



DETERMINANTS OF MOTOR VEHICLE TAXPAYER COMPLIANCE IN SIDOARJO DISTRICT

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ABSTRACT

Purpose: To determine and analyze whether tax literacy, sanctions, benefits, and payment digitalization affect motor vehicle taxpayer compliance in Sidoarjo, which aims to support the increase in local tax revenue and academic discourse in tax accounting. **determeheof pyments a Methodology.** **Methodology:** A quantitative approach with 100 respondents selected via the Slovin formula from Sidoarjo's taxpayer population. Accidental sampling was used to distribute questionnaires. SmartPLS 4.0 was applied for outer and inner model testing, and hypothesis analysis. **Result:** The tax sanction variable has a positive effect on taxpayer compliance with a p values of 0.015 and a t statistics of 2.444. The tax payment digitization variable has a positive effect on taxpayer compliance with a p values of 0.017 and a t statistics of 2.390. Meanwhile, the variable of tax literacy and tax benefits have no effect on taxpayer compliance because the p values > 0.05 and t statistics < 1.96. **Findings:** Compliance is more strongly influenced by enforcement mechanisms and practical conveniences than by knowledge or perceived return. Respondents were more motivated by avoiding penalties and the ease of paying digitally than understanding tax concepts or benefits. This reflects gaps in public perception and trust in government efficiency and fairness. **Originality:** This study uniquely investigates compliance in Sidoarjo, where public trust is strained by local governance issues. **Novelty:** It highlights how digitalization and sanction enforcement operate as primary motivators in a region facing infrastructural and administrative challenges. **Conclusion:** Sanctions and digital payment systems significantly boost tax compliance, while literacy and benefits do not. Broader sampling and additional variable are recommended for future research to deepen insights. **Type of Paper:** Empirical research paper.

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INTRODUCTION

Taxes are revenues received by the government from people's deposits for their tax obligations which are used to finance the needs of the state in order to achieve social welfare for the community (Zaikin et al., 2022). Public participation in paying taxes also indirectly helps the state in achieving prosperity and welfare (Ade Harlia et al., 2022). The type of local tax with the highest revenue and tends to increase every year is the type of motor vehicle tax. This is because every year

the number of motorized vehicles also increases due to the high needs of the community in mobilizing.

In Sidoarjo Regency, there are still many people who are not compliant with motor vehicle taxes. There were 70,306 vehicles that participated in the bleaching program from July 15, 2024 to August 30, 2024, and the total revenue obtained for 47 days reached Rp45.9 billion (Sansiri, 2025). A total of 56,278 R2 vehicles and 14,028 R4 vehicles participated in the pemutihan program, of which 52,970 two-wheeled vehicles followed the pemutihan scheme for annual and five-year taxes. This figure indicates that in Sidoarjo there are still many people who have arrears against taxes so they take advantage of this program so that the tax sanctions are waived.

Based on data from one government source (Badan Pusat Statistik Provinsi Jawa Timur, 2024) as of 2023, Sidoarjo is one of the areas with the second highest number of vehicles after Surabaya. A total of 1,623,477 vehicles were recorded as owned by the people of Sidoarjo in 2023 with various types of vehicles. This indicates that the level of demand for motorized vehicles in Sidoarjo is quite high, due to the low level of public transportation facilities in Sidoarjo. According to (Badan Pusat Statistik Kabupaten Sidoarjo, 2024) by 2024, 1,096,494 of Sidoarjo's total population of more than 2 million had been absorbed into the labor market. In Sidoarjo, each house has more than one family member in the labor force who works in different places. Despite the large number of vehicles, the level of taxpayer compliance in Sidoarjo is not good enough.

In addition, the Sidoarjo district was hit by a crisis of trust in the government as a result of the corruption cases that ensnared three Sidoarjo Regents (Linardi, 2024). For more than 20 years, the Sidoarjo region has seen no significant changes in its facilities and developments. It turns out that this is due to the depravity of a government based on dishonesty. This was reinforced by a case in 2024 that ensnared several Sidoarjo district officials for allegedly withholding tax incentives and local levies (Suhendra, 2024). A study by (Nichelatti & Hiilamo, 2024) published in The European Journal of Developments Research analyzed data from 32 Sub-Saharan African countries. The study found that people's perception of governance has a significant effect on tax compliance. In countries with poor perceptions of governance, despite awareness of tax obligations, compliance remains low due to distrust of the use of public funds. Therefore, public non-compliance in paying taxes is still a problem that is quite troubling for the government. This is evidenced by the number of PKB obligations in arrears in Sidoarjo Regency in 2019-2024.

