Model of Tax Compliance Based on Intention to Pay Tax

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The problem of tax compliance is considered one of the causes of the low tax ratio. This means that the tax revenue target for the government does not get achieved. This study purpose to develop a tax compliance model based on the intention to pay taxes, which is influenced by the planned behavior of the taxpayer, through a case study in Indonesia. This empirical study uses a quantitative approach, from 100 valid samples from surveys, processed using smartPLS software. The main results of the development of this research model prove that the intention to pay taxes has a significant role in mediating the impact of planned behavior of taxpayers towards tax compliance. An increase in tax compliance based on the intention to pay taxes will have an impact on increasing the tax ratio and supporting the achievement of the realization of the government's revenue target in the Indonesia taxation sector.

Introduction

Governments all over the world require funds to support their activities and policies(Eragbhe & Aronmwan, 2015). Taxes are a vein in a country, so without taxation, the life of the country will not work anymore. Thus it can be said that tax is the spearhead of a country's development. Tax payments are a form of the role of taxpayers and state obligations to jointly and directly fulfill tax obligations for state expenditure in the context of implementing national development.

In general, it can state that the low tax compliance is a problem that often arises and must be a concern of the government seriously. Taxpayer compliance is the main factor in determining the amount of tax revenue that can be collected by the taxation authority. Thus, tax compliance improves performance for tax authorities and public policymakers

as a serious effort to increase revenue from the public to the government(Chau & Leung, 2009).. An indication of low tax compliance, one of which seen from the tax ratio. The tax ratio is the ratio of the value of national tax revenue to a value of GDP or Gross Domestic Product(Syakura & Baridwan, 2014).

In Indonesia, Low tax compliance indicated from the two (2) sides of the tax phenomenon. First, the realization of tax revenue to the government is still less than the target determined following the Indonesian State Budget (APBN, abbreviated in Indonesia). Indonesia's State Expenditure Income from the taxation sector accounts for around 85 percent of state revenue. According to the Republic of Indonesia's Ministry of Finance Performance Report in 2019, the target of tax revenue is about IDR 1,577.60 trillion and realized at 84.44 percent or IDR 1,332.10 trillion, which means there is a shortfall of IDR 245.5 trillion. However, within the last ten years, the target of Indonesian tax revenue that has been set by the government cannot be realized by the Directorate General of Taxes(Kemenkeu-RI, 2019). Second, according to a report from an organization that has goals for economic cooperation and development (OECD) reports that Indonesia still has fairly low rates of tax compliance (OECD, 2019). Indonesia's Tax Ratio in 2015 was 11.6 percent, in 2016 it was 12 percent, in 2017 it was 11.5 percent, in 2018 it was 11.5 percent, and in 2019 it was 11.6 percent. This figure shows the level of tax compliance is relatively low when compared with other countries, especially developed countries, even the lowest in the Asia Pacific. Novianti & Dewi (2017) also added that Indonesia classified as a low-tax-ratio nation. Having a low tax ratio shows that tax revenue collected by the Indonesian government is still unsatisfactory. The two problems that have mentioned are the impact of the low rate of compliance in paying taxes, both tax payments from institutions or individual taxes. To illustrate problems related to tax compliance and taxpayer behavior problems, many solutions to this problem apply the planned theory of behavior. This theory is the theory introduced inside social science and seeks to understand human behavior. According to research by Benk et al., (2011), states that this theory is just a further revision of the reason action theory put forward by Fishbein and Ajzen in 2010, to explain conscious behavior, in this case, the intention to pay taxes as a form of tax compliance. Reason action theory is a collection of similar principles that social psychologists postulate for understanding and predicting human behavior(Otieno et al.,2015). Novianti & Dewi (2017) also states that taxpayer behavior determined by the intention to make tax payments that have an impact on tax compliance behavior. Attitudinal behaviors, subjective norms behavior, and perceptions control the behavior of taxpayers affect the intention to pay tax, which significantly affects the behavior of tax compliance. (Caspers, 2020).

Many researchers have done previous research related to Implementation of the proposed theory of planned behavior in the context of tax compliance. Ajzen, (1991;2011) claimed that planned behavior theory in which behavioral self-regulation plays a significant part.

Furthermore, the study concludes that compliance by taxpayers affected by behavioral attitude, subjective norm, and perceived control of behavior. A research by Smart in New Zealand (2013) on the use of planned behavioral theory and structural equation modeling for tax compliance behaviour, the findings concluded that the behavior and behavioral intent of taxpayers to pay tax its impact on tax compliance is positive (Smart, 2013). Salman & Sarjono's research (2013) provides empirical data relating to the tax office 's impact on behavioral intent and tax compliance behavior by many behavioral factors influenced by taxpayers. The results indicate that subjective norms and perceived behavioral influence are components in influencing behavioral intentions that affect tax compliance. A research relating to the Planned Theory of Behaviour and roles Tax amnesty in tax compliance conducted by Novianti & Dewi (2017) stated that subjective attitudes and norms in planned taxpayer behavior significantly influence behavioral intentions to pay taxes except for perceived behavioral control. Concerning the development of the tax compliance model, Kamleitner et al.,(2012) have developed a compliance model based on the influence of opportunities, knowledge needs, and decision framework. Therefore, the compliance model was not formed based on the Planned Behavior Theory. Another previous study by Muehlbacher et al.,(2011) applied a 'slippery slope' framework for alternative research approaches in tax compliance. This study suggests two variables for determining tax compliance: trust and power.

