THE INFLUENCE OF TAX FAIRNESS AND TAX UNDERSTANDING ON TAX EVASION (PERCEPTION OF ACCOUNTING STUDY PROGRAM STUDENTS, FACULTY OF ECONOMICS, ADVENT INDONESIA UNIVERSITY)

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ABSTRACT
The study is meant to evaluate the impact of justice and understanding of taxes on tax evasion according to the perceptions of students at the Indonesian Adventist University Accounting Study Program, Faculty of Economics. There were 55 respondents involved, obtained through a purposive sampling method. SPSS version 22 software was used to analyze multiple regressions. The research yielded the following conclusions: (1) tax justice has no bearing on tax evasion; (2) tax understanding has no bearing on tax evasion; and (3) tax justice and tax understanding have no bearing on tax evasion.

KEYWORDS
Tax Evasion, Tax Justice, Tax Understanding

INTRODUCTION
Indonesia is part of 152 developing countries in the world (WorldData.Info, 2023). As a developing country, the Indonesian government needs to pay attention to raising funds in order to develop and achieve social welfare of the community (Fitria & Wahyudi, 2022). Every year, the largest state financial revenue comes from taxation, so taxes are a crucial thing to pay attention to. However, from Table 1, it is known that from 2020 onwards, in fact, it has never reached the government's target.
### Table 1. State Revenue (in Trillion Rupiah)

<table>
<thead>
<tr>
<th>Years</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Target</td>
<td>Rp. 1.539,0</td>
<td>Rp. 1.283,0</td>
<td>Rp. 1.424,0</td>
<td>Rp. 1.577,6</td>
<td>Rp. 1.404,5</td>
</tr>
</tbody>
</table>

There are at least two methods that taxpayers can choose to reduce their tax payments, namely Tax Avoidance and Tax Evasion. Although their goals are similar, engaging in evasion means that taxpayers violate the law in an effort to minimize the amount of tax they submit to the government. Tax evasion can occur due to the lack of perceived benefits from tax payments by the public, misuse by tax officials leading to a loss of public trust in the government, and the belief that taxes will reduce one's economic capability. Various forms of tax evasion include falsifying company financial reports by either understating income or inflating expenses through the addition of fictitious costs, providing incorrect and incomplete data, and delays in filing tax returns (Surat Pemberitahuan) and making tax payments.

Tax evasion is not a new issue in Indonesia. A notable case in 2010 involved a person named Gayus Halomoan P. Tambunan, who was then employed in the Directorate General of Taxation as a level IIIA official. He was found guilty of not only tax evasion but also money laundering and corruption (Kompas.com, 2023). In early 2023, Rafael Alun Trisambodo, an official in the Directorate General of Taxation at the level of Eselon III, was found to have committed several violations, including irregularities in the submission of State Officials' Wealth Reports (LHKPN), non-compliance in paying and reporting taxes, money laundering, and accepting bribes (CNBC Indonesia, 2023a). Not only tax officials but also companies engage in tax evasion, such as CV DA and CV TJ owned by LS and S, issuing, using, and selling fictitious tax invoices to other companies. Uncovered in 2023, this action has been carried out since 2011 to 2015 and has caused a loss of IDR 244,836,899,130 to the state (CNBC Indonesia, 2023b).

Perception can be defined as an immediate response to something. Furthermore, one's response can take the form of specific actions. An individual's actions are considered ethical if they align with generally accepted behavioral norms. Factors influencing the perception of tax evasion include fairness and tax understanding. In the context of taxation, fairness refers to the exchange between the government and taxpayers, where what taxpayers receive should be proportional to the amount of tax paid (Domguia, 2023). Tax understanding is the process of interpreting taxation concepts and applying them when making payments.

