The effect of harmonization of tax regulations and tax knowledge on taxpayer compliance at Kpp Pratama Makassar Selatan

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Keywords:	Abstract
Harmonization of Tax Regulations, Tax Knowledge, Taxpayer Compliance	Harmonization of clearer tax regulations and a better understanding of taxation can result in improvements in taxpayer compliance with tax obligations. This study aims to examine the effect of harmonization of tax regulations and tax knowledge on taxpayer compliance. The data in this study was obtained from taxpayers in Makassar City who were registered with KPP Pratama Makassar Selatan. This study used primary and secondary data by conducting direct research in the field by providing questionnaires/statement sheets to 99 respondents. Data analysis techniques are carried out with descriptive statistical analysis and SPSS (Statistical Program for Social Science). The results showed that harmonization of tax regulations had a positive and significant effect on taxpayer compliance. Knowledge of taxation has a positive and significant effect on taxpayer compliance. Harmonization of tax regulations and knowledge of taxation simultaneously together have a positive and significant effect on taxpayer compliance.

1. Introduction

The growth of the Indonesian economy will be accompanied by changes in tax policy. As a result, taxes are a social phenomena that is always expanding. One tool the government uses to help a country or state achieve independence is taxation in order to finance development that serves the general welfare. Tax is the main source of revenue in the State Budget Tax revenue has become the largest state revenue since 1992 with a contribution of 47.4 percent and increased in 2020 to 65.1 percent, this was stated by Heri Gunawan Member of Commission XI of the House of Representatives of the Republic of Indonesia contained on the DPR RI website (accessed March 9, 2022), according to him this contribution has not been enough to cover the growing development financing.

The problems faced by the government as the party that collects taxes and the community as the party that collects taxes. Each party has interrelated interests. Regarding the tax burden, the taxpayer community expects fair taxation, namely the amount of tax owed in accordance with the taxpayer's ability, and the government hopes that as taxpayers can pay taxes on time, in accordance with applicable tax laws and regulations.

One of the efforts made by the government in increasing state revenue from the tax sector is to carry out tax reform, namely reforming the general rules and regulations of taxation and the Indonesian tax system (Wijaya, V. S. 2023). The Directorate General of Taxes in relation to tax reform, has made a series of policies aimed at maximizing tax revenue. Some of them are changes in the tax collection system from an official assessment system to a self assessment system. In the self-assessment system, the tax collection system gives taxpayers the authority to determine for themselves the amount of tax owed. The advantage of the self-assessment system is that taxpayers are entrusted by the government (fiscus) to calculate, pay, and self-report taxes owed in accordance with general provisions and tax procedures (Tarjo and Kusumawati, 2006). However, often taxpayers do not obey taxes due to difficulties in the payment and reporting process. With the rapid development of technology, it will answer the difficulties complained by the taxpayer.

However, the problem that often arises is the level of community compliance in carrying

out tax obligations. Compliant taxpayers do not mean taxpayers who pay taxes in large amounts and orderly report their taxes through tax returns, but taxpayers who understand, understand and comply with their rights and obligations in the field of taxation. To measure the level of compliance of taxpayers, it can be through the percentage of submission of Annual Income Tax Returns received by the Tax Service Office.

Another problem encountered is that taxpayers, both individual taxpayers and corporate taxpayers still have difficulty in filling out tax returns, for example the Annual Income Tax Return which is only reported once a year often the Directorate General of Taxes issues new policies that are sometimes unknown to the public, causing some taxpayers to lack understanding and eventually be late in reporting tax returns. Based on this, it can be concluded that many factors can influence taxpayers in improving their compliance to report and pay taxes owed. Factors that affect the level of compliance of taxpayers include changes in tax regulations or harmonization of tax regulations and knowledge of taxpayers. Therefore, it can be said that taxpayers as citizens who obey the rules must always comply with tax regulations that have been made by the state.

The theory of obedience can be one of the supporting factors in this study which is a hypothesis that clarifies a situation in which someone complies with directives or rules. Tahar and Rachman (2014) contend that taxpayers and the government have an obligation to comply with all tax laws because they owe it to God obligation activities and carry out their tax rights. According to Rahayu (2017: 138) taxpayer compliance is a state in which taxpayers fulfill all tax obligations and exercise their tax rights. Taxpayer compliance is the attitude of a taxpayer who wants and carries out existing tax obligations.