Within this research, the planned behavior theory is applied to the development of a tax compliance model, further analysis of the relationship between planned taxpayer behaviour, intention to pay taxes and tax compliance. In particular, this study emphasizes the value of intention to pay taxes as a basis for tax compliance in   Indonesia 's tax sector.

The research problem formulated as follows, based on such description above: (1) Is there significantly and positive influence planned taxpayer behavior towards Intention to pay tax in the taxation sector? (2) Is there significantly and positive influence Intention to pay tax towads tax compliance in the taxation sector? (3) Is there significantly and positive influence planned taxpayer behavior towards Tax compliance in the taxation sector? (4) Is there significantly and positive influence intention to pay tax in mediating planned taxpayer behavior towards tax compliance in the taxation sector? (5) Is there significantly and positive influence intention to pay tax in moderating planned taxpayer behavior towards tax compliance in the taxation sector?

The original purpose of this research is to provide empirical evidence by taking case studies in Indonesia, whether the intention to pay taxes plays a role in tax compliance. As a result, the model of tax compliance based on the intention to pay tax is the novelty in this study.

Literature Review

Tax and Taxation System

Tax is one of the main components of government revenue in a country(Surmayanti et al., 2017). Also, taxes contribute significantly to the country 's accessibility to sources of revenueIt thus gives the implications of realizing state income, which is highly dependent on tax revenues. Taxation is a term whenever a tax authority, usually the government, collects or imposes taxes in a taxation system. The self-assessment system is a taxation system adopted in Indonesia today. The tax system's effectiveness is affected tax systems complicated, the risk of surveillance and restrictions, and the tax rates(Chau & Leung, 2009). The self-assessment system is a tax system which gives taxpayers trust in the fulfillment and execution of their own obligations and tax rights(Asrinanda & Diantimala, 2018). The Self-Assessment System (SAS) as a taxation system, the amount of tax owed determined the taxpayers themselves, and the taxpayers demanded that their tax obligations be assessed and that they file a tax return correctly(Hutauruk et al., 2019). Some related matters in this tax research that need to review are Tax Compliance, Intention to Pay Tax, and Planned Taxpayers Behavior. The implementation of the self-assessment system in the tax system is not fully functional, as some Tax Office still get obstacles and obstacles in the implementation of taxation, among others, is notification letter (SPT, abbreviated in Indonesia), filled and reported by the Taxpayer is difficult to detect (Asrinanda & Diantimala, 2018).

Tax Compliance

One important thing that is a tax problem is the problem of tax compliance. According to (Walsh, 2012) stated that widespread willingness to "do the right thing" is a main factor in tax compliance. The low compliance of taxpayer is not only the responsibility of government but also a common problem that should be sought immediately(Salman & Sarjono, 2013). Andreoni et al., (1998), for example, argued that compliance with taxes able to be classified as compliance. The term of tax compliance variously defined. Kirchler(2007) and Muehlbacher & Kirchler(2010) has a definition interpretation, describing tax compliance as one of the most acceptable terms for taxpayers to be able to pay taxes. Compliance with tax defined as the capacity and willingness of taxpayers to comply with tax laws decided by ethics, legal situation and other contextual variables at a particular time and place(Palil & Mustapha, 2011). Braithwaite research in 2009, cited by (Kamleitner et al., 2012), stated that tax compliance described as payment in full of all taxes due. In the study from Kamleitner, it stated that Small business tax compliance affected by perceived incentives, knowledge requirements and decision framework. Asrinanda & Diantimala, (2018) mentioned that compliance with taxes is a condition under which all tax responsibilities are fulfilled and enforced by the taxpayer. In this study, tax compliance defines as the willingness and ability of taxpayers to comply with

tax regulations, tax enforcement laws, and cost compliance, which is impacted by the intent and planned behavior of the taxpayer. According to Novianti & Dewi, (2017), there are three indications of tax compliance : First, Compliance with tax regulations is tax compliance to fulfill its obligations based on formal tax regulations. Second, Compliance in Law Enforcement is material tax compliance in which the taxpayer provisions are required to fulfill all tax obligations substantially based on the tax laws enforcement. Third, compliance with costs is compliance that complements tax payment or constitutes compliance with facilities, which officially requires penalties.