Table 1. Number of Delinquent Taxpayers

Year	Number of Motor Vehicle Taxpayers	Number of Delinquent Taxpayers	Percentage
2019	1.106.348	178.569	16,14%
2020	1.125.463	245.217	21,79%
2021	1.142.973	188.219	16,47%
2022	1.150.867	198.077	17,21%
2023	1.168.975	220.896	18,90%
2024	1.181.547	181.790	15,39%

Source : Data Processed, 2025

In 2021-2024, the trend in the number of delinquent taxpayers tends to fluctuate every year, so it cannot be ascertained if Sidoarjo Regency has succeeded in obtaining maximum PKB revenue or indirectly indicates uncertainty regarding taxpayer compliance every year. Therefore, factors that are considered to influence compliance in paying taxes will not always have an effect. In addition, the existence of public distrust of the government can also have an influence on the decline in disobedient attitudes in carrying out fiscal obligations.

According to Ramadhan, 2022 and Widyasari & Wijaya, 2024 the existence of non-compliance is due to the influence of various things such as the level of tax literacy / tax knowledge,

tax benefits, tax sanctions, and the ease of paying taxes both offline and online. Based on several previous studies that discuss taxpayer compliance both with quantitative methods and with other different methods, it is stated that the level of public trust in the government and a good form of tax transparency are an impetus in creating taxpayer discipline (Al-Maghrebi et al., 2022).

According to attribution theory, people usually look for reasons or explanations for an action or event, which can come from external (such as circumstances or environment) or internal (such as attitude or character) aspects. Literacy that can support and shape a person's attitudes and actions in complying with tax regulations is considered part of the internal factors that come from within the individual. There are several studies that support the developments of hypotheses in this study, namely (Nitasari et al., 2023) (Marsilla & Fauzihardani, 2023) (Zaikin et al., 2022) and (Rosa Intansari & Supramono, 2022) stated that the component that influences a person to carry out his obligations obediently and obediently is tax knowledge.

The existence of strict tax sanctions, individuals tend to consider the consequences of their actions more and strive to comply with applicable provisions in order to avoid penalties or losses that can arise from non-compliance. Therefore, based on the theory used in this research, tax sanctions are considered an external factor that can influence a person's actions because they provide fear if they commit a violation. There are several studies that support this statement, (Imtiyazari et al., 2023) (Anggraini & Pravitasari, 2022) (Putra et al., 2023) (Yuliani et al., 2024) and (Rahmayanti et al., 2020) shows that most individuals feel that the existence of policies regarding tax violations greatly affects their compliance in paying taxes.

Similarly, the next variable, which is rooted in attribution theory as the foundational framework for this study, is tax benefits. Attribution theory suggests that individuals make decisions based on how they attribute causes to their actions or outcomes. In the context of tax compliance, one important external factor influencing an individual's behavior is the perceived tax benefits. When taxpayers recognize tangible returns from their contributions, such as improved infrastructure, better public facilities, and enhanced public services, their motivation to comply increases. This phenomenon can be understood through the lens of social contract theory, where citizens see their tax contributions as a reciprocal exchange for societal improvements. Previous studies have supported this hypothesis, such as those by (Amri et al., 2024) (Latief et al., 2020) and (Adem et al., 2024), which assert that individuals are more likely to comply with tax regulations when they perceive a direct benefit from their contributions. Furthermore, the role of perceived tax benefits in shaping compliance is not only psychological but also influenced by socio-political dynamics. In areas where citizens experience clear, visible improvements in their quality of life as a result of government actions funded by taxes, their trust in the government is reinforced, making them more inclined to fulfill their tax obligations. Therefore, understanding the intricate relationship between tax benefits and compliance is critical to designing effective tax policies that foster a sense of shared responsibility and collective welfare.

In addition, there are other factors that are considered to influence individual actions to comply with taxes. One of the external variable that may have an impact on taxpayer compliance is the digitalization of tax payments. There is research from (Leo & Alimuddin, 2023) (Sitorus & Purba, 2024) (Wulandari & Dasman, 2023) and (Nuryati et al., 2023) that the tax payment digitization program has simplified the administrative process to be faster and does not require taxpayers to come to the tax payment counter as usual, so that many people are currently switching to using this digital system, and indirectly affect the level of community compliance to comply with applicable tax regulations.

Another study conducted by (Arewa & Santoro, 2022) discussed the challenges and opportunities of implementing digital tax payment systems such as e-filing and e-payment in low- and middle-income countries. The study identifies barriers from the taxpayer side, such as preference for cash payments and lack of trust in technology, as well as from the institutional side, such as limited digital infrastructure and weak coordination between institutions. While digital systems offer efficiency and transparency, their success depends on political support, clear

regulations, adequate infrastructure, and people's digital literacy. This research recommends a holistic approach and the need for further empirical evidence to ensure the effectiveness of tax administration digitalization.

