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**INFLUENCE OF KNOWLEDGE AND UNDERSTANDING OF TAXATION, LEVEL OF  
INCOME OF TAXPAYERS, LEGAL PROVISIONS AND TAX SANCTIONS, AND  
PERCEPTION OF TAXPAYERS ON THE WILLINGNESS OF SME TO PAY TAXES  
(EMPIRICAL STUDY OF SME IN PASAR TANAH ABANG BLOK A)**

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**ABSTRACT:** *This study aims to determine the influence of knowledge and understanding of taxation, the level of income of the taxpayers, the tax legal provisions and sanctions, and the perception of the taxpayer on the willingness of SMEs to pay taxes (Empirical Study of SMEs at Pasar Tanah Abang Blok A).*

*This research method is an associative causal research (quantitative). The population was SMEs in Central Jakarta and sampled as many as 55 people. This study used primary data obtained from the respondents or questionnaires. The data have been collected and analyzed by the data analysis method first performed classical assumption test before hypothesis test. classical assumptions and hypothesis testing was calculated using software SPSS version 20 for Windows. the hypothesis was tested using multiple linear regression with t test and F test at 5% significance level ( $\alpha = 0.05$ ), as well as the coefficient of determination test.*

*Results of analysis showed that partial knowledge and understanding of taxation, legal provisions and tax sanctions, and the perception of the taxpayer have a significant positive effect on the willingness of SMEs to pay taxes and partially assessable income level but haven't significantly effect to the willingness to pay taxes. Likewise, by simultaneously, also found a significant effect of knowledge and understanding of taxation, the level of income of the taxpayer, the tax legal provisions and sanctions, and the perception of the taxpayer on the willingness of SMEs to pay taxes in Tanah Abang Blok A with R-square of 86%.*

**Keywords:** *knowledge and understanding of taxation, the level of income of the taxpayer, the legal provisions and tax penalties, perception taxpayer.*

## **PREFACE**

It is a race against time for Indonesia in order to be ready for the Masyarakat Ekonomi Asean (MEA) in 2015, all preparations and efforts to be able to compete in ASEAN region become

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a target for government to achieve this year. MEA is an agreement among countries included in ASEAN to create a trade-free area in order to raise region's economic competitiveness by means of weaving ASEAN into world's production basis and to create regional market for its citizens. Trade free can also be interpreted by restriction-free condition, fee-wise, and non fee-wise for ASEAN member countries. In order for ASEAN economic integration to come into being through ASEAN Economic Community (AEC), AEC blue print was made, consisted by four pillars included : (1) ASEAN as a single market and a single production basis supported by free current element of goods, services, investments, skilled labours, and more free financial capital flow. (2) ASEAN as a region with high economic competitiveness, with competition rules element, consument protection, rights of intellectual assets, infrastructure development, taxes, and e-commerces. (3) ASEAN as a region with equitable economic development with development element of small and middle entrepreneurship, and integration initiative ASEAN for Cambodia, Myanmar, Laos, and Vietnam. (4) ASEAN as a fully integrated region in the global economic by means of approaching element that is coherent in economic relation with outer region, and to enhance participation in global production link. The validation of MEA 2015 signals the unanimously agreement of ASEAN countries to realize economic integration that adheres to AEC. This program is expected to be able to bring ASEAN region into a region that is more economically independent and to be able to prosper it's countries.

Nowadays, the prosperity of a country is determined by the readiness of said country to defray calculated expenditure that has been calculated before it's period begins, therefore the citizens prosperity can be secured. The prosperity itself is represented by the availability of infrastrucre in education, health, public facility, etc. In addition, the government can produce educated and skilled labours thanks to education contribution. By calculating expenditure before the period begins, the government really need to work hard to be able to defray national expenditure. Therefore, participation of SME is expected in order for national expenditure to be met in demand.

According to information released by Central Bank of Indonesia, small micro and middle entreprise have important role in Indonesia. The proportion it holds is 99.99% of all eterpreneurs in Indonesia or about 52,76 millions units. SME can also contribute to 52.92% of total Gross Domestic Product (GDP), or about 1.213,25 billion rupiah. Government insists on enhancing performance of SME. This efforts of course adhere to ASEAN Policy Blue Print for SME Development, in it written that development of SME is realized through five programs that are entrepreneurship development, market ability enhancement, access to finances, access to technology and supporting policy.