Research results (Tumewu & Wahyuni, 2018) indicate that tax justice does not affect students' perceptions of tax evasion. On the other hand, from the test results (Amelia et al., 2022), it was found that as tax justice increases, tax evasion decreases. Furthermore, Santana, dkk (2020) revealed in their research that an increase in tax understanding leads to a reduction in tax evasion; contrary to the research findings of (Fitria & Wahyudi, 2022), which explain that if tax understanding increases, students legitimize (justify) tax evasion behavior, or in other words, the tendency to engage in tax evasion practices increases.
Referring to the background description and inconsistencies in previous studies, the author intends to conduct a study titled 'The Influence of Tax Justice and Tax Understanding on Tax Evasion (Perception of Accounting Students, Faculty of Economics, Advent Indonesia University).’ This research is aimed at understanding students' perceptions of tax evasion in the field of taxation when influenced by tax justice and tax understanding. The choice of research location, namely within the environment of Advent Indonesia University, with the research object being students of the Accounting Study Program, Faculty of Economics, distinguishes this study from previous research. The selection of students is based on the opportunity that after completing their education, graduates have the potential to work in the field of taxation (SINDONews, 2021) and simultaneously become taxpayers.

LITERATURE REVIEW

Tax
It is known from Law No. 28/2007, taxes are based on the Law, mandatory contributions to the state, indirect benefits, and are used for the prosperity of the people. Another source states, "taxes as people's contributions to the state treasury are coercive and do not get direct lead (counterachievement)" (Mardiasmo, 2019).

Tax Function
1. Budgetair, includes the concept that taxes are a source of revenue to fund expenses.
2. Regularend, refers to the role of taxes as a tool of the government to control/implement their policies in social and economic aspects.

Tax Collection Theory
1. Insurance theory, indicates the state has a role in protecting its people, so taxes are likened to an insurance premium.
2. Theory of Interest, meaning the separation of tax burdens according to the size of each need.
3. The theory of Bearing Power, emphasizes the compatibility between the tax burden and ability, both objectively (looking at the amount of income) and subjectively (material needs).
4. Bakti theory, meaning that as a citizen, tax payments include obligations.
5. Basic Theory of Purchasing Power, meaning the collection of taxes from the community and redistributed for the maintenance of welfare.

Tax Justice
Tax Equity as stated by (Soemarso, 2007) implies that every taxpayer must make a fair and appropriate contribution (fair share) to government expenditures. According to (Marsyahurul, 2006), the concept of justice means giving equal treatment to all taxpayers regardless of factors such as religion, political currents, and others.

Types of Tax Justice
The Influence Of Tax Fairness And Tax Understanding On Tax Evasion (Perception Of Accounting Study Program Students, Faculty Of Economics, Advent Indonesia University)
Tax justice includes two things, namely *vertical equity* in terms of the tax subject and horizontal equity which focuses on aspects of the tax object (Güzel et al., 2019).

**Measurement of Tax Fairness**

Two approaches are used to measure justice, namely the benefit principle, *based on the benefits received by the community from the government and the ability to pay taxpayers*, which is in accordance with the Theory of Carrying Power (Soemarso, 2007).

**Theory of Justice**

The book *A Theory of Justice* states that social justice is when the distribution of benefits and workload is done appropriately (Rawls, 1999).

**Understanding Taxes**

Understanding is defined as the process of understanding and taxes are mandatory levies that must be paid to the state. Thus, it can be summarized that tax understanding is the process of understanding various matters concerning mandatory levies in the form of tax payments. Other sources reveal the understanding of tax regulations as the process of understanding the concept of taxation and using it in tax payments.

**Tax Evasion**

Efforts to relieve liability by violating the law are known as tax evasion. Then, (Marsyahrul, 2006) revealed that tax evasion is an act of avoiding taxes through violations of the law. This treatment includes the form of active resistance, that is, efforts directed against the fiscus (directly); aims to reduce the tax burden.

**Factors Causing Tax Evasion**

(Pohan, 2013) states that the amount of tax paid increases with increasing income. Then, (Suandy, 2008) expressed the factors that motivate illegal tax saving behavior, including the amount of taxes, bribe costs, small chances of detection, and light sanctions.

**Forms of Tax Evasion**

Launching from (Suwandoko, 2023), the forms of tax evasion in short, are not submitting a Notification Letter either due to negligence or intentional, errors/incompleteness in submitting tax returns, issuing/using documents that are not in line with real transactions, and issuing invoices before becoming PKP.

**Impact of Tax Evasion**

1. In Finance, it causes budget imbalances.
2. In Economics, it can affect competition among entrepreneurs and lead to scarcity of capital.
3. In the field of Psychology, the act of tax evasion can become a habit and eventually, embezzlement is no longer realized as a wrong and detrimental treatment.