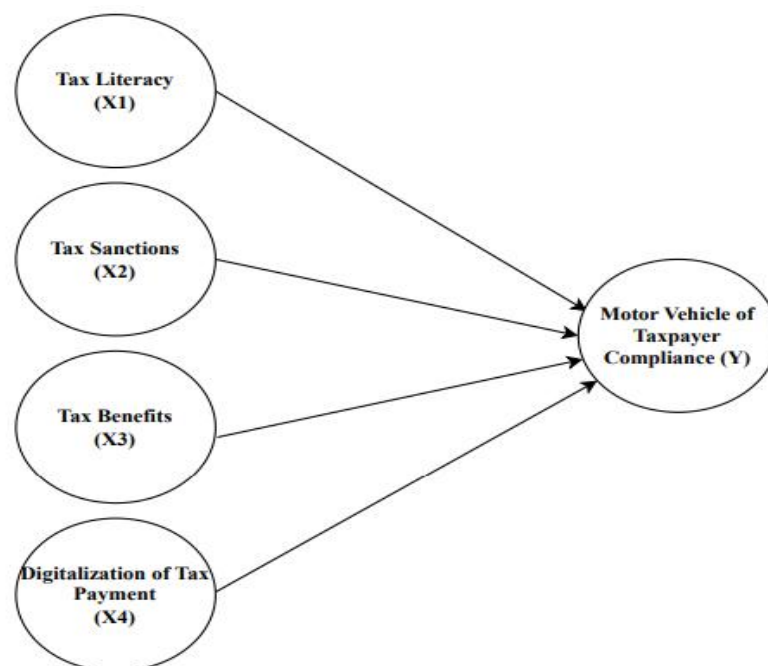
The novelty of this research lies in the selection of research locations, because Sidoarjo is a controversial area with cases of local government corruption that continues to cause a crisis of confidence in the government, areas with minimal public transportation, industrial areas with a fairly dense population, and the level of ownership of a large number of motorized vehicles but the number of tax non-compliance in Sidoarjo is still relatively high.

The purpose of this research is to test and analyze the effect of tax literacy, tax sanctions, tax benefits, and digitalization of tax payments on PKB mandatory compliance. This research is expected to be useful as an academic reference in tax accounting studies, especially related to increasing local revenue from taxes for the welfare of the community. In addition, it can also be used as a reference for future studies that discuss the factors that influence tax compliance. The research questions of this study focus on identifying the factors that influence the compliance of motor vehicle taxpayers in Sidoarjo District. Specifically, this study seeks to answer whether tax literacy, tax sanctions, perceived tax benefits, and the digitalization of tax payment processes significantly impact taxpayers' compliance with the motor vehicle tax. The hypotheses to be tested include: (1) Tax literacy has a positive effect on motor vehicle taxpayer compliance (2) Tax sanctions have a positive effect on motor vehicle taxpayer compliance (3) Tax benefits have a positive effect on motor vehicle taxpayer compliance (4) Digitalization of tax payments has a positive effect on motor vehicle taxpayer compliance.

METHOD

The quantitative method was chosen for this research because it focuses on applying appropriate statistical procedures to analyze data based on numbers. The research object used is Sidoarjo Regency residents who are obliged to pay taxes in the Sidoarjo Regency area. Based on the Slovin formula, a sample of 100 individuals was selected from the research population of 1,181,547. The Slovin formula is commonly used to determine the appropriate sample size for a population, taking into account the margin of error desired for the study.