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In reality, SME sectors still face struggles in banking sectors. In addition, with late policy, the SME sector will be eased in administration due to unnecessary factor of SME to do complicated financial entry including fiscal correction to fulfill their taxation duty as instructed in previous policy. With the MEA, it is expected that the beginning of Indonesia people's prosperity will be achieved. However, MEA can also be the downside factor for Indonesia. Government of Indonesia can utilize SME to be able to compete with other ASEAN countries.

According to information published in website of The Directorate General of Taxation, national income according to the Indonesian budget 2013 include internal taxes 73,23%, natural resources 13,56%, international trade taxes 3,22%, income exclude taxes and natural resources 9,98%. According to information before, the largest amount of national income is obtained from internal taxes. This represents the potential of taxes as the biggest national income to comply the Indonesian budget

According to Prof. Dr. Rochmat Soemitro, SH (Mardiasmo, 2008 : 1) “tax is a contribution people have to offer to national treasury according to law (that can be mandatory) with no direct repercussions (contraprestation) that is visible to discern and can be used to defray general expenses”. Therefore participation of the people is expected to enhance development in order to achieve national prosperity. The basic of this concept is that all taxes offered by people will eventually be returned in the form of infrastructures and such.

People awareness to mandatory taxes and active contribution to pay taxes are necessary. The main point is contribution to mandatory taxes to pay taxes to state. In reality, taxes are being feared and neglected. This is far from what government hope to attain, especially for The Directorate General of Taxation (DJP), therefore DJP needs to work hard to keep improving its internal and external portions.

Considering the massive amount of Indonesia citizens, the possibility is considerably huge for The Directorate General of Taxation to subtract reported taxes according to laws. According to references from book written by Mardiasmo, state has rights to collect taxes. The distribution of taxes to its citizens is based on its importance. The larger its importance, the larger taxes need to be paid. This correlates with the theory of importance in terms of taxation. Not only people have obligation to pay taxes, but country also have to give repercussions through other forms such as subsidies, infrastructures, safety, etc.

Efforts to increase taxes revenue by The Directorate General of Taxation, by intensifications or extensifications have been done. Related to SME, DJP observe

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That SME have considerably high taxes revenues. This has been proved by entrepreneur sector contributions to gross domestic Product (GDP), that is as amount of 52,9%. From the national income point of view, SME sector only contributed to 5% from total taxes revenue. The availability of SME becomes central pillar in Indonesia, hence its is very expected for SME to actively participate and become active taxpayers which are ready to pay taxes when needed.

Not only SME have to carry duty for taxation according to laws set by Peraturan Pemerintah Nomor 23 tahun 2018, they also have rights to access to infrastructures, banking facilities, and other supporting facilities related to economic activities. However, many SME feel many burdens loaded on them because taxes are based on turnover, which in condition that financial loss occurred, taxes would still be mandatory. From the government point of view, the application of final taxes on SME is reputed appropriate, because the rate for taxes applied is only 1%. Another factors that further support this reason is that SME entrepreneurs no longer need to entry complicated reports for calculating their basic taxes appliances with the new taxation system. More over, the income from SME sectors has not been optimally collected. This adheres to Peraturan Pemerintah Nomor 23 Tahun 2018 that regulates SME taxation.

Written on said government ordinance, SMEs who have maximum turnover of 4,8 billions rupiah a year are obliged to tax as large as 1% of turnover. Even after ii's assembly, tax income from SME sectors are still not optimized. This in turn dras out attention from researchers, because both SMEs and government have underlying reasons related to SME taxation system.