Rida Nurlaila on the pajak.com website (accessed September 9, 2023) revealed that The HPP Law was created in order to maximize state revenue to finance national development autonomously in the direction of a just and prosperous Indonesian society, as well as to promote faster economic recovery and more sustainable growth. Then, realizing a more equitable and legally certainty tax system, implementing administrative reforms, consolidative tax policies, expanding the tax base and increasing voluntary compliance of taxpayers.

The Harmonization of Tax Regulations (HPP) also has several changes in fulfilling obligations, namely NIK to NPWP, changes in income tax rates, and increases in Value Added Tax (VAT). In Law No. 28 of 2007 concerning General Provisions and Tax Procedures (KUP), it is explained that every taxpayer who has tax dependents must register in order to get an NPWP for the administrative stage in taxes. NPWP has benefits for the community and companies such as making it easier to obtain capital loans and making it easier to connect with other agencies. With changes in the fulfillment of the obligation to use the residence identification number (NIK) as a Taxpayer Identification Number (NPWP) for Individual taxpayers (OP), it is expected to facilitate the integration of population data by using administration in tax reporting with the aim of carrying out tax rights and obligations, and Individual taxpayers (OP) can be orderly in terms of taxation. Therefore, it facilitates the simplicity of administration and national interests.

Understanding of taxes can also have an impact on taxpayer compliance. Siti Kurnia Rahayu (2010: 141) states that "taxpayers must have, among others, knowledge of general provisions and tax procedures" when defining tax knowledge. The Indonesian tax system and tax function play a crucial role in encouraging tax compliance behavior because it is impossible to tell taxpayers to comply with tax laws if they are unaware of them. For instance, how can taxpayers be told to file their tax returns on time if they are unaware of the deadline?

In Indonesia, taxpayer knowledge is still quite low. Even though the Tax Service Office

(KPP) has provided manuals and integrated service places that are always available at all times to serve taxpayers with all their interests and problems. This is also experienced in Cilacap Regency which still has taxpayers who have low Taxation Knowledge, which is 36%, this value is less than 50%. Responding to this problem, the Regent of Cilacap said, the tax socialization organized by the Tax Service Office / KPP Pratama Makassar Selatan in collaboration with the Regional Office of DJP Sulselbarta, held a Socialization of Compliance of Individual and Corporate Taxpayers in paying taxes was very positive as an effort to provide education, knowledge and understanding of taxation, both to taxpayers and the public, so that it is expected to increase Taxpayer Awareness and order in paying taxes. It further said, that the progress and success of development one of them is determined by taxes received by the state from taxpayers. This means that taxes have an important role in the development of the country, because taxes are the source of state opinion to finance all state expenditures. Siti Masruroh and Zulaikha (2008) explained that "awareness and discipline from the community are needed to understand and comply with tax obligations, This understanding includes filling out a Tax Return (SPT), calculating taxes, depositing taxes (payments), reporting on taxes.

Taxes are one of the biggest pillars of state revenue, so compliance and awareness in carrying out tax obligations from citizens are the main capital for the stability of our country's economy. There are several cases that drag the tax apparatus that raises the skepticism of taxpayers in carrying out their tax obligations. Taxpayers do not want the taxes they pay to become the personal consumption of tax officials. Because of these incidents, the Director General of Taxes needs to improve himself to revive taxpayer awareness. The public must be aware of their existence as citizens and must always uphold the 1945 Constitution as the legal basis for the administration of the State. If the public understands the benefits or functions of taxes, especially with tax sanctions, then of course the public will be tax aware and there will no longer be found taxpayers who do not carry out their tax obligations. Based on the explanation above, researchers are interested in examining "The Effect of Harmonization of Tax Regulations and Tax Knowledge on Taxpayer Compliance at Kpp Pratama Makassar Selatan)".

2. Literatur Review
2.1 Compliance Theory

According to H.C Kelman in (Anggraeni, 2011), explained that obedience is defined as something based on the expectation of a reward and efforts to avoid punishment. The punishment is in the form of sanctions for non-compliance. Thus, this compliance theory can be a benchmark in the field of taxation. This benchmark can be used mainly in terms of tax reporting and revenue. With sanctions if taxpayers violate compliance, they will be subject to sanctions that can make taxpayers change to comply with regulations.

