knowledge of sanctions in taxation becomes important as Indonesian government chooses to apply the self-assessment system in the taxation implementation, and therefore each taxpayer requires taxation knowledge in terms of technical and administrative regulations, and understands tax sanctions so as to find out the legal consequences of what done or not done. In order to make the implementation orderly and in accordance with the expected target, the government has prepared guidelines stipulated in the applicable taxation laws (Resmi. S 2011: 65-66), the government distinguishes two types of tax penalties, i.e. administrative penalties and criminal sanctions.

In essence, the imposition of tax penalties is to create taxpayers' compliance in implementing tax obligations, from the standpoint jurisdiction, tax contains elements of coercion and legal fees which is a coercion of wealth takeover (Doran, 2009). Legal sanctions refer to the attitude adopted by the laws towards incompatible behavior from the individuals on the taxes being evaluated. The sanctions encountered may be in the form of (1) the risk of detention and (2) the amount of the penalty (Efebera et al., 2004). The existence of sanctions stipulated by the government influences the taxpayer's intention not to commit tax evasion. Sanctions are not the controlling factor for the occurrence of intentions and behavior, and therefore the sanctions stipulated do not only influence the intention to commit non-compliance behavior but also influences the non-compliance behavior directly. Benk *et al.*, (2011) sanctions given by the government to taxpayer are resulted from tax non-compliance. Sanctions instrument consists of two indicators, the first indicator is sanctions given if the taxpayers do not report the additional taxable income, the second measure how serious the sanctions given by the government to taxpayers.

The intention is defined as the desire to perform a behavior according to the will of individuals (Jogiyanto, 2007). The intention is related to behaviors or actions, and can be predicted with a high degree of accuracy. In terms of reality, the intention is not always stagnant or static. The intention can vary according to the will of concerned individual as time goes by. The wider the time span, the greater the changes in intention experienced. On contrary, if the time span is getting smaller, it can minimize the occurrence of changes to the intention.

In the TPB, the intention to behave is determined by three major factors, namely: (1) behavioral beliefs, which is a belief that appears within the individual on the results of behavior and evaluation on the results (beliefs strength and outcome evaluation), (2) normative beliefs which is a belief appearing within the individuals about the normative expectations from others and motivation to fulfill these expectations (normative beliefs and motivation to comply), and (3) control beliefs, which is the belief of all that can support or inhibit the behavior shown (control beliefs) and the perception on how big these things can support or inhibit the behavior being displayed (perceived power). The barriers that typically emerge when the behavior shown is sometimes resulted from the inside and outside of the individuals (environmental factors). Sequentially, behavioral beliefs produce attitude towards positive or negative behavior, normative beliefs generate the perceived social pressure or subjective norms and perceived behavioral control (Ajzen, 2002: 2 in Mutikasari, 2007).

In 2008, SE-02/ PJ/ 2008 on procedures for the determination of taxpayers were issued, with certain criteria as the "derivative" of the Regulation of Ministry of Finance No. 192/ PMK.03/ 2007. The terms of the taxpayers' compliance according to Regulation of Minister of Finance No. 192/ PMK.03/ 2007 are as follows: 1) punctual in delivering the Annual Tax Return (SPT) in the last 3 years, 2) The submittal of

Annual Tax Return (SPT) for the last year for tax period from January to November is no more than 3 tax period for each type of tax and is not consecutive, 3) a late Annual Tax Return period as referred to in paragraph b has submitted no later than the deadline for submission of Annual Tax Return for the following the tax period, 4) Having no tax arrears for all types of taxes, unless obtaining permission for installment or delay for tax payment, including the condition on December 31st, the year prior to the determination of compliant taxpayers and is not included as tax debts later than the deadline for repayment, 5) financial statements audited by a public accountant or government financial supervisory agencies with the opinion Fair Unqualified Opinion (WTP) for three consecutive years with the provisions prepared in the form of a long form report and present a reconciliation of commercial and fiscal loss and profit for the taxpayers that shall submit annual tax return and also accountants' opinions on audited financial statements signed by a public accountants who are not currently in coaching of public accountant supervisory government agencies. 6) Has never been sentenced for a criminal offense in the field of taxation based on court decisions having legal force within the last 5 years.