**Tax Justice Against Tax Evasion**

Based on (Ikhsan et al., 2021), fairness in taxes means that there are conditions where taxpayers feel that the government takes actions that encourage taxpayers to be obedient, namely if the application of taxes is in line with the economic *ability* (*ability* principle) and benefit *principle* for taxpayers. Research (Tumewu & Wahyuni, 2018), revealed that tax justice has no impact on students' perceptions of tax evasion. Meanwhile, the test held (Amelia et al., 2022), concluded that if tax fairness rises, then tax evasion acts are low.

H1: Tax Justice affects Tax Evasion

**Tax Understanding of Tax Evasion**

Intended as an understanding in taxes, namely the process of understanding and applying this knowledge to pay taxes (Marlina, 2018). According to (Santana et al., 2020), with an increase in understanding of taxation, tax evasion will decrease. Contrary to the results of the study (Fitria & Wahyudi, 2022) that if tax understanding increases, students legitimize (justify) tax evasion behavior, which leads to an increase in this practice.

H2: Understanding Taxes affects Tax Evasion.

**Tax Justice and Tax Understanding of Tax Evasion**

Previous research from (Tumewu & Wahyuni, 2018), shows that tax fairness and tax understanding do not affect the perception of tax evasion. However, (Pitoyo, 2022) concluded that there is an influence between perceptions of tax evasion by justice and understanding of taxation.

H3: Tax Fairness and Tax Understanding affect Tax Evasion.

**RESEARCH METHOD**

**Location and Time**

The study will be conducted at the Adventist University of Indonesia, West Java, in October 2023.

**Population and Sample**

The Influence Of Tax Fairness And Tax Understanding On Tax Evasion (Perception Of Accounting Study Program Students, Faculty Of Econ-omics, Advent Indonesia University)
All individuals or entities that are the subject of research are defined from the word population. Instead, the sample is a small portion that represents the entire population (Purwanto &; Sulistyastuti, 2017). The population consists of students of the Accounting Study Program. The sample selection criteria are outlined as follows:

1. Students who are actively enrolled in the Odd Semester of the 2023/2024 Academic Year.
2. Students who have completed the Taxation course.

Data Collection and Analysis Techniques
This research adopts a quantitative research process, starting from formulating problems, developing theories, formulating hypotheses, collecting data, analyzing data, then presenting conclusions and suggestions (Sugiyono, 2017). The type of data is primary, which is collected directly from the field (Purwanto &; Sulistyastuti, 2017). Data is collected by dissemination via Google Form. Respondents were asked to respond to statements in a questionnaire with a range of 1 to 5 on the Likert Scale then converted into interval data using MSI. Samples are obtained by Purposive Sampling, which is selection based on certain considerations. The determination of the number of samples follows the opinion (Bailey, 1994) with the minimum number is 30 (thirty). Furthermore, to analyze the data, SPSS version 22 application was used with Descriptive Statistics, Coefficient of Determination (R2), and Multiple Linear Regression methods (validity, normality, F test, reliability, heteroscedasticity, multicollinearity, t test).

RESULT AND DISCUSSION

Descriptive Statistics
Based on the results of the questionnaire, the following general description of respondents was obtained:

<table>
<thead>
<tr>
<th>Gender</th>
<th>Amount</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>17 People</td>
<td>31%</td>
</tr>
<tr>
<td>Female</td>
<td>38 People</td>
<td>69%</td>
</tr>
<tr>
<td>Total</td>
<td>55 People</td>
<td>100%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Period</th>
<th>Amount</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>43 People</td>
<td>78%</td>
</tr>
<tr>
<td>2021</td>
<td>12 People</td>
<td>22%</td>
</tr>
<tr>
<td>Total</td>
<td>55 People</td>
<td>100%</td>
</tr>
</tbody>
</table>

Data Quality Test
1. Validitas

<table>
<thead>
<tr>
<th>Statement</th>
<th>r</th>
<th>r table</th>
<th>Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>X1.1</td>
<td>0.418</td>
<td>0.266</td>
<td>Valid</td>
</tr>
<tr>
<td>X1.2</td>
<td>0.528</td>
<td>0.266</td>
<td>Valid</td>
</tr>
<tr>
<td>X1.3</td>
<td>0.624</td>
<td>0.266</td>
<td>Valid</td>
</tr>
</tbody>
</table>
Elizabeth Vania Permata, Remista Simbolon

The Influence Of Tax Fairness And Tax Understanding On Tax Evasion (Perception Of Accounting Study Program Students, Faculty Of Economics, Advent Indonesia University)

1. Validity

It was found that the questionnaire statements totaling 27 items passed the validity test.