Figure 1. Conceptual Framework



Source : Data Processed, 2025

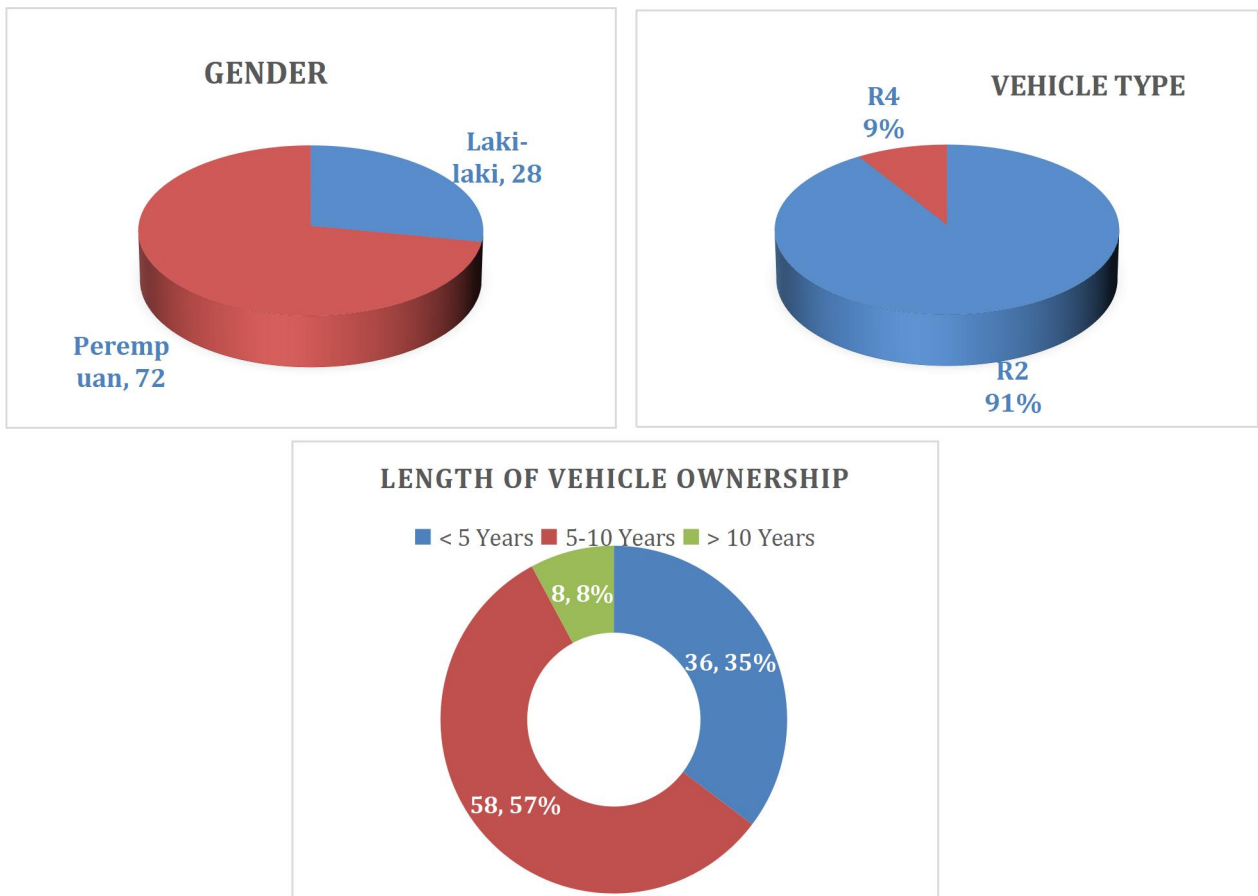
In this case, the sample size was calculated to ensure a confidence level that is statistically acceptable while maintaining practicality. Although 100 participants were initially selected, the sampling strategy used was accidental sampling, which is a non-probability sampling method where individuals are selected based on their availability and willingness to participate in the study. This approach does not require a random selection process, and respondents are typically chosen as they happen to be accessible during the data collection period. Given that accidental sampling may introduce some biases due to the lack of random selection, the study aimed to distribute questionnaires to more than 100 people to increase the likelihood of obtaining a representative sample. By targeting a larger number of participants, the researcher hoped to ensure that the final data collected would meet the minimum sample size requirements for the study, thus increasing the reliability and validity of the results.

However, it is important to note that while accidental sampling can be practical and cost-effective, it may not fully capture the diversity of the population. Therefore, the findings from this research should be interpreted with caution, and future studies may benefit from using probability sampling methods to enhance the generalizability of the results. Additionally, expanding the sample size and considering other demographic factors could help mitigate the limitations of accidental sampling and provide a more comprehensive analysis of the factors influencing tax compliance. Furthermore, the recapitulation of respondents' answers will be processed using a tool, namely SmartPLS 4.0. The analysis technique uses SmartPLS 4.0 through several stages, namely outer model and inner model and hypothesis testing. This research's conceptual framework examines factors influencing tax compliance. It hypothesizes that tax literacy positively affects compliance, while tax sanctions serve as a deterrent to non-compliance. Additionally, the perceived benefits of taxes encourage greater compliance, and the digitalization of tax payments increases compliance rates by making the process easier and more accessible. These factors together form the basis for understanding what drives tax compliance in this study.

RESULTS AND DISCUSSION

A total of 100 people were selected to fill out the questionnaire as part of the primary data collection in this study, which will later be analyzed to obtain accurate conclusions. As explained earlier, the respondents are Sidoarjo residents who have the obligation to pay PKB in the region. Respondents' identities were grouped into three main characteristic categories, namely gender, vehicle type and length of vehicle ownership. Based on gender, there were 28 male respondents and 72 female respondents, with the majority of respondents being female. In terms of vehicle type, 91 respondents owned two-wheeled vehicles, while 9 respondents owned four-wheeled vehicles. As for the length of vehicle ownership, 36 respondents have owned vehicles for less than five years, 58 respondents have owned vehicles between five and ten years, and 8 respondents have owned vehicles for more than ten years. The division of characteristics aims to be able to represent well the identity of respondents and be used as a basis for analyzing the determinants that influence obedience behavior to pay taxes.