Intention to Pay Tax

Intention is someone intending to perform a certain behavior or not to perform it is instantly determinant of their acts (Novianti & Dewi, 2017). Tax legislation, includes references to the intentions of taxpayers or intention to pay tax with their transactions (Påhlsson, 2017). Intention to pay tax means taxpayers ready to pay tax, to meet all their tax liabilities (Dobos & Takács-György, 2020). The intention of the taxpayer to pay taxes is the key to tax compliance. Intention plays a role in explaining someone's obedient or non-compliant behavior in paying taxes. In this study, the intention to pay taxes is behavior that is influenced by planned taxpayer behavior that is affecting tax compliance. Furthermore, it also emphasizes that intention of taxpayers to pay taxes is the key to tax compliance. Indications of the intention to pay taxes are if the taxpayer tends to pay taxes, an effort to pay taxes, and a decision to pay taxes.

Planned Taxpayer Behaviour

Planned Taxpayer behavior in this study defined by an individual appears to shape a clear intention to display a tax compliance behavior. The planned behavior of taxpayers indicated by three factors; there is behavior in attitude, behavior in subjective norms, and behavior in perceived control(Novianti & Dewi, 2017). According to Benk et al., (2011), also stated that planned behavior of taxpayers that influence the intention to pay taxes indicated with attitudes behavior, subjective norms behavior, and perceived control behavior. Attitudes required assessments carried out by people who would conduct the behavior related to the actions of the person. Subjective norm refers to the views of certain people that are relevant to individuals performing the behavior or used as a guideline concerning that behavior. Finally, Benk et al., (2011) mentioned that behavior in perceived control determines the standard of performance difficulties an individual experiences.
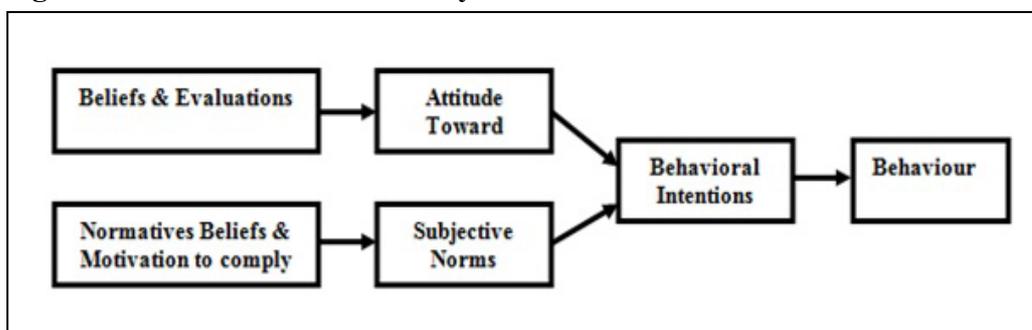
Planned Behavior Theory
Fishbein & Ajzen (2010) stated that planned behavior theory is a form of further development of reasoned action theory. Reasoned Action Theory is a collection of similar

ideas and hypotheses postulated by social psychologists to explain and predict human behavior (Otieno et al.,2015). As in the original of Reasoned Action Theory, the intention of the individual to perform a given behavior is a key element in planned behavior theory (Fishbein & Ajzen, 2010).

It assumed that the intention is to catch motivational factors that affect behavior, and also an indicator of how hard people are attempting to perform an activity. Related to this Reasoned Action Theory looked in Figure 1.
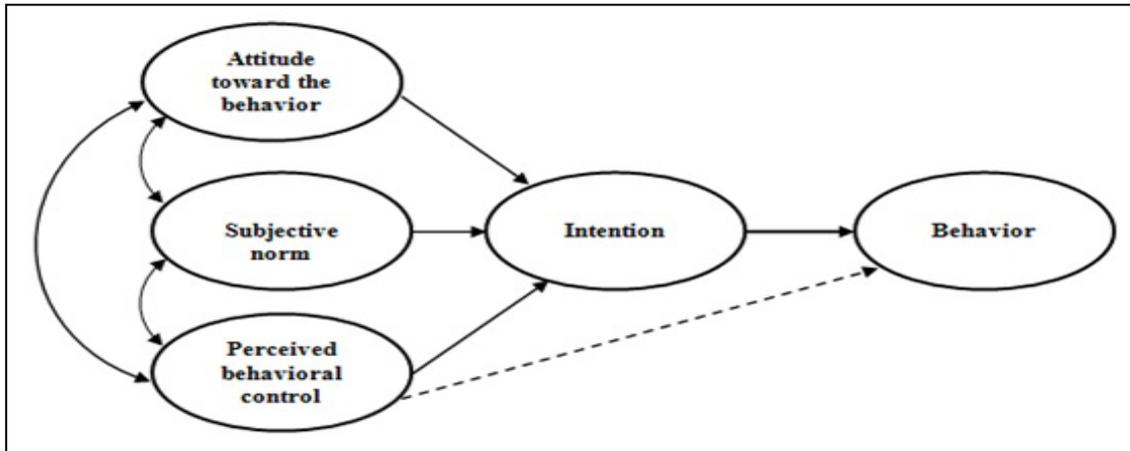
Figure 1. Reasoned Action Theory

Source: Fishbein & Ajzen(2010)

The theory of planned behavior suggests three determinants of intention that are conceptually different(Ajzen, 1991). The first is attitude behavior and refers to the extent to which a person has an attitude-behavior assessment from someone. The second determinant is a social factor in subjective norm called behavior; it refers to the perceived social responsibility of acting, or not. The third determinant is the level of perceived control of behavior related to perceived ease or complexity of success, and it assumed that past experiences expressed. Perceived control behavior plays an important role in the planned behavior theory.