According to Diaz Priantara and Bambang Supriyadi (2011), factors that influence SMEs to apply to personal taxes payers are needs, eases, and perceptions that are simoultaneously effect the ownership of Taxpayer Registration Number significantly for personal tax duty. However according to research conducted by Mohamad Rajif (2011) with "The Influence of Understanding, Service Quality, and Tax Sanction Firmness to SME Obedience in Cirebon Area", it is concluded that said variables had significant effect and tax sanctions firmness variable became dominant in the study. In contrast, according to Reynaldi Manuel Linting (2012) with his study "The Influence of Knowledge and Understanding of Tax Provisions, Level of Income of Taxpayers, and Sanctions to Willingness of SME to Pay Taxes", the result of the study concluded that the knowledge and understanding of taxation laws do not have any effect, in contrast with the level of income of taxpayers variable and tax sanctions that have effect on the willingness of SME to pay taxes.

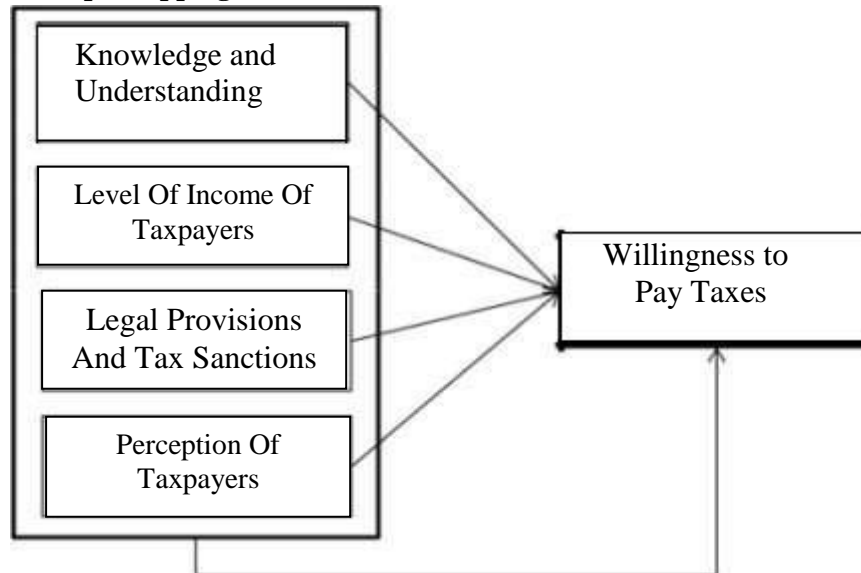
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The problems in this study are listed as follows.

1. Do knowledge and understanding of taxation influence the willingness of SME to pay taxes?
2. Do level of income of taxpayers influence the willingness of SME to pay taxes?
3. Do legal provisions and tax sanctions influence the willingness of SME to pay taxes ?
4. Do perception of taxpayers influence the willingness of SME to pay taxes?
5. Do knowledge and understanding, level of income, legal provisions and tax sanctions, perception of taxpayers simultaneously influence the willingness of SME to pay taxes?

## LITERATURE REVIEW AND HYPOTHESIS

### Concept Mapping



### Hypothesis

- Ha1 : The knowledge and understanding of tax influence the willingness of SME to pay taxes.
- Ha2 : The level of income of taxpayers influence the willingness of SME to pay taxes.
- Ha3 : Legal provisions and tax sanctions influence the willingness of SME to pay taxes.
- Ha4 : Perception of taxpayers influence the willingness of SME to pay taxes.
- Ha5 : Knowledge and understanding, level of income, legal provisions and tax sanctions, perception of taxpayers simultaneously influence the willingness of SME to pay taxes.

### Method

This study is a causality study, in whose book Sugiyono (2014;11) described that quantitative researchers in observing the relation of variables with studied objects have more of causality relations, hence in this study the authors have set the dependent and independent variables. This study aimed to observe the influence of independent variables that are knowledge and understanding of taxes, the level of income of taxpayers, legal provisions and tax sanctions, and perceptions of taxpayers on dependent variable that is the willingness of SME to pay taxes.

The population in this study was SME in Pasar Tanah Abang Central Jakarta. The sample of this study was SME in Pasar Tanah Abang Blok A, Central Jakarta. The sampling method in this study was based on sampling method described by Sugiyono (2014:80),

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sample is a part of amount and characteristic of said population. The sampling method in this study was convenience sampling method, this method allowed the authors to choose samples from population element (person or event) that are convenient for the authors.