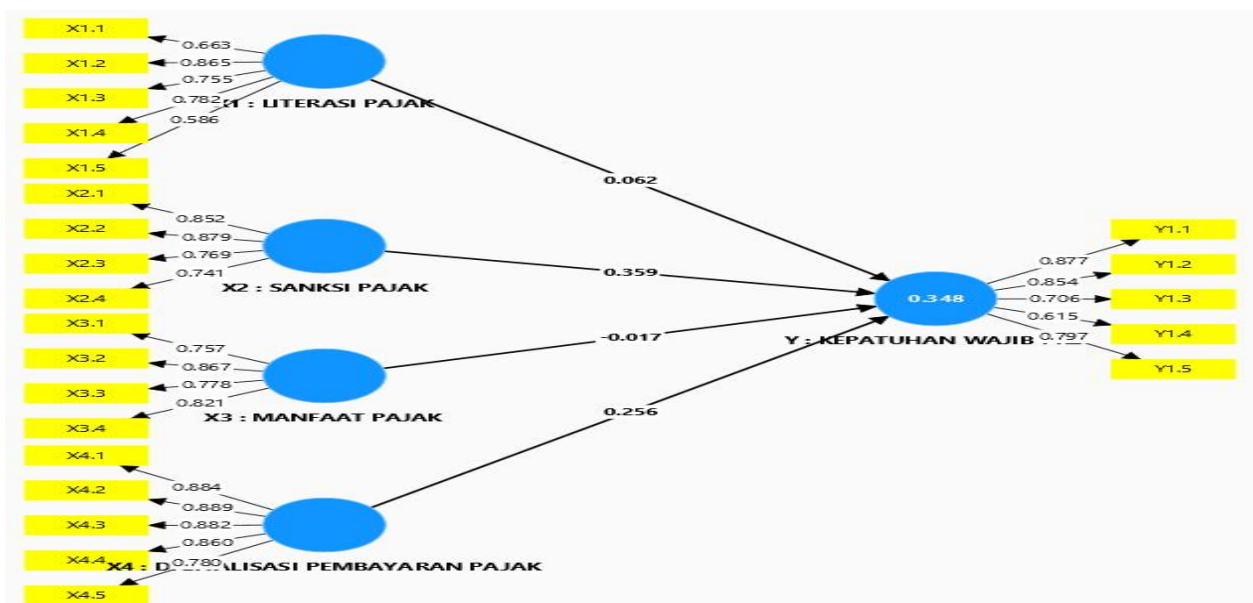
Figure 1. Characteristics of Respondents



Source : Data Processed, 2025

Measurement Model (Outer Model)

Figure 3. Outer Mode



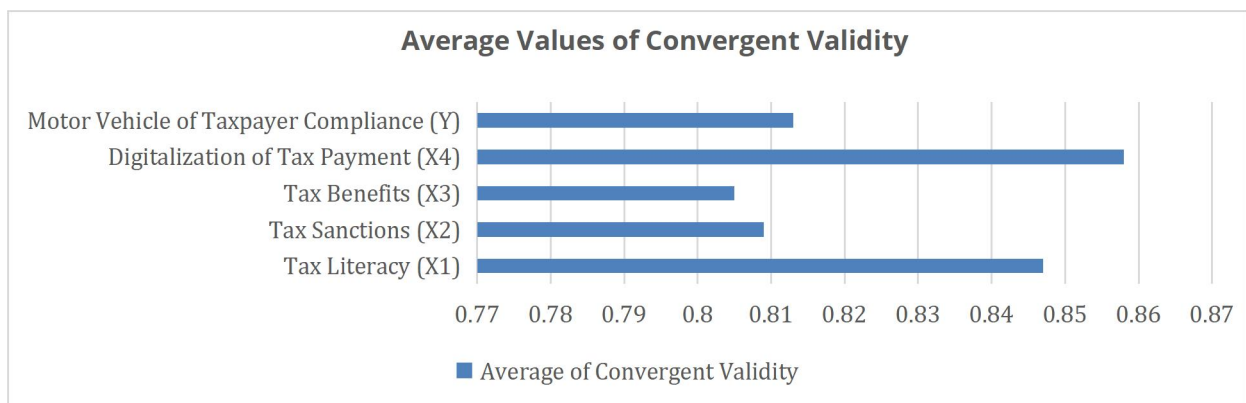
Source: SmartPLS output, 2025

In Figure 1, there are three indicators that have a values of <0.70 so that it needs to be eliminated so that the data used has a validity values of > 0.70 and is suitable for further processing. The tax literacy variable has two indicators that do not meet the standard, namely indicator X1.1, which has a values of 0.663, and X1.5, which has a values of 0.586. In addition, one indicator in the dependent variable, Y1.4, which has a values of 0.615 needs to be eliminated.