Related to this Planned Behaviour Theory looked in Figure 2.

Figure 2. Planned Behaviour Theory

Source: Ajzen(1991)

Conceptual Framework and Hypothesis Development

Conceptual Framework is based on the concepts which are the main variables in a study(Adom et al., 2018). Based on the Reasoned Action Theory and Planned Behaviour Theory, it then used as a basis for building a conceptual framework. This conceptual framework is a Proposed Research Model in this study, shown in Figure 3.

Figure 3. Proposed Research Model
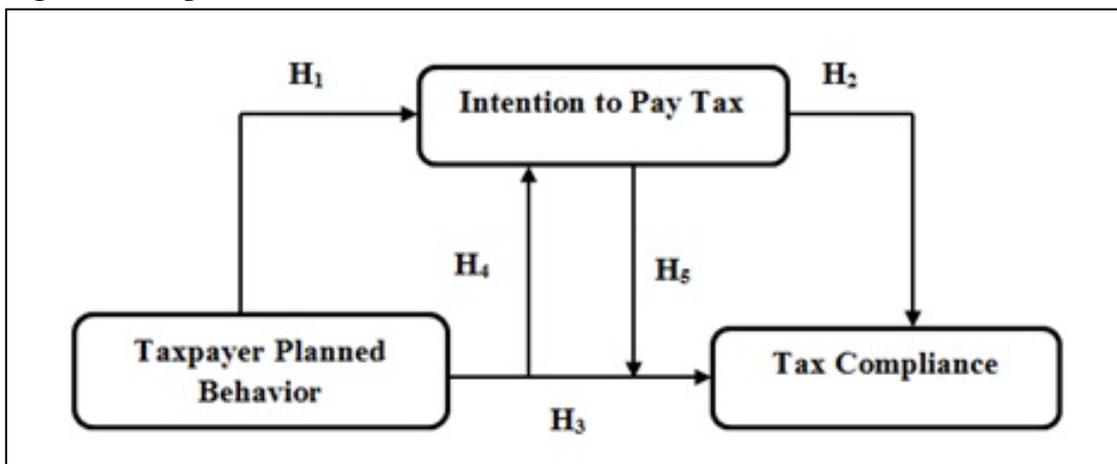
Source: Prepared by Author

Furthermore, hypotheses based on this conceptual framework can develop, as follows: Smart (2013) conclude that positive behavior in attitudes, behavior in subjective norms, and behavior in perceived control as planned taxpayers behavior will have a positive influence towards behavioral intentions, especially to pay taxes. Novianti & Dewi (2017) stated that subjective attitudes and norms in planned taxpayer behavior significantly

influence behavioral intentions to pay taxes except for perceived control behavior. Based on this, the hypothesis is developed:

H1: *Planned Taxpayer Behaviour significantly and positive influence towards Intention to Pay Tax.*

According to Smart (2013), the intention to pay tax is the intention that tax compliance will positively affect tax compliance positively. Then the hypothesis:

H2: *Intention to Pay Tax significantly and positive influence towards Tax Compliance.*
Perceived behavioral control as one of the planned taxpayers behavioral will positively influence tax compliance (Smart, 2013). Then the hypothesis able to be developed as follows:

H3: *Planned Taxpayer Behaviour significantly and positive influence towards Tax Compliance*

Some researchers suggest, there is an effect of planned taxpayer behavior is a component in influencing behavioral intentions significantly and positive influence towards Tax Compliance. So, in this study raises suspicions that the planned behavior of taxpayers will affect the behavior of tax compliance through the intention to pay taxes. This the hypothesis able to be developed:

H4: *Intention to Pay Tax mediates Planned Taxpayer Behaviour on Tax Compliance*
Most researchers' view said intention significantly and positive influence towards Tax Compliance. Intention behavior affected by planned taxpayer behavior. The possibility then occurs that the intention to pay taxes would strengthen the influence on tax compliance. Thus, the hypothesis able to be developed as follows:

H5: *Intention to Pay Tax moderates Planned Taxpayer Behaviour on Tax Compliance*
The finding of this hypothesis H4 and H5 are the novelty in this research.