CONCEPTUAL FRAMEWORK AND HYPOTHESES

Figure 1. Framework Concept Research

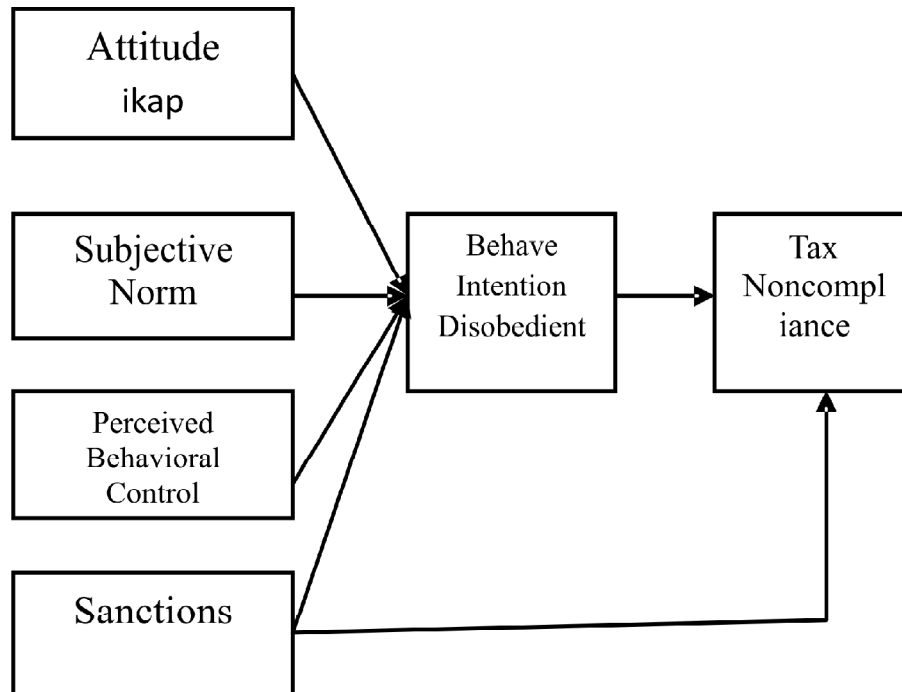
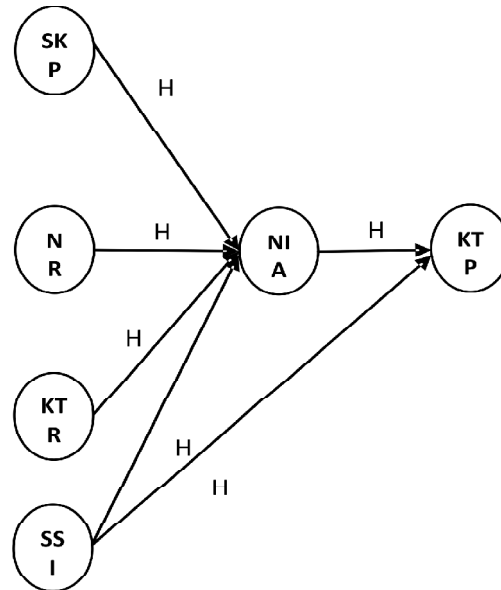


Figure 2. Model hypothesis



3. RESEARCH METHODOLOGY

This research will test the hypothesis of the influence of individuals' behavior within the company towards the corporate taxpayers' noncompliance. This research was an empirical research using the analysis in order to get an idea of the influence of individual behavior and organizational or corporate condition towards corporate tax noncompliance. The testing was conducted by using Structural Equation Model (SEM) due to one of endogenous latent variables that serves as the dependent variable and functions as independent variable for other latent variables and the testing was conducted simultaneously and concurrently thus is not bias using multiple regression analysis. In addition, the use of SEM to describe an alternative model and test the model suitability and model hypotheses was based on sampled data.