Data used in this study were primary data. Primary data were data obtained by survey technique using questionnaires as media..

### **Variables Operational Definition**

#### **The knowledge and understanding of taxation (X1)**

Knowledge of taxation in this matter is tax function, peraturan pajak UMKM PP Nomor 23 tahun 2018, taxation procedures, and rights and duties of taxpayers. Appropriate knowledge if backed by willingness to pay taxes to understand those knowledge will eventually enhance the willingness to pay taxes.

#### **The level of income of taxpayers (X2)**

The level of income of taxpayers become on of the reference in cutting and claiming taxes of taxpayers that will eventually be reported in annual tax return (Chaerunnisa, 2010). The level of income influence awareness of paying taxes in SME, because the higher the level of income of taxpayers, the larger taxes they have to pay (Rahmatika, 2010).

#### **Legal Provisions and Tax Sanctions (X3)**

According to Jatmiko (2006) in Reynaldi (2012), it was said that sanction is a negative punishment for people who have violated laws, and fine is a punishment by paying money due to violation of ordinances and laws. It is then concluded that fine here is a punishment bestowed on taxpayers especially SME taxes in which taxpayers will be fined according to severity of the violations.

#### **Perception of Taxpayers (X4)**

According to Diaz (2011) in his study, perception is a process on how an individual regulating and interpreting sensoric impressions in order to give a meaning to his/her environment. According to Septian (2014), positive perception will espouse someone to pay taxes, while the negative perception will do contrary.

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### Willingnes of SME Entrepenereurs to Pay Taxes (Y)

Widayati and Nurlis (2010) stated that the willingness to pay is a value in which someone consciously pay, sacrifice, or trade to acquire goods and services.

### Data Analysis Techniques

This study used multiple regression analysis. The formula is described as:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon$$

Y : Willingness to Pay Taxes

$\alpha$  : constant

$\beta_1$  : knowledge and understanding of taxation coefficient

$\beta_2$  : income the taxpayer coefficient

$\beta_3$  : legal provisions and tax sanctions coefficient

$\beta_4$  : perception of taxpayers variable coefficient

X1 : knowledge and understanding of taxation variable

X2 : level of income of taxpayers variable

X3 : legal provisions and tax sanctions variable

X4 : perception of taxpayers variable

e : error

## RESULT AND DISCUSSION

### Respondent Profile Characteristics

Description of respondent identities, included gender, duration in starting business, and source of knowledge of taxation as follows

Respondent description based on gender

Gender	Sum	Percentage
Male	38	69%
Female	17	31%
Total	55	100%

Respondent description based on duration in starting business

Duration in starting business (year)	Sum	Perctage
< 5	18	33%
5 – 10	26	47%
>10	11	20%
Total	55	100%



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Respondent description based on source of knowledge of taxation

Source of knowledge	Sum	Percentage
Printed Media	12	22%
Electronic Media	5	9%
Others	38	69%
Total	55	100%

### Research Instrument Test Results Descriptive Statistic Test Results

#### Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Knowledge	55	16	25	21.93	2.418
Income	55	14	20	17.69	1.609
Provisions	55	18	25	22.36	2.288
Perceptions	55	15	20	17.47	1.752
Willingness	55	14	20	17.87	1.796
Valid N (listwise)	55				

Source : collected primary data

### Data Quality Test Results Validity Test Results

Knowledge and Understanding of Taxation Variable

Butir Question	Pearson Corelation	Sig ( 2-tailed )	Exp
Question 1	0,803**	0,000	valid
Question 2	0,741**	0,000	valid
Question 3	0,775**	0,000	valid
Question 4	0,486**	0,000	valid
Question 5	0,688**	0,000	valid

The level of income of taxpayers variable

Question	Pearson Correlation	Sig ( 2-tailed )	Exp
Question 1	0,820**	0,000	Valid
Question 2	0,266*	0,050	Valid
Question 3	0,817**	0,000	Valid
Question 4	0,888**	0,000	Valid