2.2 Taxpayer Compliance

The state in which the taxpayer complies with all tax requirements and makes use of his tax entitlements is known as taxpayer compliance. The study's definition of compliance is when taxpayers make an effort to abide by all relevant tax rules and regulations, both in fulfilling obligations and implementing their tax rights (Muliari and Setiawan, 2011 in Maulidia, 2018: 14). According to the Decree of the Minister of Finance No.544/KMK.04/2000 in Maulidia (2018:14) that tax compliance is the action of taxpayers in fulfilling their tax obligations in accordance with the provisions of applicable tax implementation regulations in a country.

2.3 Harmonization of Tax Regulations

Harmonization of Tax Regulations is a change in regulations stipulated by the government, namely regulating the material of General Provisions and Tax Procedures containing several provisions that are amended and/or added, including cooperation in tax collection assistance between countries,

taxpayer power, providing data in the context of law enforcement and cooperation for the benefit of the state, and tax criminal prosecution. The Income Tax material contains a number of amended and/or added provisions, including those pertaining to changes in the rates at which taxes are levied on nature and/or enjoyment, individual and corporate income tax rates, depreciation and amortization, and international agreements pertaining to taxes. Additionally, lowering the exclusion of value-added tax items, resetting value-added tax facilities, adjusting value-added tax rates, and enforcing final value-added tax rates are among the significant modifications to value-added tax and sales tax on luxury goods. Additionally, there is information available through the Taxpayer Voluntary Disclosure Program that gives taxpayers the chance to reveal any assets they haven't previously revealed in order to promote taxpayer compliance.

2.4 Taxation Knowledge

According to the Indonesian Dictionary (2008: 1.377) "knowledge means everything that is known; intelligence: or everything that is known in relation to a matter (subject)". According to Soemarso (2010: 2) "taxes are the transfer of wealth from the people to the state treasury to finance routine expenses and the "surplus" is used for public saving which is the main source to finance public investment". In general, taxes are contributions made by the people to the government that can be imposed under the law. So in conclusion, tax knowledge is everything that taxpayers know in tax regulations, both about tax rates based on the law they will submit and tax benefits used as public interest.

3. Research Methods

This research uses quantitative data were used in this investigation, which is data that can be calculated in the form of numbers, any

quantitative information It can be applied to statistical analysis or mathematical computations. Making decisions in real life based on mathematical derivations is aided by this type of data. The location of the research will be carried out at the KPP Pratama Makassar Selatan Office, with data sources derived from objects to be studied through data collection techniques in the form of questionnaires. While the sample in this study was determined using the Census / total sampling method is a sample return technique where using the slovin formula, namely puorposive sampling. Based on the sampling determination method, a sample of 99 taxpayers who were respondents was obtained at the KPP Pratama Makassar Selatan office. The variables to be used in this study are independent variables, namely harmonization of tax regulations and tax knowledge, while the dependent variable is taxpayer compliance. The statistical product and service solutions (SPSS) approach is used in this study's data analysis. One of the most popular application packages for statistical analysis in the social sciences is called SPSS. Market researchers, survey businesses, governments, health researchers, researchers in education, marketing organisations, and others use it. According to some, one of "sociology's most influential books" is the original SPSS manual. The characteristics of the basic software include statistical analysis as well as data management (generating derived data, reshaping files, and selecting cases) and documenting data (a data file-saving meta data dictionary).

4. Results and Discussion
4.1 Research Results
4.1.1 Descriptive Statistical Test Results

The variables used in this study are Harmonization of Tax Regulations, Tax Knowledge and Taxpayer Compliance. These variables will be tested with descriptive statistics.

Table 1. Descriptive Statistical Analysis

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Harmonization of Tax Regulations	99	3.43	5.00	4.4127	.50068
Taxation Knowledge	99	3.50	5.00	4.4975	.50444
Taxpayer Compliance	99	3.25	5.00	4.3106	.39984
Valid N (listwise)	99				

Source : Processed primary data, 2024

The results of descriptive statistics on the variables in this study are explained in the table above, which includes:

a. Harmonization of Tax Regulations (X1)

According to the preceding table, X1 is on a scale of values that indicates affirmative response options, with a minimum value of 3.43, a maximum value of 5.00, and a mean of 4.4127. The standard deviation figure indicates a 0.50068 departure from the mean response value of the participants.

b. Taxation Knowledge (X2)

According to the above table, X2 is on a scale of values that indicates affirmative response options, with a minimum value of 3.50, a maximum value of 5.00, and a mean of 4.4975. The standard deviation number shows that there is a 0.50444 difference from the average response score of the respondents.

c. Taxpayer Compliance (Y)

Based on the table above, Y has a minimum value of 3.25, a maximum value of 5.00, and a mean of 4.3106 so that it is on a scale of values that show affirmative answer choices. The standard deviation figure indicates a 0.39984 departure from the mean response value of the participants.