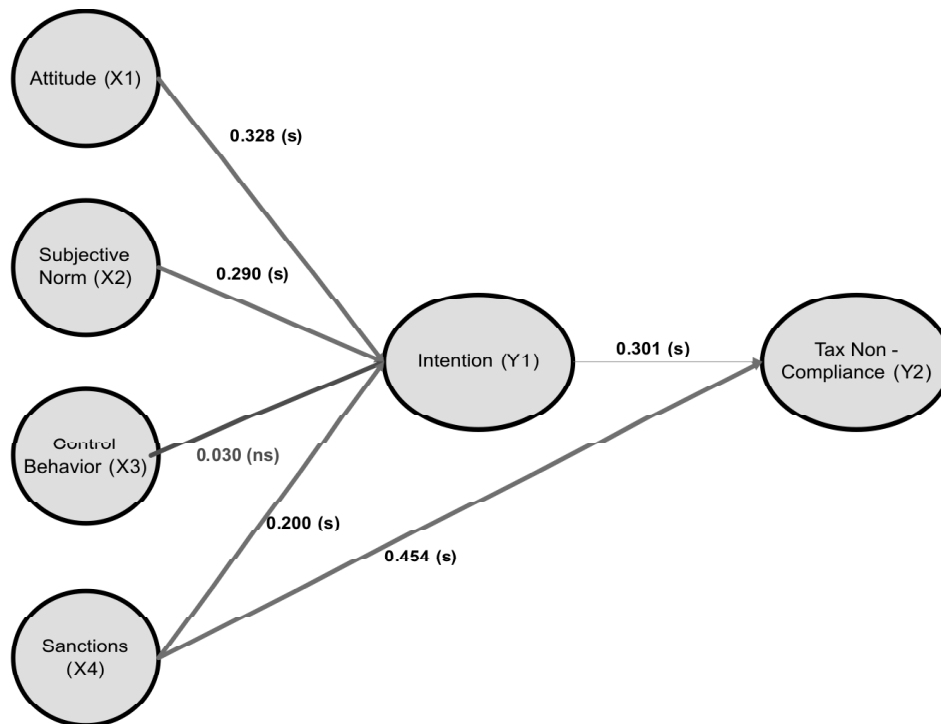
The population in this research was all corporate taxpayers or companies listed on Kendari Small Taxpayers Office, amounted to 5,840 in accordance with Article 1 of Law No.28 of 2007 on General Provisions and Tax Procedures, the selection of individual or corporate taxpayers due to most companies already having a formal accounting information system (Bouwens and Abernethy, 2000; Siahaan, 2005) which allows tax professionals to prepare their tax reporting, besides, to conduct a follow-up on previous studies in investigating the tax compliance with corporate taxpayers subject. The respondents targeted as tax experts or tax staff, or better known as tax professionals working in the company, with the criteria that the company has been listed at a minimum of two years, and have completed the Annual Tax Return. The

number of population in this research was 5,840 companies. The precision taken approximately was from 5 to 10%. However, in this research, the precision sampling of 9% was taken to keep the representative of the research samples, thus a total of 120 respondents was obtained. The data analysis method used in this research was the inferential statistics and analysis description data, i.e. Partial Least Square (PLS) Variance-based SEM.

4. RESULT AND DISCUSSION

The results of the analysis of testing the influence of variables can be seen from the path coefficients, the critical point (t-statistic) and the p-values presented in the following path diagram of Figure 3:

Figure 3: PLS Structural Model Path Diagram



Explanation: ns = Non significant; s = significant (*p-value*) at the $\alpha = 0,05$

Direct influence hypothesis testing result between variables in Figure 4 can be completely presented in Table 1 below:

Table 1
Direct influence Path Coefficient and Hypothesis Testing

No.	Relationship Between Variables	Path Coefficient	t-statistics	p-value	result
1.	X1 → Y1	0.328	2.773	0.006	Significant
2.	X2 → Y1	0.290	2.078	0.040	Significant
3.	X3 → Y1	0.030	0.243	0.808	Non Significant
4.	X4 → Y1	0.200	2.406	0.018	Significant
5.	X4 → Y2	0.454	8.217	0.000	Significant
6.	Y1 → Y2	0.301	3.612	0.000	Significant

Explanation: X₁ =Attitude; X₂ = Subjective Norm; X₃ = Control Behavior; X₄ = Sanctions; Y₁ = Intention; Y₂ = Tax Noncompliance

The analysis results in Table 1 hypotheses testing and path coefficient are obtained which aimed to answer the hypothesis proposed can be accepted or rejected. The hypothesis testing results can be described as follows:

The hypothesis testing result of the non-compliance influence attitude on intention to behave non-compliant can be evidenced by estimate value of the path coefficient of 0.328 with a positive direction. Path coefficient is marked positive, which means the relationship between attitude and intention is directional. This result can also be evidenced by critical point value (t-statistic) of 2.773 with a probability value (p-value) of 0.006 < $\alpha = 0.05$. The hypothesis testing result 1 (one) proves that non-compliance attitude has positive and significant influence on the intention to behave non-compliant. It means the tax professional that has a positive attitude towards non-compliance, thus the intention to behave tax non-compliant is also high. The implementation of good attitude is co-relational and has real influence on intention, thus the hypothesis proposed can be accepted/ supported by empirical facts on this research object.