Legal provisions and sanction variable

Question	Pearson Correlation	Sig ( 2-tailed )	Exp
Question 1	0,827**	0,000	Valid
Question 2	0,793**	0,000	Valid
Question 3	0,722**	0,000	Valid
Question 4	0,799**	0,000	Valid
Question 5	0,727**	0,000	Valid

Perception of taxpayers

Question	Pearson Correlation	Sig ( 2-tailed )	Exp
Question 1	0,757**	0,000	Valid
Question 2	0,835**	0,000	Valid
Question 3	0,789**	0,000	Valid
Question 4	0,808**	0,000	Valid

Willingness of SME to pay taxes

Question	Pearson Correlation	Sig ( 2-tailed )	Exp
Question 1	0,859**	0,000	Valid
Question 2	0,866**	0,000	Valid
Question 3	0,730**	0,000	Valid
Question 4	0,848**	0,000	Valid

Based on the table above, the variable of knowledge and understanding of taxation, the level of income of taxpayers, legal provisions and tax sanction, perception of taxpayers and willingness of SME to pay taxes had valid criteria for every item questions with significance level lower than 0,05. We could conclude that all questions listed in this study could be used to describe measured points in the questionnaires and could be used to analyse research data

### Reliability Test Results

Variable	Cronbach's Alpha	Exp
Knowledge and understanding of taxation	0.748	Reliabel
The level of income of taxpayers	0.644	Reliabel
Legal provisions and tax sanctions	0.823	Reliabel
Perceptions of taxpayers	0.810	Reliabel
Willingness SME TO Pay Tax	0.843	Reliabel

Table above represented that cronbach's alpha score for variables of knowledge and understanding of taxation, level of income of taxpayers, legal provisions and tax sanctions, perception of taxpayers and willingness of SME to pay taxes were more than 0,6. This concluded that all used question items could be used to obtain consistent data, and if the questions were used again, the study would show similar result with the previous one.

### Classic Assumption Test Results

#### Normality Test Results

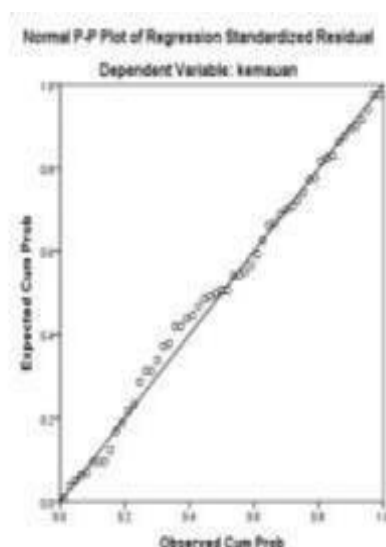


Figure shown above represented data around diagonal line and followed diagonal line. This concluded that regression model has fulfilled normality assumption

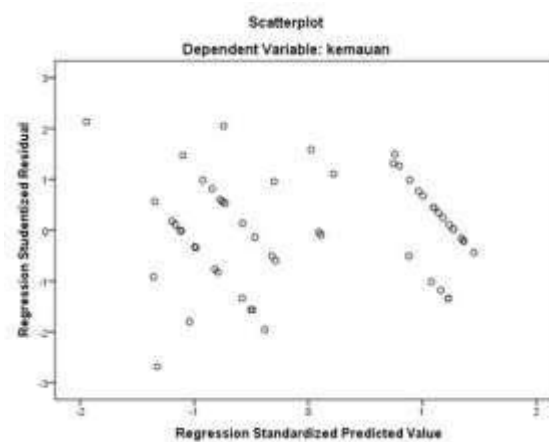
### Multicollinearity Test Results

Model		Collinearity Statistics	
		Tolerance	VIF
1	Knowledge	.670	1.492
	Income	.957	1.045
	Provisions	.432	2.314
	Perceptions	.463	2.159

a. Dependent Variable: kemauan

Table shown above represented that tolerance score  $> 0,10$  for every variables shown with tolerance score as 0,670; 0,957; 0,432; 0,463 for variables of knowledge and understanding of taxation, level of income of taxpayers, legal provisions and tax sanctions, and perception of taxpayers. However in the table, it was concluded that VIF score  $< 10$  for every variables shown with VIF score as 1,492; 1,045; 2,314; 2,159 for variables of knowledge and understanding of taxation, the level of income of taxpayers, legal provisions and tax sanctions, and perception of taxpayers. It could be concluded that no problems of multicollonierities in this study for every independent variables.