Methodology

Sample and Data Collection

By looking at the research objectives to be achieved, then this study used a quantitative method(Creswell, 2015).Data collection with convenience sampling techniques. through questionnaire survey techniques collected by using online surveys. Respondents in this study were individual taxpayers in the Indonesian. Of the 150 respondents taken finally, 100 samples as valid data were processed. In PLS-SEM applications, sample size is a key

problem . In accordance with a statement that is often known that PLS-SEM with a small sample size works very well (Hair et al., 2012)

Data Analysis and Research Design

The Likert scale used to measure the variables of this study (scale of 5). SmartPLS is the software used for data analysis. The main empirical tests are the model test and hypothesis test. The inner and outer models test conducted for the proposed conceptual model. For this study, by evaluating the validity and reliability of the variables and indicators, where value of Cronbach's Alpha > 0.7, and also value of Composite Reliability > 0.7. The hypothesis tested using a P-Value < 0.005 and a T-Statistic value > 1,960 (Creswell, 2015).

Empirical models are models used as a basis for scientific research design methods and practices with quantitative approaches. Empirical evidence in the model reflects research design practice, and will rationally increase the credibility of research results.

Results and Discussion

Profile of respondents
Tabel 1 Characteristics of Respondents

| Characteristics of Respondents		Number of Samples	Percentage
Age (years) (million IDR)	20-40	60	60%
	40-60	24	24%
	>60	16	16%
	5-20	40	40%
	20-30	25	25%
	> 30	35	35%
Education	Graduate	44	44%
	Post Graduate	32	32%
	Others	24	24%
Marital Status	Unmarried)	18	18%
	Married	30	30%
	Married has a wife/husband who earns	52	52%
Gender	Male	55	55%
	Female	45	45%
Job title	Self employed	30	30%
	Government employees	15	15%
	Private employees	55	55%

Source: Processed Data Of Respondent, 2020

Respondents in this study are Individual Taxpayers (WPOP, abbreviated in Indonesia) who have submitted the 2019 Annual Tax Return (SPT, abbreviated in Indonesia) with the characteristics as looked in Table 1. Based upon the respondents' characteristics, as shown in Table 1, the respondent should have the ability to pay taxes, but the intention to pay taxes as a form of tax compliance for each individual will be different. It related to the intention to pay this tax to be examined in this study.

The results of Model Measurement :

Firstly, do the outer model test results review process. Analysis of the effect of measuring the validity and reliability of study variables by looking at the value of Cronbach Alpha and Composite Reliability. For the analysis of the measurement of the validity and reliability of research variables, the data processing uses Smart-PLS version 3.2.7(Hussain et al., 2018). Table 1. shows that all Cronbach's Alpha values > 0.7, and Composite Reliability values > 0.7. The results show that all variables used in this study are valid and reliable. The processed data for the outer loading output with smartPLS 3.2.7, is shown in Figure 4.

Figure 4. Output of Outer Loading
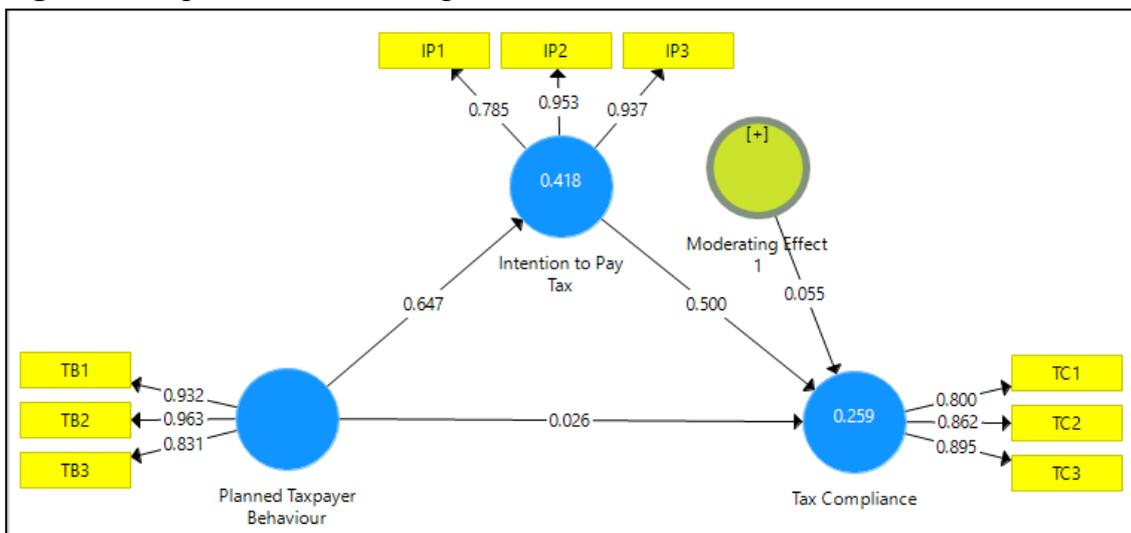
Table 1. Outer Model Test Results