The research result supports the results of empirical research which concluded that non-compliance attitude has positive and significant influence on the intention to behave non-compliant (Benk *et al.*, (2011), Mustikasari (2007), Miladia (2010) and Harisnani (2011), Ajzen (2002). the higher the attitude towards non-compliance, the higher intention to behave non-compliant. Miladia (2010) states a taxpayer supporting (behaves positive) to tax compliance measures will have a tendency to commit tax compliance acts. And vice versa, a taxpayer who does not support (behaves negatively) towards tax compliance actions will have a tendency not to commit tax compliance actions.

Fishbein (1975) and Ajzen (2002) state that the attitude as a number of affection (feeling) felt by a person to receive or reject an object or behavior and is measured by placing the individual on a two poles evaluative scale, for example, good or bad, agree or refuse, and so forth. According to Mutikasari (2007), a person's attitude toward an object is a supportive or favorable feeling or unsupportive or unfavorable feeling on the object in question.

It shows that in general the tax experts who represent the taxpayers (WP) Kendari Small Taxpayers Office behave positively on the intention of tax compliance. It means as an individual, they support tax compliance as a form of contribution to the state, or vice versa, negative on the intention to behave non-compliant. It means that as an individual, they do not support the intention of tax non-compliance as a form of contribution that can inhibit the state revenue.

The hypothesis testing result of subjective norms influences the intention to behave non-compliant can be evidenced by estimate value of the path coefficient of 0.290 with a positive direction. Positively marked path coefficient means that the relationship between subjective norms and the intention is unidirectional. This result can also be proved by critical point value (t-statistic) of 2.078 with a probability value (p-value) of $0.040 < \alpha = 0.05$. The hypothesis testing result two (2) proves that subjective norms have positive and significant influence on the intention to behave non-compliant. It means that strong perceived social pressure influences the tax professional intention to behave non-compliant. It means that the stronger the encouragement and consideration from the society to tax experts not to comply with tax regulations, the higher the tax experts; intention to behave non-compliant, or vice versa. Therefore, the hypothesis proposed can be accepted/ supported by empirical facts on the object of this research.

This research strengthens the empirical research result which concluded that subjective norms have positive and significant influence on the intention to behave non-compliant, Blanthorne (2000), Kaplan, Newbery and Reckers (1997). In contrast with the research conducted by Benk *et al.*, (2011), Mustikasari (2007), Hanno & Violette (1996), Miladia (2010) and Ajzen (2002) stating that subjective norms have significant and negative influence on the intention to behave non-compliant.

Ajzen (1991) suggests that the norm is built through social pressure and influence of the society around the taxpayers which are considered important, if the people considered important around the taxpayers have a positive attitude towards tax compliance, thus the taxpayers will dutifully pay the taxes. On contrary, if people considered important around the taxpayers have negative attitude towards tax compliance, thus the taxpayers will avoid taxes. Miladia (2010), subjective norms of a taxpayer may be formed of social pressure, in the sense that the individual will commit an act as expected by people who are considered important.

The research result indicates that in general, tax experts representing corporate taxpayers in Kendari Small Taxpayers Office have positive attitude towards tax compliance or non-compliance. It means that tax experts' intention to conduct tax compliance and non-compliance is resulted from encouragement and consideration from surrounding people, such as friends, tax consultants and tax officers.

The hypothesis testing result of perceived behavioral control influence on the intention to behave non-compliant can be evidenced by estimate value of path coefficient of 0.030 with positive direction. Positively marked coefficient means that

the relationship between the control behavior and the intention is unidirectional. This result can also be proved by critical point value (t-statistic) of 0.243 with a probability value (p-value) of $0.808 > \alpha = 0.05$. The hypothesis testing result three (3) proves that behavior control has positive influence but insignificant on the intention to behave non-compliant.