4.1.2 Data Quality Test Results

a. Validity Test Results

A tool used to assess the reliability and validity of questionnaires is the validity test. Using pearson correlation, the validity test evaluates the relationship between each variable's item score and overall score. If r counts > r table and the value of r in the table is 0.3, then the question item is considered genuine.

Table 2. Shows the results of validity tests on four variables consisting of harmonization of tax regulations, tax knowledge and taxpayer compliance.

Table 2. Validity Test Results

Question Item		r Calculate	r Table	Information
X1	HPP1	0,790**	0,300	VALID
	HPP2	0,782**	0,300	VALID
	HPP3	0,840**	0,300	VALID
	HPP4	0,791**	0,300	VALID
	HPP5	0,838**	0,300	VALID
	HPP6	0,527**	0,300	VALID
	HPP7	0,583**	0,300	VALID
X2	PP1	0,573**	0,300	VALID
	PP2	0,790**	0,300	VALID
	PP3	0,817**	0,300	VALID
	PP4	0,721**	0,300	VALID
	KWP1	0,624**	0,300	VALID
	KWP2	0,679**	0,300	VALID

	KWP3	0,555**	0,300	VALID
Y	KWP4	0,699**	0,300	VALID
	KWP5	0,693**	0,300	VALID
	KWP6	0,562**	0,300	VALID
	KWP7	0,626**	0,300	VALID
	KWP8	0,617**	0,300	VALID

Source : Processed primary data, 2023

It may be inferred from the preceding table that all of the study's question items are valid because the variables harmonization of tax regulations, tax knowledge, and taxpayer compliance have values of r count > r table (r count > 0.300).

b. Reliability Test Results

Reliability testing is actually a tool to measure a questionnaire which is an indicator of a variable or construct. A questionnaire is said to be reliable if a person's answers to statements are consistent or stable over time. Reliability tests can be performed jointly on all question items. If > 0.60 then it is reliable (Sujarweni, 2015).

Table 3. Reliability Test Results

Variable	Cronbach's Alpha	Information
Harmonization of Tax Regulations (X1)	0,852	Reliable
Taxation Knowledge (X2)	0,709	Reliable
Taxpayer Compliance(Y)	0,785	Reliable

Source: Processed primary data, 2024

The table above shows that harmonization of tax regulations, tax knowledge and the Cronbach's alpha value for taxpayer compliance is higher than 0.6. This demonstrates the validity of the study's question items. so that every question item utilized can gather consistent data and can receive an answer that is essentially the same as the prior answer if the question is asked again.

4.1.3 Classical Assumption Test Results
a. Normality Test

The normality test in this study was carried out through the p plot method. To detect whether residuals are normally distributed or not, graph analysis is used, Generally speaking, normality can be found by examining the residuals histogram or the distribution of data (points) on the graph's diagonal axis. fundamental judgment (Ghozali, 2016). The regression model satisfies the normality assumption and can be used if the data spreads around the diagonal line and follows its direction, or if the histogram graph displays a normal distribution pattern. The regression model fails to satisfy the normalcy assumption if the data spreads widely from the diagonal, deviates from the diagonal line's orientation, or fails to display a normal distribution pattern on the histogram graph.
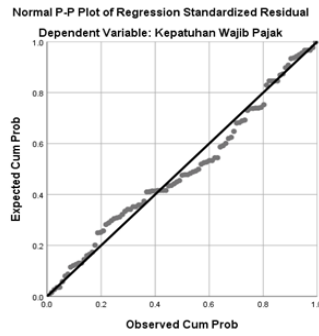
Figure 1
Normality Test Results
Source : Processed primary data, 2024