Research Variables	Cronchbach's Alpha	Rho_A	Composite Reliability	AVE
Planned Taxpayer Behaviour	0.895	0.906	0.035	0.829
Intention to Pay Tax	0.872	0.891	0.923	0.801
Tax Compliance	0.813	0.816	0.889	0.728
Moderating Effect 1	1.000	1.000	1.000	1.000

Source: Prepared by Author

Table 2. shows the value of Outer Loading Variable. Inner Model Test Results by looking from an Outer Loading value. Chin's 1998 study cited by (Smart, 2013) provides recommendations in accepting loading factors value are 0.6 and 0.5, for multi-indicator construct. And also because all of these actions have significant T-statistic value at a significance level < 0.005. The potential indicator in Planned Taxpayer's Behaviour variable is the Subjective Norms indicator (TB2), with a value of 0.963. In the Intention to Pay Tax variable, the most influential indicator is Decision to pay tax (IP2), with a value of 0.953. Finally, the most influential Tax Compliance variable is Tax Regulations(TC3) indicator, with an outer loading value of 0.895.

Table 2. Outer Loading Variable Results

Indicators		Planned Taxpayer's Behaviour	Intention to Pay Tax	Tax Compliance
Attitude	**-TB1**	**0.932**		
Subjective Norms	**-TB2**	**0.963**		
Perceived BehaviourControl	**-TB3**	**0.831**		
Tendency to pay tax	**-IP1**		**0.785**	
Decision to pay tax	**-IP2**		0.953	
Effort to pay tax	**-IP3**		0.937	
Complaince Cost	**-TC1**			**0.800**
Law Enforcement	**-TC2**			**0.862**
Tax Regulations	**-TC3**			**0.895**

Source: Prepared by Author

Test findings used Structural Modeling of Equations (SEM) methodology, the following equations are obtained:

IP = β₁₁ TB + ξ₁ (1)

$$IP = \beta_{11} TB + \xi_1 \tag{1}$$

Intention to Pay Tax = 0.647* Planned Taxpayer Behaviour + ξ1

TC = β₁₁ TB + β₁₂ IP + ξ₂ (2)

$$TC = \beta_{11} TB + \beta_{12} IP + \xi_2 \tag{2}$$

Technology Innovation
= 0.006* Planned Taxpayer Behaviour + 0.498* Intention to Pay Tax + ξ₂

where :

β = *coefficient value beta* and, ξ = *measurement error*

Measurement of the structural model or the Inner Model on the sample results obtained shown in Table 3

Table 3. Inner Model Test Results in Structural Model

Variables	R-Square	Communality	GoF	Q-Square
Planned Taxpayer Behaviour		0.829		
Intention to Pay Tax	0.418	0.801	0.513	0.565
Tax Compliance	0.252	0.728		

Source: Prepared by Author

Goodness of Fit

In testing the structural model (Internal Model), the overall compatibility index measured using the Goodness of Fit or GoF criteria(Akter et al., 2011; Smart, 2013; Hussain et al., 2018). For all construction endogenous GoF formula is the root of the multiplication of the average communality with the average R-square (Akter et al., 2011; Smart, 2013; Hussain et al., 2018).

The Goodness of Fit (GoF) values are determined using the following formula:

$$\textbf{Goodness of Fit (GoF)} = \sqrt{\textbf{\textit{Average Communality x Average R-Square}}} \qquad (3)$$
$$= \sqrt{0.786 \times 0.335} = \sqrt{0.26331} \qquad = \textbf{0.513}$$

GoF 0.10 has a small measurement evaluation, GoF 0.25 has a medium measurement, and GoF > 0.36 has a high measurement. The value of Goodness of Fit (GoF) obtained from this analysis was 0.513. So, based on GoF values, it shows that the model has a very high overall suitability index (GoF value > 0.36).

Q-square value

The value of Q-square is the value used to indicate the level of predictive relevance of a developed research model. Q-square value is determined using the formula, as follows:

$$\textbf{\textit{Q-square}} = 1 - [(1 - R_1^2) \times (1- R_2^2)] \qquad (4)$$
$$= 1 - [(1-0.418) \times (1-0.252)]$$
$$= 1 - 0.435 = \textbf{0.565}$$

The Q-square value obtained from the results of the study was 0.565 (Q-square value > 0.35). Furthermore, the model has a very high degree of predictive relevance(Akter et al., 2011).

R-square value

The measurement of R-square value aims to determine the predictive power of structural models, which is a representation of the number of construct variables that describe the research model(Akter et al., 2011). In Table 3., Intention to Pay Tax influenced by Planned Taxpayer Behaviour giving an R-square value is 0.418, which means it has a high influence category(R-square value > 0.30). Meanwhile, Tax Compliance has an R-square value of 0.252(R-square value < 0.30), which influenced by Planned Taxpayer Behaviour, and Intention to Pay Tax has a moderate influence category.