It means that the stronger the perception of tax experts on the strength of tax control system applied in Indonesia, but does not have sufficient influence on the tax experts' intention to behave compliant or vice versa. Therefore, the hypothesis proposed is unacceptable/ unsupported by empirical facts on the object of this research.

The research result differs from the results summarized by Ajzen (2002) and Mustikasari (2007) stating that the variable perception of behavioral control can prove that the perception of behavioral control has positive and significant influence on the intention to behave non-compliant, but this research is consistent with the research proposed by Bobek and Hatfield (2003), and Blanthorne (2000) proved that the perception of behavior control has positive influence but not sufficiently significant on the intention to behave non-compliant.

The insignificant research result on behavior control perception variable influences the intention to behave non-compliant, it means that the control perception of tax professional over control that they have are not capable of pushing the intention to behave compliant, or in other words, the lower the perception of control owned by tax professional, thus it will encourage the intention further to behave non-compliant in implementing tax obligation of the corporation that they represents.

The hypothesis testing result of sanctions influence on the intention to non-compliant behavior can be evidenced by estimate value of the path coefficient at 0.200 with a positive direction. Positively marked path coefficient means that the relationship between sanctions and the intention is unidirectional. This result can also be proved by critical point value (t-statistic) of 2.406 with a probability value (p-value) of $0.018 < \alpha = 0.05$. The hypothesis testing result 4 (four) proves that sanctions have positive and significant influence on the intention to behave non-compliant. It means that the firmness of sanctions over tax non-compliance, the higher the tax experts' intention to behave non-compliance or vice versa. Therefore, the hypothesis proposed can be accepted/ supported by empirical facts on the object of this research.

This research result is in contrast with the empirical research result which concluded that the sanctions given by the government do not influence a person's intention to be non-compliant (Benk et al, 2011). Efebera et. al (2004) stated that the presence of sanctions stipulated by the government influences the taxpayer's intention not to conduct tax evasion. This research result proves that the sanctions given, including administrative and criminal law cannot influence the tax experts' to have compliant intention. It proves that the tax experts becoming the respondents having good intention towards tax compliance. They realized that tax is an enforceable

contribution to the state, thus the existing sanctions or without the increase in strict sanctions, it can affect tax experts to have compliant intention and conduct tax compliance, as a form of compliance to taxation laws and regulations.

The government makes to stretching a point of sanctions for tax non-compliance with the aim of improving tax compliance and state revenue, but it is considered less successful since the taxpayers perceive that that have not obtained socialization over the existing tax sanctions regulation for all this time and the increase in sanctions is not supported by distinct actions by the government themselves, therefore, the increase in sanctions for tax non-compliance is considered less effective to increase tax compliance.

It becomes a concern to the government by revising the tax regulation on the elimination of tax penalties, the legal umbrella of this rule is the Government Regulation No. 46/2013. The regulation is put into effect from July 1st, 2013, according to the Section Head of External Relation of DG Taxation, Chandra Budiman; "the regulation of tax sanctions disbandment is put into effect in the light of the number of taxpayers who have not received taxation regulations socialization from the tax officers", (Harian Rakyat Sultra: Thursday, October 17th, 2013).

The hypothesis testing result on the sanctions influences on tax non-compliance can be evidenced by path coefficient estimate value of 0.434 with a positive direction. Positively-marked coefficient means that the relationship between the non-compliance and sanctions is directional. This result can also be evidenced by the critical point (t-statistic) of 8.217 with probability value (p-value) of $0.000 < \alpha = 0.05$. The hypothesis testing result 5 (five) proves that sanctions have positive and significant influence on tax noncompliance. It means that more explicit sanctions over non-compliance, the higher tax non-compliance by tax experts. Therefore, the hypothesis proposed can be accepted / supported by empirical facts on the object of this research.

The research result is consistent with the results of several previous researches stating that sanctions have positive and significant influence on tax noncompliance (Yesi Mutia Basri (2012), Benk *et al.*, (2011)). Benk *et al.* (2011) stated that sanction is not a controlling factor for the non-occurrence of intentions and to behavior, therefore, the sanctions stipulated do not only influence non-compliance behavior but also influence non-compliance behavior directly. Dubin and Wilde (1988), Franzoni (2000), Scholz (2007) Cummings *et al.* (2010) find the decline in tax evasion and as a result an increase in tax compliance happens, it is parallel with the increase in risks of detention. Similarly, the increase and the amount of the penalty will result in tax evasion and increase tax compliance level through deterrent effects (Mac Caleb, 1976; Witte and Woodbury, 1985; Cummings *et al.*, 2009).