Validity Test

The validity test itself will be divided into two, namely using convergent validity seen through the loading factors values which must exceed 0.70 and the acquisition of the AVE values which must exceed 0.50 so that it is considered to have good convergent validity quality. On the other hand, the validity test is also seen from the results of the discriminant validity test through the cross loading values.

Figure 4. Average Values of Convergent Validity



Source : Source: SmartPLS output, 2025

Table 2. Convergent Validity

	X1	X2	X3	X4	Y
X1.2	0.888				
X1.3	0.822				
X1.4	0.831				
X2.1		0.856			
X2.2		0.880			
X2.3		0.766			
X2.4		0.737			
X3.1			0.757		
X3.2			0.865		
X3.3			0.779		
X3.4			0.821		
X4.1				0.885	
X4.2				0.891	
X4.3				0.883	
X4.4				0.861	
X4.5				0.773	
Y1.1					0.891
Y1.2					0.859
Y1.3					0.710
Y1.5					0.793

Source : Author's Own Data Processed, 2025

Table 3. Average Variance Extracted (AVE)

	Average Variance Extracted (AVE)
X1 : Tax Literacy	0.718
X2 : Tax Sanctions	0.659
X3 : Tax Benefits	0.651
X4 : Digitalization of Tax Payment	0.739
Y : Motor Vehicle Taxpayer Compliance	0.667

Source : Author's Own Data Processed, 2025

Table 4. Discriminant Validity

	X1	X2	X3	X4	Y
Tax Literacy	0.847				
Tax Sanctions	0.685	0.812			
Tax Benefits	0.422	0.570	0.807		
Digitalization of Tax Payment	0.485	0.616	0.366	0.860	
Motor Vehicle Taxpayer Compliance	0.401	0.557	0.296	0.525	0.816

Source : Author's Own Data Processed, 2025

Based on table 2, the convergent validity values shows a number above 0.70, besides that in testing the validity values, it is also seen in the average variance extracted (AVE) number presented in table 3 with a values that has met the criteria, which is > 0.50. Table 4 shows discriminant validity, where validity can be seen from the cross loading values which is the values of the indicator's relationship with each construct. Indicators of one construct must have a higher cross loading values than the same indicators on other constructs. This is in accordance with the discriminant validity values in table 4, so the indicators in this study are considered valid.

Reliability Test

This test has the aim of evaluating the level of consistency of the measuring instrument, which will characterize the accuracy, consistency, and precision of the tool. There are two techniques used for reliability testing, namely conbrach's alpha and composite reliability. If the Cronbach's alpha and composite reliability values are higher than 0.70, the data can be considered to have passed the reliability test.

Table 5. Reliability Test

	Cronbach's Alpha	Composite Reliability
X1 : Tax Literacy	0.806	0.884
X2 : Tax Sanctions	0.831	0.885
X3 : Tax Benefits	0.822	0.882
X4 : Digitalization of Tax Payment	0.911	0.934
Y : Motor Vehicle Taxpayer Compliance	0.834	0.888

Source: SmartPLS output, 2025

Based on the data presented in table 5, the values for conbrach's alpha is included in the standard criteria to be considered as reliable data, which is above 0.70 where X1 is worth 0.806, X2 is worth 0.831, X3 is worth 0.822, X4 is worth 0.911, and Y is worth 0.834. On the other hand, testing the reliability of a data can also be seen through the composite reliability values, where the data in

this study has a values that meets the criteria with $X_1 = 0.884$, $X_2 = 0.885$, $X_3 = 0.882$, $X_4 = 0.934$, and finally Y with a values of 0.888.

Coefficient of Determination

The values known as the coefficient of determination shows how much impact the independent variable has on the dependent variable at the same time. If the correlation is between 0 to 0.49, then the correlation is considered weak, 0.50 is considered moderate, 0.50-0.59 is considered strong, and 1.00 is considered perfect.

Table 6. Determination Coefficient

	R-square	R-square adjusted
Y : Motor Vehicle Taxpayer Compliance	0.365	0.338

Source: SmartPLS output, 2025

The values presented in table 6 regarding the coefficient of determination shows that the dependent variable in this research can be explained by 36.5% by the independent variable used. This figure is considered a weak correlation because, as we know, there are many variable that can explain variable Y in this research. Therefore, 63.5% of variable Y is explained by other factors not used in this research.

Hipotesis Test

The probability values determines the requirements for hypothesis testing, it is explained that if a test produces a p-values < 0.05 , then H_0 is rejected and H_a is considered significant, which indicates that there is an influence of variable X on Y. Conversely, H_0 is accepted and H_a is not significant if the p-values produces a number > 0.05 , which indicates that variable Y is not influenced by the presence of variable X. In addition, if the t-statistics values exceeds 1.96, it is considered qualified.