Other results state that the Intention to Pay Tax of 41.8% influenced by Planned Taxpayer Behaviour, so 59.2% of Intention to Pay Tax influenced by other factors not discussed in this study. On the other hand, Tax Compliance 25.2% influenced by Intention to Pay Tax, Planned Taxpayer Behaviour, and moderating effcet, so 74.8% by other factors not discussed in this study.

The results of Hyphotesis Testing :

Secondly, all of the findings of the hypothesis testing looked in Table 2 in this study.

Table 2 Total Effects in Hypothesis Testing

Hypotesis and Path		Beta Coefficients	Mean	St.Dev	T-Statistic	P-Value
H1: TB →IP	(direct effect)	**0.647**	**0.644**	**0.064**	**10.176**	**0.000**
H2: IP→ TC	(direct effect)	**0.500**	**0.511**	**0.108**	**4.648**	**0.000**
H3: TB →TC	(direct effect)	**0.349**	**0.349**	**0.097**	**3.582**	**0.001**
H4:TB→IP→TC	(mediatingeffect)	**0.323**	**0.329**	**0.079**	**4.096**	**0.000**
H5: Mod 1→TC(moderating effect)		**0.055**	**0.052**	**0.056**	**0.974**	**0.330**

Source: Prepared by Author

Note: TB= Planned Taxpayer Behaviour; IP=Intention to Pay Tax; TC=Tax Compliance

While the T-Statistics Value in the Path Analysis Model with Bootstrapping Algorithm shown in Figure 5.

Analysis of the results of the hypothesis test states that:

H₁: Planned Taxpayer Behaviour significantly and positive influence towards Intention to Pay Tax. Beta coefficient value is 0.647, the T-statistic > 1.96, is 10.176 and the P-Value < 0.05, is 0.000. Then, the first hypothesis (H1) is accepted.

H₂: Intention to Pay Tax significantly and positive influence towards Tax Compliance. Beta coefficient value is 0.500, and the T-statistic > 1.96, is 4.648 and the P-Value < 0.05, is 0.000. Then, the second hypothesis (H2) is accepted

H₃: Planned Taxpayer Behaviour significantly and positive influence towards Tax Compliance. Beta coefficient value is 0.349, the T-statistic value >1.96, is 3.582 and the P-Value < 0.05, is 0.000. Then, the third hypothesis (H3) accepted.

H₄: Intention to Pay Tax mediates significantly Planned Taxpayer Behaviour for Tax Compliance. Beta coefficient value = 0.647 x 0.500 = 0.323 (> 0.026), the T-statistic value = 4.096 (> 1.96) and the P-Value is 0.000 (<0.05). The fourth hypothesis (H4) is accepted. This finding is a novelty of this research.

H₅: Intention to Pay Tax is not pure in moderating Planned Taxpayer Behaviour for Tax Compliance. Beta coefficient value is 0.055, the T-statistic value < 1.96, is 0.974 and the P-Value >0.05, is 0.330. However, Intention to Pay Tax will have the potential to significantly moderate Planned Taxpayer Behaviour for Tax Compliance. Because on Intention to Pay Tax significantly and positive influence towards Tax Compliance.

Figure 5. T-Statistic Value in Path Analysis with Bootstrapping Algorithm
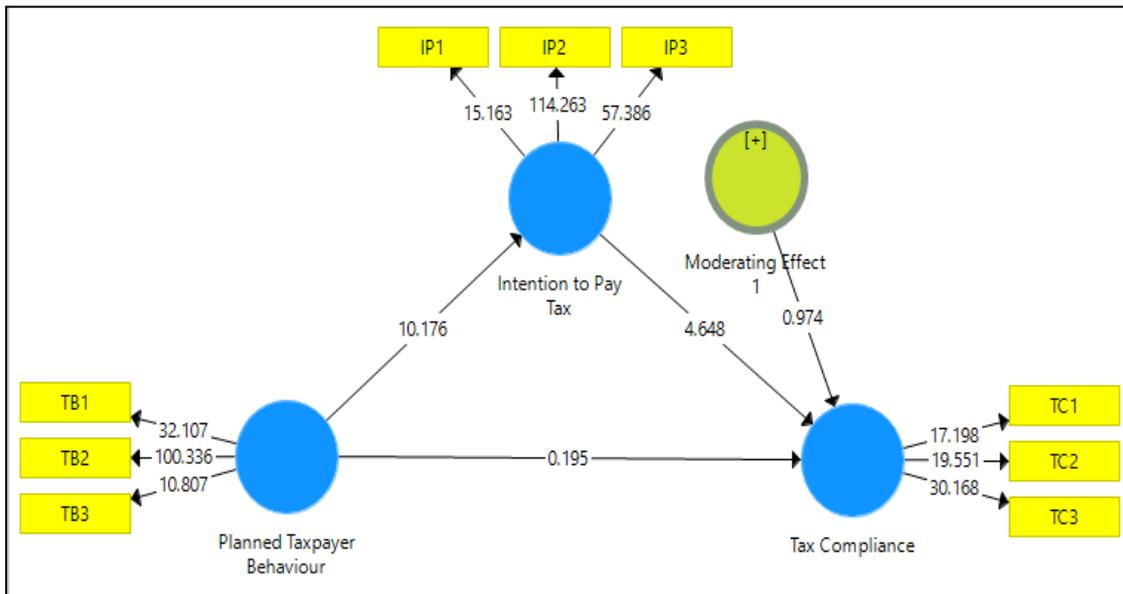
Source: Prepared by Author