This research result proves that the sanctions given, including administrative and criminal sanctions can influences tax experts to behave non-compliant. The research result proves that the sanctions given, including administrative and criminal law cannot influence tax experts to conduct tax compliance. It indicates that the tax experts

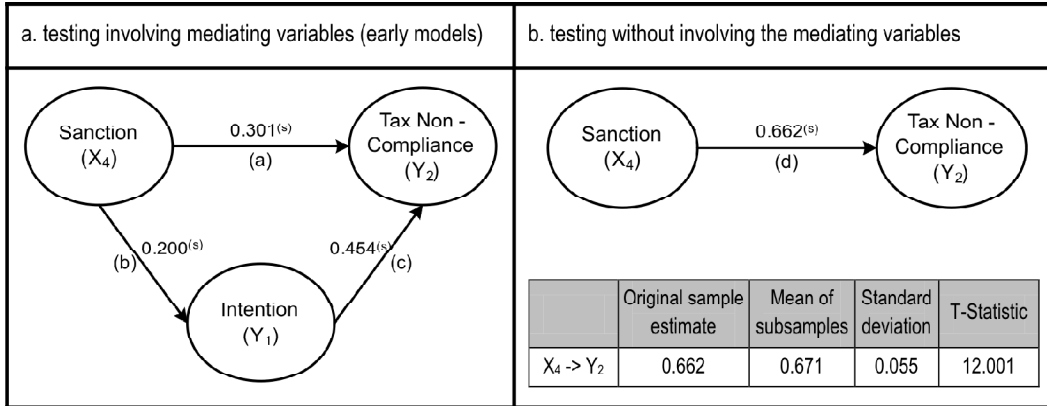
becoming the respondents have good attitude towards tax compliance. They realized that the tax is an enforceable contribution to the state and the existing sanctions or without the presence of increase in strict sanctions towards tax non-compliance, they will keep conducting tax compliance, as a form of compliance with the prevailing tax laws and regulations.

The hypothesis testing result of the influence on intention to tax non-compliance can be demonstrated by the estimate value of the path coefficient of 0.301 with a positive direction. Positively marked coefficient means that the relationship between the intention and noncompliance is directional. This result can also be proved by the critical point value (t-statistic) of 3.612 with a probability value (p-value) of $0.000 < \alpha = 0.05$. The hypothesis testing result six (6) proves that the intention to behave non-compliance has positive and significant influence on tax non-compliance. It means that the lower the intention to be non-compliant, the lower the tax noncompliance or vice versa. Therefore, the hypothesis proposed is acceptable/ supported by empirical facts on the object of this research.

The research result is consistent with the results of several previous researches stating that the intention of tax noncompliance has positive and significant influence on tax noncompliance (Benk *et al.*, (2011), Bobek & Hatfield (2003), Blanthorne (2000), and Hanno & Violette (1996), and Mustikasari (2007)). Ajzen, (2002). Behavior intention is an intermediating variable in forming the behavior. It means that generally people act in accordance with their intention or tendency. Blanthorne, (2000); Bobek, (2003). The tendency is the inclination or personal tendency of tax professional to be compliant or non-compliant in carrying out their tax obligations. The decision is a personal decision chosen by tax professionals to comply or not to comply with taxation laws. If tax professional has the intention to behave non-compliant is low, the non-compliance of his/her corporate tax is low and vice versa. It reinforces Ajzen's argument that a person's intention is manifested in his/her behavior.

Mediation influence testing is aimed to detect the position of intervening variables in the model. mediation Testing is conducted to determine the relationship between variables as a complete mediation variable, partial mediation variable and not a mediating variable. PLS approach in mediating variable can be done through coefficient difference. Coefficient difference approach uses inspection method by conducting analysis without involving the mediating variables. The testing result of the influence of the sanctions integration variable on tax non-compliance on initial models by involving mediating variables show that sanctions significantly directly influences on the intention and non-compliance variable. Therefore, intention variable also has significant influence on adherence. In order to conclude assumption on mediating variables, thus sanction variable is reanalyzed for its relations with non-compliance without involving the mediating variable in the model and the testing results can be seen in the path diagram in Figure 4.