It is clear from the image above that the data on the variable religiosity value utilized in the P-P plot are either regularly distributed or very nearly so. This is due to the fact that the distribution image's points seem to spread or approach the diagonal line, and the data points spread out in the same direction by doing the same.

b. Multicollinearity Test

The multicollinearity test seeks to determine whether independent variables in a multivariate linear regression model have a strong correlation with one another. The relationship between the independent and dependent variables is disrupted if there is a significant correlation among the independent variables. Variance Inflation Factor (VIF) value and tolerance value can be used to test for multicollinearity. The model is considered free of multicollinearity if the tolerance value is not less than 0.1 and the VIF value is not greater than 10. (Sunjoyo, et al., 2013). The following table displays the multicollinearity test results :

Table 4. Multicollinearity Test Results

Coefficient			
Type		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Harmonization of Tax Regulations	.999	1.001
	Taxation Knowledge	.999	1.001
a. Dependent Variable: Taxpayer Compliance			

Source : Processed primary data, 2024

Based on the table above, it can be seen that the variable of harmonization of tax regulations and tax knowledge has a tolerance value above 0.1 and VIF is smaller than 10. This means that in the regression equation model there are no symptoms of multicolonearity so that data can be used in this study.

c. Heterokedasticity Test

The purpose of the heteroscedasticity test is to determine if there is variance inequality between the residuals of different observations in the regression model. It is referred to as homoscedasticity if the variance between residuals from one observation and another is fixed, and heteroscedasticity if it is not. An effective regression model is one that Homoscedasticity or no heteroscedasticity occurs. To detect heteroscedasticity, it is done by looking at the plot graph between the predicted value of the dependent variable, namely ZPRED and the residual SRESID. The basis of the analysis is (Ghozali, 2016).
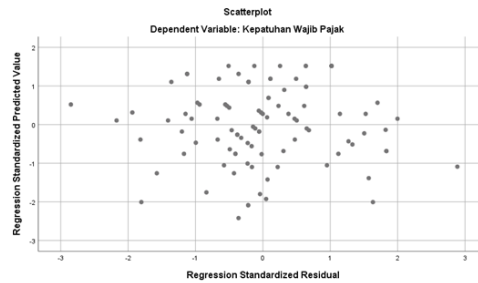
Figure 1
Normality Test Results
Source : Processed primary data, 2024

The scatterplot graph, which is based on the aforementioned picture, reveals that the data is dispersed along the Y axis and lacks a distinct pattern in its distribution. This demonstrates that the regression model lacks heterodidacticity, indicating that it can be utilized to predict taxpayer compliance with influencing variables, namely harmonization of tax regulations and taxpayer compliance.

4.1.4 Hypothesis Test Results
a.   Double Linear Regression Analysis

Table 5. Regression Equation Model

Coefficient					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Say.
	B	Std. Error	Beta		
(Constant)	11.283	3.287		3.433	.001
1 Harmonization of Tax Regulations	.388	.075	.425	5.137	.000
Taxation Knowledge	.624	.131	.394	4.758	.000
a. Dependent Variable: Taxpayer Compliance					

Source : Processed primary data, 2024

The regression equation created in this regression test is based on the table above and is :

Y = 11.283 + 0.388 X1 + 0.624 X2

The model can be interpreted as follows:
1) The constant value is 11.283 this indicates that, if the independent variable harmonization of tax regulations and taxation knowledge is zero (0), then the value of the dependent variable (Taxpayer compliance) is 11.283 units.
2) The regression coefficient of harmonization of tax regulations (b1) is 0.388 and has a positive sign. This means that taxpayer compliance (variable Y) will increase if harmonization of tax regulations (variable X1) increases and other independent variables are fixed. The coefficient marked positive indicates a unidirectional relationship between the variable harmonization of tax regulations (X1) and the variable of taxpayer compliance (Y). The better the harmonization of regulations, the more taxpayer compliance will increase.
3) The regression coefficient of taxation knowledge (b2) is 0.624 and has a positive sign. This means that taxpayer compliance (variable Y) will increase if taxation knowledge (variable X1) increases and other independent variables are fixed. The coefficient marked positive indicates a unidirectional relationship between the taxation knowledge variable (X1) and the taxpayer compliance variable (Y). The higher

the taxation knowledge, the more taxpayer compliance will increase.

b. Test R2 (Coefficient of Determination)