Beta coefficient value is 0.500 and >0.055, the T-statistic value >1.96, is 4.648 and P-Value <0.05, is 0.00. Although this finding shows that the fifth hypothesis was not accepted but considered in this study. This finding is also a novelty of this research.

Discussion

This research model based on a theory developed by Ajzen, (1991) called the Planned Behaviour Theory, where this theory is a continuation of what was previously known as the Reasoned Action Theory(Fishbein & Ajzen, 2010; Otieno et al.,2015).

Many studies from previous researchers have developed research models that taking look at tax compliance by applying the Planned Behaviour Theory (Smart, 2013;Salman & Sarjono, 2013;Novianti & Dewi, 2017). In this study, developing a tax compliance model by emphasizing Intention to Pay Tax mediates significantly Planned Taxpayer Behaviour for Tax Compliance in the taxation sector in Indonesia.

The results of the empirical analysis of the test of this research model stated that the research model that built is appropriate and accurate. The empirical model tested statistically show that all variables and indicators of this study are very valid and reliable. From the inner model test shows that the model has a very high overall suitability index (GoF value > 0.36), and the model has a very high degree of predictive relevance (Q-square value > 0.35). Then, the model also has a high influence category (R -square value > 0.30). Another model interpretation results state that 25.2% of Tax Compliance influenced by Planned Taxpayer Behaviour and Intention to Pay Tax.

These two factors thus have significantly and positive influence towards Tax Compliance in Indonesia 's taxation sectors. The findings of the tax compliance model being developed based on the intention to pay tax are very representative and reflecting the actual conditions in the Indonesian taxation sector.

The results, in the first research hypothesis (H1), revealed that Planned Taxpayer Behaviour significantly and positive influence towards Intention to Pay Tax. Therefore, This first hypothesis(H1) finding is in line with research from Smart(2013) and Novianti & Dewi (2017). In the second research hypothesis (H2) the results, show Intention to Pay Tax significantly and positive influence towards Tax Compliance. This second hypothesis(H2) finding is in line with research from Smart(2013). Furthermore, In the third research hypothesis (H3) the results, reveal Planned Taxpayer Behaviour significantly and positive influence towards Tax Compliance. This third hypothesis(H3) finding is in line with research from Smart(2013). However, in the fourth research hypothesis (H4) the results show that Intention to pay tax mediates significantly planned taxpayer behavior for tax compliance. The indications explained with the tax ratio and the realization of tax revenue tend to increase in recent years, which is one of the reasons for the intention to pay taxes from taxpayers increasing. Furthermore, the results of the fifth Hypothesis (H5) reveal that intention to pay tax has a potential effect in moderating the influence of planned taxpayer behavior towards tax compliance. Based on this, in the future, the intention to pay taxes has a role significantly in increasing taxation in the tax sector. The Directorate General of Taxes, which is under the auspices of the Republic of Indonesia Ministry of Finance, must have an appropriate policy and regulatory efforts for individual taxpayers so that tax compliance continues to increase.

This finding has more deep implications, from theoretical and practical aspects, especially researchers and practitioners in the taxation sectors in Indonesia, that tax compliance by encouraging the intention to pay taxes from taxpayers is a necessity.

This paper has certain limitations: Firstly, this finding limited studies on the chosen taxation sector in Indonesia context. Secondly, there are some method-related elements of the study that may limit the empirical findings because the sample size is small. Lastly, the questionnaire approach is not entirely free from the subjectivity of the respondent.

Conclusion and Recommendation

In summary, the model development of this study reveal that the Intention to pay tax has a significant role in mediating the influence of Planned Taxpayer Behavior towards Tax Compliance in the Indonesia Taxation sector.

Intention to pay tax mediates significantly planned taxpayer behavior for tax compliance. Furthermore, Intention to pay tax has a potential effect in moderating the influence of planned taxpayer behavior on tax compliance. Finally, the main results of the developed research model can be stated: Increasing tax compliance based on intent to pay this tax would ultimately affect increasing the tax ratio and also achieving the government's tax revenue target.

First, this study recommends in advance that the government can ensure better tax compliance by focusing on individual taxpayers. Second, the tax authority can positively shape the attitude of taxpayers by encouraging the intention to pay taxes from taxpayers in a well-planned program.

Recommendations for future research related to the Tax compliance model need to examine other factors that influence it that not based on the intention to pay taxes as in this study.

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