Figure 4: Path Diagram of Mediating Variable Testing and without Mediating Variable of Sanctions Influence Intention against Non-compliance



Based on these two models in Figure 4, it can be seen that path coefficient value and significance relationship of (a), (b) and (c) are significant in the initial model, but the value of coefficient (a) is smaller (decreased) from coefficient value (d), thus the nature of sanction influence mediation on non-compliance through the intention is partial mediation. It means that the relationship between sanctions can also influence non-compliance through the intention. In the research result, there is a sufficient evidence sanctions have significant influence on non compliance, mediated by intention. It means that the intention is significantly affected by sanctions and intention significantly influences non-compliance, then sanctions significantly influences adherence. It is concluded that the increase in the implementation of sanctions directly influences significantly in improving non-compliance, and through high intention.

Tabel 2
Path coefficient Effect of Mediation and Hypothesis Testing

Effect of Variable Mediation			Path Coefficient	Explanation	Mediation Properties
Exogenous	Mediation	Endogenous			
Sanctions	→ Intention	- Noncompliance	0.0602	Significant (Be Accepted)	Partial Mediation

The testing results of path coefficient and hypothesis of mediating variables influence in Table 2 can be concluded that sanctions variable on non-compliance variables through intention is partial mediation. It means that the relationship between the sanctions variable can directly influences non-compliance, or through the mediation influence of Intention. Furthermore, the intention is significantly influenced by the sanctions and the intention significantly influences adherence.

5. CONCLUSIONS AND SUGGESTIONS

Based on the analysis of the research results and discussion Attitude influence, Subjective Norms, on the perceived behavior control and Sanctions on Tax Noncompliance with Intention as an intervening variable of Kendari Small Taxpayers Office, then the following conclusions are drawn: 1) non-compliance attitude has a significant influence on the intention to behave non-compliant. It indicates that a tax professional having a positive attitude towards non-compliance, the intention of tax noncompliance is also high. 2) Subjective Norms have a significant influence on the intention to behave non-compliant. It indicates that the influence of the surrounding people (perceived social pressure) influences professional tax intention for non-compliant behavior. 3) perceived behavioral control has significant influence but insignificant on the intention to behave non-compliant. It indicates that the perception of professional tax control over its controls are not able to push the intention to behave in compliant manner, or in other words, the lower the perception over control owned by tax professional, it will encourage the intention to behave non-compliantly. 4) Sanctions have a significant influence on the intention to behave non compliance, it indicates that the sanctions given by the government for tax non-compliance can influence one tax professional intention to behave non compliant. 5) Sanctions have a significant direct influence on tax noncompliance. It indicates that the sanctions stipulated by the government influences on actual action, or in other words that sanctions influences a person for non-compliant behavior. 6) The intention to behave non-compliantly on tax non-compliance. It indicates that a tax professional having high intention of tax non-compliance also has high tax noncompliance or vice versa.

From the conclusions that have been described, the suggestions that can be provided from the research result for the government are: (1) The government needs to take persuasive actions by conducting socialization to taxpayers in a more sympathetic manner, giving awards for compliant taxpayers and providing ease licensing in the field of business, (2) Government efforts to limit direct contact between the officer and the taxpayer through the application of computer-based systems should be improved, and (3) increasing the tax consultants' roles in building the Indonesian economy by conducting cooperation in tax counseling. For the corporation management, it is suggested to utilize this research findings to increase tax compliance in their environment, as attitude, norms, and sanctions are significantly proven to influence the intention to be non compliant in terms of the taxpayers' noncompliance. For future researchers, the suggestions are: (1) the research scope should be expanded, thus the behavior of corporate tax compliance throughout Indonesia can be determined (2), to examine the direct relationship and mediation between attitude, subjective norms, behavioral control on non compliance and non-compliance intention as mediating variable and (3) to examine other variables, applying other theories, or other models in the hope of generating more useful findings for practitioners and for the development of taxation behavioral theories. (4) the population can be expanded by selecting taxpayers listed on municipal taxation offices or large taxation offices, or

by comparing the compliance of taxpayers in the level of small taxation offices, municipal taxation offices and large taxation offices.

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