Table 6. R2 Test Results

Model Summaryb				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.586a	.344	.330	2.61850
a. Predictors: (Constant), Tax Knowledge, Harmonization of Tax Regulations				
b. Dependent Variable: Taxpayer Compliance				

Source : Processed primary data, 2024

From the table above, there is an R number of 0.586 which shows that the relationship between taxpayer compliance with the two independent variables is strong, because it is a strong definition between 0.5 – 0.8. While the R square value of 0.344 or 34.4% shows that the variable of taxpayer compliance can be explained by the variable of harmonization of tax regulations and tax knowledge of 34.4% while the remaining 65.5% can be explained by other variables that are not contained in this study.

c. Partial Test Results (Test t)

To determine how each independent variable affects the dependent variable, a partial test is employed. Using a t test, the test is conducted by examining the computed significant value of t. It can be concluded that the independent variable influences the dependent variable if the significance value of the t count is less than 0.05. The test results are as follows:

Table 7. Partial Results (Test t)

Coefficient						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Say.
		B	Std. Error	Beta		
1	(Constant)	11.283	3.287		3.433	.001
	Harmonization of Tax Regulations	.388	.075	.425	5.137	.000
	Taxation Knowledge	.624	.131	.394	4.758	.000
a. Dependent Variable: Taxpayer Compliance						

Source : Processed primary data, 2024

Through t-test statistics consisting of Harmonization of Tax Regulations (X1), Tax Knowledge (X2) and Taxpayer Compliance (Y).

a. First Hypothesis Testing (H1)

The table above shows that the harmonization variable of tax regulations has a significant level of 0.000, which is smaller than 0.05. This means that H1 is accepted so that it can be said that harmonization of tax regulations has a significant effect on taxpayer compliance. A t-value of +5.137 indicates a positive effect on the dependent variable.

b. Testing the Second Hypothesis (H2)

The table above shows that the Taxation Knowledge variable has a significant level of 0.000 which is smaller than 0.05. This means that H2 is accepted so that it can be said that taxation knowledge has a significant effect on

customer satisfaction. A t-value of +4.758 indicates a positive influence on the dependent variable.

d. Simultaneous Test Results F

The use of simultaneous tests determines whether the independent variable's overall influence on the dependent variable is carried out using the F test α. Provided, Should the significance of F counts be less than 0.05, the suggested hypothesis can be accepted. The following are the test results :

Table 8. Simultaneous Test Results F (Test F)

ANOVA						
Model		Sum of Squares	df	Mean Square	F	Say.
1	Regression	344.499	2	172.250	25.122	.000b
	Residual	658.228	96	6.857		
	Total	1002.727	98			
a. Dependent Variable: Taxpayer Compliance						
b. Predictors: (Constant), Tax Knowledge, Harmonization of Tax Regulations						

Source : Processed primary data, 2024

According to the preceding table, which indicates that the threshold of significance is less than 0.05, there is a 0.000 chance that harmonizing tax laws and tax knowledge will have an impact on taxpayer compliance.

4.2 Research Discussion

a. The Effect of Harmonization of Tax Regulations on Taxpayer Compliance

The hypothesis's outcomes test show that harmonization of tax regulations has a positive and significant influence on taxpayer compliance with KPP Pratama Makassar Selatan. This shows that the better the changes in tax regulations or harmonization of applicable tax regulations, the level of taxpayer compliance will increase. This can happen because it can create uniformity of tax rules and procedures in various regions or countries. With this regulation change, taxpayers will more easily understand and comply with tax provisions without confusion or differences in interpretation of rules in various places. In addition, harmonization can also help in minimizing loopholes for fraud or tax avoidance because clear and uniform rules will complicate

efforts to trick the tax system so as to increase the compliance of taxpayers .

Harmonization of tax regulations is the process of unifying or creating uniformity of tax rules in different regions or countries. This is done to create consistency, uniformity, and avoidance of overlap between various tax laws that can be confusing for taxpayers, both companies and individuals Nurillah, T. E., &; Andini, I. Y. (2022). With harmonization, efforts are also made to achieve a uniform tax framework in order to provide clarity and facilitate tax capacity for all parties involved.

Harmonization of tax regulations can also strengthen cooperation between countries in the exchange of tax information and the avoidance of double taxation. This can create a more structured and orderly environment in terms of meeting cross-border tax obligations, which in turn can help drive taxpayer compliance globally. Thus, harmonization of tax regulations can have a huge positive influence in improving taxpayer compliance at various levels, both nationally and internationally.