2. Reliability

Table 5. Reliability Test Results

<table>
<thead>
<tr>
<th>Variable</th>
<th>Cronbach’s Alpha</th>
<th>Standard Values</th>
<th>Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax Justice (X1)</td>
<td>0.839</td>
<td>0.70</td>
<td>Reliabel</td>
</tr>
<tr>
<td>Understanding Taxes (X2)</td>
<td>0.906</td>
<td>0.70</td>
<td>Reliabel</td>
</tr>
<tr>
<td>Tax Evasion (Y)</td>
<td>0.703</td>
<td>0.70</td>
<td>Reliabel</td>
</tr>
</tbody>
</table>

Table 5 states that the values obtained for the three variables have passed the reliability test.

Classical Assumption Test

1. Normalitas

Figure 2. Normality Test Results
Figure 2 shows if the data passed the test because the dots spread diagonally.

2. Multikolinearitas

Table 6. Multicollinearity Test Results

<table>
<thead>
<tr>
<th>Coefficients(^a)</th>
<th>Unstandardized Coefficients</th>
<th>Co-Standardized Coefficients</th>
<th>Collinearity Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
</tr>
<tr>
<td>Model</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 (Constant)</td>
<td>14.608</td>
<td>2.712</td>
<td></td>
</tr>
<tr>
<td>Tax Justice</td>
<td>.023</td>
<td>.077</td>
<td>.046</td>
</tr>
<tr>
<td>Understanding Taxes</td>
<td>-.062</td>
<td>.066</td>
<td>-.143</td>
</tr>
</tbody>
</table>

\(^a\) Dependent Variable: Penggelapan Pajak

Table 6 explains that the tolerance rate for tax fairness and tax understanding is the same, which is 0.813 (> 0.100). Meanwhile, the VIF value for tax fairness and tax understanding is also the same, namely 1.231 (< 10). From the results of the multicollinearity test, the study was declared passed.
3. **Heteroscedasticity**

![Scatterplot of Heteroscedasticity Test Results](image)

Figure 3. Heteroscedasticity Test Results

Figure 3 shows that the study passed the heteroscedasticity test because the dots did not form a specific pattern.

**Hypothesis test**

1. **Test t (Partial)**

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Coeffi-Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>14.608</td>
<td>.5386</td>
<td>.000</td>
<td></td>
</tr>
<tr>
<td>Tax Justice</td>
<td>.023</td>
<td>.046</td>
<td>.302</td>
<td>.764</td>
</tr>
<tr>
<td>Understanding</td>
<td>-.062</td>
<td>-.143</td>
<td>-.941</td>
<td>.351</td>
</tr>
</tbody>
</table>

*Based on Table 7, the significance of tax justice is 0.764 (0.764 > 0.05). So, it is known that tax evasion is not affected by tax justice or in other words, H1 is denied. Furthermore, the significance value for tax understanding is 0.351 (0.351 > 0.05). That is, tax evasion is not affected by the understanding of tax (H2 is rejected).*

2. **F Test (Simultaneously)**

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>9.398</td>
<td>2</td>
<td>4.699</td>
<td>.449</td>
<td>.641</td>
</tr>
<tr>
<td>Residual</td>
<td>544.022</td>
<td>52</td>
<td>10.462</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>553.420</td>
<td>54</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*a. Dependent Variable: Tax Evasion*

The Influence Of Tax Fairness And Tax Understanding On Tax Evasion (Perception Of Accounting Study Program Students, Faculty Of Economics, Advent Indonesia University)
b. Predictors: (Constant), Pemahaman Pajak, Keadilan Pajak

From Table 8 it is known that the significance figure is 0.641 (0.641 > 0.05). Thus, H3 is rejected i.e. tax evasion is not affected by tax fairness and tax understanding.