### Heteroscedasticity Test Results



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Scatterplot graph concluded that data were distributed in above and below 0 (zero) scale of Y line and no clear pattern on data distribution. This concluded that no heteroscedasticity on regression comparison model, hence the regression comparison model were appropriate to use to predict the willingness of SME to pay taxes based on influencing variables.

### Hypothesis Test Results

#### Determination Coefficient Test Results

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.927 <sup>a</sup>	.860	.849	.698	2.014

Table shown above represented R square score as 0,86 or 86%. Based on determination coefficient test result, relation or correlation between knowledge and understanding of taxation, level of income of taxpayers, legal provisions and tax sanctions, and perception of taxpayers with the willingness of SME to pay taxes were very strong because it lingered around 0,800 – 1,00 (Riduwan dan Ahmad, 2007:62 in Choiriyatuz, 2010). Adjusted R Square score as 0,849 or 84,9% showed that willingness of SME to pay taxes variables could be explained by knowledge and understanding of taxation, level of income of taxpayers, legal provisions and tax sanctions, and perception of taxpayers by 84,9% and the rest 15,1% could be explained by other factors uninvolved in this study.

#### T statistic Test Results

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error			
(Constant)	-1.145	1.380		-.829	.411
Knowledge	.107	.048	.144	2.227	.031
Income	.075	.060	.067	1.244	.219
Provisions	.509	.063	.648	8.049	.000
Perceptions	.227	.080	.222	2.851	.006

**Ha1 : Knowledge and understanding of taxation influence the willingness of SME to pay taxes**

Table above represented the t test results as 2,227 while table t score 2,00856.  $H_a$  was accepted if calculated  $t >$  table t. calculated  $t$  : table t was  $2,227 > 2,00856$ , therefore  $t$  was accepted. According to information obtained by authors, government through tax service office organized seminar about taxation, spread information about taxation by advertisements, and facilitate tax corners in order to further boost the knowledge of taxation of SME. Therefore, said activities could be expected as a media of enlightenment for taxpayers to be more aware to pay taxes. The understanding of taxation is a process in which the taxpayers have a knowledge and have the ability to applicate it to pay taxes. If SME know and understand taxes, in this context the SME taxes, it is expected for the willingness of paying taxes to be influenced.

**Ha2 : Level of income of taxpayers influence the willingness of SME to pay taxes**

Table shown above represent the t test score with t test as 1,244, while table t as 2,00856.  $H_a$  was accepted if  $t \text{ test} >$  table t.  $T \text{ test} : t \text{ table} = 1,244 < 2,00856$  hence  $H_a$  was ignored. This study concluded that level of income of taxpayers insignificantly influence in positive manners, due to high indolent habits of Indonesia citizens to pay taxes. Many ways have been attempted to pay taxes as low as possible with income as high as possible. This habit is not easy to modify in short period, government need to work hard to create tax-loyal habit and to discipline the citizens to willingly contribute their income according to the level of their income in the form of taxes. The result was consistent with one that was conducted by Rahmatika (2010).

**Ha3 : Legal provisions and tax sanctions influence the willingness of SME to pay taxes**

Table shown above represent t test result with t test as 8,049, while t table as 2,00856.  $H_a$  was accepted if  $t \text{ test} >$  t table.  $T \text{ test} : t \text{ table} = 8,049 > 2,00856$ . Therefore  $H_a$  was accepted. This study concluded that the legal provisions and tax sanctions influence the willingness of SME to pay taxes due to SME knew and awared of sanctions that would be bestowed if they violated the laws. With the legal provisions of SME taxations and sanctions, SME indirectly feel the urge to pay taxes, and in note of being listed as business holder legalized by tax registration number sanctions awaited those who tried to violate the legal provisions. Therefore, SME would choose to pay taxes instead of facing legal issues.