Research on this variable is in line with compliance theory, compliance theory which is an approach used to understand the factors that

influence individual compliance behavior with tax obligations. Tax compliance theory can provide an important foundation of understanding in explaining the relationship between harmonization of tax regulations and taxpayer compliance. By understanding the factors affecting taxpayer compliance, the application of harmonization can be designed and structured more effectively to achieve the goal of improving tax compliance.

The dominant indicator contained in this research variable is the statement of Changes in PP Tariff No. 23 of 2018 after the issuance of the HPP Law is very meaningful to be applied to MSME actors. MSMEs in Makassar city with the tariff change rate in the form of a reduction in tax rates which is considered meaningful can provide strong incentives for MSMEs to comply with their obligations to pay taxes. With lower rates and simpler taxation processes, MSMEs may feel more motivated to pay taxes on time and avoid the risk of tax sanctions. This can improve the level of tax compliance in the MSME sector and help the government in better tax revenue collection.

This research is in line with research conducted by Wesley, C., &; Sitompul, G. O. (2024) this study states that the 11 percent VAT Increase Policy variable partially has no influence on the fulfillment of Small Business Owners' Tax Obligations, while the Tax Collection variable has a partial influence on the fulfillment of Small Business Owners' Tax Obligations. Then in line with research conducted by Hany, S. P., Mahandito, T., Alsilana, V., Nafi'ah, Z. Z., &; Irawan, F. (2023) which states that the HPP Law has succeeded in increasing taxpayer compliance, in this case it is voluntary compliance that reflects a good level of trust by taxpayers in tax authorities.

b. The Effect of Tax Knowledge on Taxpayer Compliance

The results of the hypothesis test show that taxation knowledge has a positive and significant influence on taxpayer compliance with KPP Pratama Makassar Selatan. This shows that the higher the level of taxation knowledge possessed by taxpayers, the level of taxpayer compliance will increase. This can happen because taxation knowledge can be an effective tool to improve taxpayer compliance, because it helps create understanding, awareness, avoidance of sanctions, and trust in the tax system which in turn supports compliance in fulfilling tax obligations.

Taxation knowledge is the understanding and knowledge that individuals or entities have about the rules and regulations relating to the tax system. It includes an understanding of tax types, tax rates, tax obligations, tax calculation and reporting procedures, as well as other aspects of tax law applicable in a country Widiasti, N. N., (2023). Taxation knowledge also includes an understanding of potential tax incentives, legal tax avoidance, and law-compliant tax planning strategies.

With tax knowledge, taxpayers can better understand the importance of compliance with tax regulations, recognize tax obligations that must be fulfilled, and understand the benefits derived from compliance in paying taxes. Tax knowledge also includes an understanding of the legal and financial consequences of tax violations as well as an understanding of the rights and protections you have as a taxpayer. Tax knowledge plays a very important role in influencing taxpayer compliance, because a good understanding of tax procedures can encourage taxpayer awareness, compliance, and compliance with their tax obligations.

The results of this study are in line with compliance theory, where compliance theory is an individual who tends to obey the law because he has assumed this is in accordance and consistent with their internal norms. Taxpayers who have sufficient knowledge about the tax system and their tax obligations tend to be more obedient in complying with tax rules. They will have a good understanding of their tax responsibilities and will strive to fulfill them properly.

The dominant indicator in this research variable is that the NPWP statement serves as the identity of the taxpayer and each taxpayer

must have it. This means that taxpayers at KPP Pratama Makassar Selatan have knowledge of the function of NPWP as an identity used as a taxpayer and must be owned. Then with this knowledge provides understanding to taxpayers in carrying out their rights and obligations in fulfilling their tax administration.