Table 7. Hypothesis Test

	T Statistics	P Values	Result
X1 -> Y	0.031	0.976	Rejected
X2 -> Y	2.444	0.015	Accepted
X3 -> Y	0.365	0.715	Rejected
X4 -> Y	2.390	0.017	Accepted

Source : Data Processed, 2025

Only two of the four independent variable (X) have an effect on the dependent variable, namely PKB mandatory compliance (Y). Based on the results of hypothesis testing with a t-statistics values > 1.96 and a p-values of 0.015 and 0.017, respectively, the two variable, namely tax sanctions (X2) and digitalization of tax payments (X4), are considered to have an influence on variable Y, namely PKB mandatory compliance. However, because the t-statistics values < 1.96 and the p-values is quite high, the variable of tax literacy (X1) and tax benefits (X3) have no effect.

DISCUSSION

Conceptually, tax literacy which includes knowledge of tax obligations, payment procedures, sanctions, and tax benefits-is expected to increase compliance. Logically, individuals who understand the importance of taxes will be more likely to be compliant in paying. However, the results of this research and also research from (Nugrahani & Suryaningrum, 2023) show that

understanding alone is not enough to drive compliant behavior. This is reinforced by statistical evidence that the hypothesis of a relationship between literacy and compliance is rejected (p -values > 0.05 ; t -statistics < 1.96), meaning there is no empirically significant influence between the two. This finding encourages us to look at other psychological and sociological factors at play, such as trust in government, social norms, perceptions of fairness, and convenience of payment systems. People may know how to pay motor vehicle tax and understand the importance of their contribution, but if they see inequalities in public services, feel the system is inefficient, or there are no real consequences for defaulting, the motivation to comply is weak.

More deeply, it indicates that literacy does not always lead to action, especially if it is not accompanied by intrinsic motivation and supportive external conditions. In other words, knowledge is a necessary but not sufficient condition. The government must realize that educative strategies cannot stand alone. A more comprehensive approach is needed, such as strengthening firm but fair sanctions, simplifying administrative procedures, and creating a positive experience when someone complies with paying taxes so as to form habits and collective awareness in the long run. As a policy implication, these results suggest that tax literacy improvement should be designed in a broader context not only as information delivery, but as part of a strategy to build positive perceptions, trust, and emotional engagement of the public towards the tax system itself.

Meanwhile, other results show that variable X2, which relates to tax sanctions, shows a clear and significant relationship with individual actions to comply with taxes based on the results of hypothesis testing which shows a p values of 0.015 and a t statistics of 2.444. The application of clear, firm penalties or fines plays a significant part in spurring citizens to follow to built up charge rules. This finding is steady with the discouragement hypothesis, which sets that individuals' compliance with directions is impacted by the seen probability of discovery and the seriousness of punishments for non-compliance. When taxpayers are aware of the consequences of non-compliance whether through monetary fines, legal action, or other sanctions they are more likely to comply with tax regulations to avoid such penalties. Additionally, the clarity and consistency of these sanctions are vital in shaping taxpayer behavior. If penalties are perceived as fair, transparent, and consistently enforced, taxpayers may view them as a necessary mechanism for maintaining fairness in the tax system, which can further enhance compliance. Furthermore, the application of sanctions can create a sense of accountability, reinforcing the idea that individuals have a legal and moral obligation to contribute to public revenue. This relationship between sanctions and compliance underscores the importance of a well-structured enforcement system, where the threat of penalties not only deters tax evasion but also promotes a culture of compliance.

Future research could explore how the perception of fairness in penalty application influences taxpayers' willingness to comply, and whether the effectiveness of sanctions varies across different socio-economic groups or regions. Through policies regarding fines for taxpayers who are late in paying annual taxes, it will indirectly provide fear to taxpayers because it is clear that tax sanctions will harm them. Research with similar results has also been conducted by (Imtiyazari et al., 2023) which explains the existence of rules or policies in dealing with and preventing violations or public non-compliance in paying taxes has proven to have an influence in increasing a person's obedience to carry out his obligations properly and disciplined.

Theoretically, optimal tax utilization-through infrastructure developments, public services and welfare programs-should be a moral and rational incentive for people to comply with tax obligations. However, findings in Sidoarjo show a gap between understanding and perceived benefits. While people are aware that taxes are intended for public benefit, they do not feel a direct or comparable impact from these contributions. Inequalities in the provision of public facilities, uneven developments and widespread corruption have undermined public trust in tax management. This distrust is reflected in the research results which show that the perception of tax benefits has no significant effect on the level of tax compliance (variable Y), based on statistical tests (p -values > 0.05 and t -statistics < 1.96). This finding highlights the importance of trust and fiscal transparency as mediating factors that are not directly measured in the relationship between tax utilization and

compliance. This is different from the study of (Amri et al., 2024) who found a significant effect of tax benefits on compliance, which is likely to occur in the context of regions with more accountable governments or more tangible public services. This difference in results shows that the local context strongly influences taxpayer perceptions and behavior, and emphasizes that fiscal policy cannot be uniform. The government needs to rebuild public trust through budget transparency, public involvement in developments planning, and strict law enforcement against misuse of public funds. Without these efforts, taxes will continue to be seen as a burden rather than a voluntary contribution to the common good. Regarding the tax benefit variable, there are other studies that discuss that in Pakistan the fairness of the tax system has a significant effect on taxpayer compliance, with tax technology as a supporting factor. which is proven to have an effect on taxpayer compliance (Nasira Perveen & Ashfaq Ahmad, 2022).