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#### **Ha4 : Perception of taxpayers influence the willingness of SME to pay taxes**

Table shown above represented t test result with t test as 2,851, while t table as 2,00856. Ha was accepted if t test > t table. T test:  $t_{\text{table}} = 2,851 > 2,00856$  therefore Ha was accepted. Good perception from taxpayers further enhanced SME to willingly pay taxes. Easier taxation system and taxation facility constructed by government to boost UMKM entrepreneurs knowledge on taxation gave positive result to government in order to increase income from tax sectors and eventually would support national economy. Based on study conducted by Susanto (2013), the main reason for taxpayers to avoid paying taxes was past trauma that created negative perceptions on tax institutions. With barragement of tax cases, taxpayers were haunted as not to pay taxes, that would eventually be wore down through efforts generated by tax service office which always improved its internal and external programs in order to weave positive perceptions of tax institutions.

**F Statistic Test Results**  
**ANOVA<sup>a</sup>**

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	149.723	4	37.431	76.747	.000 <sup>b</sup>
Residual	24.386	50	.488		
Total	174.109	54			

a. Dependent Variable: Willingness pay taxes

#### **Ha5 : Knowledge and understanding, level of income, legal provisions and tax sanctions, and perception of taxpayers simultaneously influence the willingness of SME to pay taxes.**

F test result was calculated to compare F table score with F test. F table for this regression was 2,56 (df1 = 4 and df2 = 50), while F test was 76,747. If F test was higher than F table then Ho was ignored, due to F test  $76,747 > F_{\text{table}} 2,56$  hence Ha was accepted. There fore it could be oncluded that knowledge and understanding, level of income, legal provisions and tax sanctions, and perception of taxpayers simultaneously and significantly influence the willingness of SME to pay taxes.

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## **CONCLUSION AND RECOMMENDATION**

### **Conclusion**

Based on collected and calculated data with multiple regression test, with formula:  $Y = 1,145 + 0,107X_1 + 0,075X_2 + 0,509X_3 + 0,227X_4 + e$ , this study aimed to determine the influence of knowledge and understanding of taxation, level of income of taxpayers, legal provisions and tax sanctions, and perception of taxpayers on willingness of SME entrepreneurship to pay taxes. It could be concluded that: knowledge and understanding of taxation positively and significantly influence the willingness of SME To pay taxes, level of income of taxpayers positively but insignificantly influence the willingness of SME to pay taxes, legal provisions and tax sanctions positively and significantly influence the willingness of SME to pay taxes, perception of taxpayers positively and significantly influence the willingness of SME to pay taxes, and knowledge and understanding, level of income, legal provisions and tax sanctions, and perception of taxpayers simultaneously influence the willingness of SME to pay taxes.

### **Recommendation**

The authors would like to suggest some recommendations :

1. Knowledge and understanding of taxation have influence on the willingness of SME to pay taxes, therefore intense and extensive enlightenment is need for SME such as socialization, utilization of more effective tax corner, seminar about SME taxation, and other activities that support knowledge and understanding of tax duties. With the willingness of SME, the will indirectly and eventually sign themselves as legal taxpayers. SME that have signed as legal taxpayers will be given tax registration number, which will be eventually used by government to collect taxes.
  2. Approved laws on taxation should be immediately executed and regulated strictly with proper officers from government (tax service office) to monitor and give direction to SME entrereneurs in order to avoid violations. Punishing laws will assure SME to pay taxes, which in turn will enhance national tax income.
  3. Government should always improve positive reviews from taxpayers and give adequate services that are effective and efficient for taxation report of SME.
  4. Independent variables and question indicators should be added in order to further explore factors that enhance or weaken dependent variable. Further study
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Should also add sample size and broaden study area, not only in pasar tanah abang blok A, in order to generalize study results. Other variables that can be applied such as level of trust on laws system and government, the level of services tax service office provide for taxpayers, and etc that are involved in taxation activity. Tax sanction should not be added as independent variable in further study, due to it's removal since May 2015 in light of tax founding year.

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