This research is in line with research conducted by Yanti, L. D., & Wijaya, V. S. (2023) simultaneously taxation knowledge, tax rates, tax payment mechanisms and tax sanctions have a significant effect on taxpayer compliance of 0.000. Then in line with research conducted by Soda, J., Sondakh, J. J., &; Budiarso, N. S. (2021), the results of the study stated that tax knowledge, tax sanctions and perceptions of fairness have a positive effect on the compliance of MSME taxpayers in Manado City.

c. The Effect of Harmonization of Tax Regulations and Tax Knowledge simultaneously together on Taxpayer Compliance

Based on the results of the hypothesis test, research for the variables of harmonization of tax regulations and tax knowledge simultaneously (together) has an influence on employee performance and has a positive and significant influence on employee performance simultaneously (together). Harmonization of tax regulations ensures that tax rules and provisions are clear and easy to understand, while taxation knowledge provides taxpayers with a good understanding of their obligations. With a good understanding, taxpayers are more likely to comply with tax regulations, fulfill their tax obligations, and avoid violations. Thus, harmonization of tax regulations and tax knowledge can significantly affect the level of taxpayer compliance.

Harmonization of tax regulations is an effort to harmonize and unify various tax regulations, both at the national and international levels, in order to create harmony, clarity, and consistency in the application of tax rules Nurillah, T. E., &; Andini, I. Y. (2022). Taxation knowledge refers to an understanding of the tax system, including applicable tax rules,

obligations, and procedures. This includes an understanding of the types of taxes, tax calculations, reporting obligations, and the rights and obligations of taxpayers. Tax knowledge also includes an understanding of tax incentives, tax treatment for various transactions, and ways to comply with applicable tax provisions Rahayu, N. (2017).

According to Stanley Milgram (1963) Compliance theory is an approach in the social sciences that studies what factors influence individuals or groups to obey or violate applicable rules, norms, or regulations. Harmonization of tax regulations and knowledge of taxation play an important role in this context. Harmonization of tax regulations creates clarity and consistency of tax rules, which in turn can improve perceptions of fairness and compliance of taxpayers. While taxation knowledge provides taxpayers with a solid understanding of their obligations, it allows them to comply with taxation rules properly.

This research is in line with research conducted by Hany, S. P., Mahandito, T., Alsilana, V., Nafi'ah, Z. Z., &; Irawan, F. (2023) which states that the HPP Law has succeeded in increasing taxpayer compliance, in this case it is voluntary compliance that reflects a good level of trust by taxpayers in tax authorities. Then research by Yanti, L. D., &; Wijaya, V. S. (2023) simultaneously knowledge of taxation, tax rates, tax payment mechanisms and tax sanctions have a significant effect on taxpayer compliance of 0.000.

5. Cover
5.1 Conclusion

Based on the research and tracing data that has been collected and hypothesis testing with SPSS Analysis has been carried out, the conclusions of this study are as follows:

a. Harmonization of tax regulations has a positive and significant influence on taxpayer compliance with KPP Pratama Makassar Selatan. This shows that the better the changes in tax regulations or harmonization of applicable tax regulations, the level of taxpayer

compliance will increase. This can happen because it can create uniformity of tax rules and procedures in various regions or countries. With this regulation change, taxpayers will more easily understand and comply with tax provisions without confusion or differences in interpretation of rules in various places.

b. Taxation knowledge has a positive and significant influence on taxpayer compliance with KPP Pratama Makassar Selatan. This shows that the higher the level of taxation knowledge possessed by taxpayers, the level of taxpayer compliance will increase. This can happen because taxation knowledge can be an effective tool to improve taxpayer compliance, because it helps create understanding, awareness, avoidance of sanctions, and trust in the tax system which in turn supports compliance in fulfilling tax obligations.

c. Harmonization of tax regulations and tax knowledge simultaneously (together) has an influence on employee performance and has a positive and significant influence on employee performance simultaneously (together). Harmonization of tax regulations ensures that tax rules and provisions are clear and easy to understand, while taxation knowledge provides taxpayers with a good understanding of their obligations. With a good understanding, taxpayers are more likely to comply with tax regulations, fulfill their tax obligations, and avoid violations. Thus, harmonization of tax regulations and tax knowledge can significantly affect the level of taxpayer compliance.

5.2 Suggestion

Suggestions that can be given for further research are as follows:

a. The need for taxpayers to always follow the development of tax information due to frequent changes in regulations in taxation in order to maintain a high level of knowledge about taxation.

b. The need for taxpayers to have knowledge and understanding of the importance of fulfilling high tax rights and obligations to pay their taxes considering the importance of tax revenue for the state.

c. Subsequent studies are recommended to be conducted at different locations and consider the use of different independent variables from this study to obtain findings of other factors that influence taxpayers to comply with tax obligations.

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