The results of this study state that the digitalization of tax payments has a positive effect on taxpayer compliance with a p value of 0.015. Innovations regarding the digitization of the tax system have had a positive impact on increasing taxpayer compliance. Where in international news is also conveyed related to the Innovations in Tax Compliance (ITC) Program from the World Bank aims to improve tax compliance in low and middle income countries through a holistic approach that includes three main pillars: law enforcement, facilitation, and trust. Enforcement ensures credible sanctions are in place for taxpayers who do not fulfill their obligations, while facilitation includes reforms that make it easier for taxpayers to know and pay their obligations, such as through e-Filing and SMS payments. However, recent research shows that a lack of trust in the state's role as a tax collector and service provider remains a major barrier for many potential taxpayers to enter the formal economy or pay their tax obligations in full. ITC therefore advocates a tax reform approach that includes all three pillars-enforcement, facilitation, and trust-that are mutually reinforcing. Trust consists of four dimensions that require special attention in designing a trust-building strategy: fairness, equity, reciprocity, and accountability. This approach aims to improve tax compliance, increase revenue, build state capacity, generate political support for further reforms, and ultimately create a stronger fiscal contract between citizens and government (Dom et al., 2022).

According to (Mandasari, 2024) digitalization of tax payments has been shown to have a positive influence on taxpayer compliance, as a more accessible and efficient tax payment system increases the comfort and convenience for taxpayers to fulfill their obligations. With digital platforms, such as online applications or websites that allow tax payments to be made anytime and anywhere, taxpayers no longer have to spend time or effort to visit the tax office in person. This digitization also allows the payment process to be more transparent, minimizes administrative errors, and provides valid proof of payment automatically, which helps taxpayers to be more disciplined and timely in paying taxes. According to the findings in research by (Leo & Alimuddin, 2023) (Belahouaoui & Attak, 2024) also provides the same results, namely tax compliance is influenced by the digital tax payment system because it provides convenience and flexibility for its users.

CONCLUSION

The first hypothesis, namely tax literacy which is thought to have an effect on motor vehicle taxpayer compliance, is proven to be rejected because the hypothesis test values for p values is 0.976 and t statistics 0,031.

The second hypothesis, namely tax sanctions which are thought to have an effect on motor vehicle taxpayer compliance, is proven to be accepted with a p values of 0.015 and t statistics 2,444.

The third hypothesis which states that tax benefits have no effect on motor vehicle taxpayer compliance because the hypothesis test states a p values of 0.715 and t statistics 0,365.

The fourth hypothesis states that the digitalization of tax payments has a positive effect on motor vehicle taxpayer compliance because the hypothesis test produces a p values of 0.017 and t statistics 2,390.

Based on the results of data processing, it is stated that the variable of tax literacy and digitalization of tax payments are proven to have a positive effect on taxpayer compliance. Meanwhile, the variable of tax literacy and tax benefits have no effect on taxpayer compliance. This finding indicates that people are more compliant with tax regulations because of the sanctions enforced by the government to tackle and prevent forms of intentional or unintentional violations with the aim of providing a deterrent effect on the community. So this causes taxpayers to be more compliant because they are afraid of the sanctions that will be imposed if they violate. On the other hand, the tax administration system that makes it easier for users is also a supporting factor so that taxpayers are more disciplined and efficient in paying taxes. Based on this analysis, it is hoped that in the future the government can make a better policy such as differentiating sanctions between minor administrative delays and major tax evasion, using AI and big data technology to detect tax reporting anomalies, and reducing sanctions or relief for taxpayers who voluntarily correct mistakes. In addition, the developments of digital programs for tax payments should pay more attention to the level of security and convenience so as not to make it difficult for users. This study uses data collection methods through questionnaires with accidental sampling techniques, so that the data obtained only represents the views of taxpayers registered at the SAMSAT Sidoarjo Joint Office as a sample. Therefore, future research is expected to expand the research location and absorb more respondents as the sample used so that the findings of the research can be generalized more broadly, as well as consider replacing or adding other variable such as taxpayer awareness, public trust in the government, and the quality of tax employee services so that the study becomes richer and more interesting.

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