**Coefficient of Determination (R2)**

Table 9. Coefficient of Determination Test Results

<table>
<thead>
<tr>
<th>Model Summary&lt;sup&gt;b&lt;/sup&gt;</th>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.130&lt;sup&gt;a&lt;/sup&gt;</td>
<td>.017</td>
<td>.021</td>
<td>3.23494</td>
<td></td>
</tr>
<tr>
<td>a. Predictors: (Constant), Tax Understanding, Tax Justice</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>b. Dependent Variable: Tax Evasion</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 9 lists the R (multiple correlation) result of 0.130. That is, there is a very weak relationship between the independent and dependent variables. Then, an Adjusted R Square of -0.021 (negative) can be considered 0 (zero), meaning that the independent variables are unable to explain the dependent variable.

**Regresi Linear Berganda**

Regression equation for this study:

\[ Y = 14.608 + 0.023 X_1 - 0.062 X_2 \]

The interpretation is:

\[ \alpha = 14,608; \] that is, if tax fairness (X1) and tax understanding (X2) are equal to zero (constant), then tax evasion (Y) is worth $14,608.

\[ \beta_1 = 0,023; \] that is, for every increase in Tax Fairness (X1), then Tax Evasion (Y) increases by 0.023 considering the presumption of Tax Understanding (X2) remains.

\[ \beta_2 = -0,062; \] that is, for every increase in Tax Understanding (X2), then Tax Evasion (Y) decreases by 0.062 considering the presumption of Tax Fairness (X1) remains.

**The Influence of Tax Justice on Tax Evasion**

Based on the data processing results, tax justice does not affect tax evasion according to the perceptions of Accounting students at Advent Indonesia University. This is indicated by the t-test results, where the calculated t < the tabulated t (0.302 < 1.675) with a significance level of 0.764 > 0.05. Thus, it can be concluded that the first hypothesis (H1), which states "tax justice affects tax evasion," is rejected. In efforts to reduce tax evasion, justice does not play a role. This result is consistent with the research of Tumewu & Wahyuni (2018) but contradicts Amelia et al. (2022), who state that higher tax justice leads to a decrease in tax evasion.

**The Influence of Tax Understanding on Tax Evasion**

From the data processing results, it is observed that tax understanding does not influence tax evasion according to the perceptions of Accounting students at Advent Indonesia University. This is supported by the multiple linear regression analysis, where the t-test value t < the tabulated t (-0.941 < 1.675) with a
significance level of 0.351 > 0.05. Thus, the second hypothesis (H2) stating "tax understanding affects tax evasion" is rejected. This finding supports the research conducted by Tumewu & Wahyuni (2018) but contradicts the study by Santana et al. (2020), which reveals that an increase in tax understanding reduces tax evasion, as well as the study by Fitria & Wahyudi (2022) with results that higher tax understanding leads to an increase in tax evasion.

**The Influence of Tax Justice and Tax Understanding on Tax Evasion**

As shown in Table 7, the variables of tax justice and tax understanding have an F-test value < the tabulated F (0.449 < 3.172) with a significance level of 0.641 > 0.05. Therefore, the third hypothesis (H3), which states "tax justice and tax understanding affect tax evasion," is rejected. This is in line with previous research by Tumewu & Wahyuni (2018), which explains that tax justice and tax understanding do not affect tax evasion. However, it contradicts the study by Pitoyo (2022).

**CONCLUSION**

After evaluating the data, the following results were found: 1. There is no effect of tax evasion by tax justice. 2. There is no effect of tax evasion by tax understanding. 3. There is no effect of tax evasion by tax understanding and fairness. The above results support a previous study from Tumewu & Wahyuni in 2018, which also showed that tax evasion is not impacted by tax fairness and tax understanding.

This study has limitations, and there are several suggestions for future research: 1. It is recommended for future researchers to increase the number of research samples to obtain more accurate results. 2. Researchers can then consider adding independent variables other than tax fairness and tax understanding, such as tax systems, tax discrimination, and quality of tax services.

**REFERENCES**


