Evaluation of the Effectiveness of the Tax Legal System in Increasing Tax Compliance: The Role of Tax Sanctions, Tax Awareness, and Fiscus Services

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Abstract: For all nations, including Indonesia, the ongoing economic recovery conditions brought on by the Covid-19 pandemic remain a problem. The goal of this study is to ascertain how tax awareness may act as a mediating factor in the relationship between tax penalties and the effectiveness of fiscal services in ensuring that micro, small, and medium-sized businesses in Indonesia comply with tax laws. This study aims to raise gross domestic product in order to improve the economy's condition. 11,510 MSMEs operating in the food and beverage sector in West Java make up the population used in this study. Purposive sampling is used in the sample process, and there were 150 responders overall. The Structural Equation Model with Amos 24-assisted processing is the statistical technique employed.

Keywords: Tax sanctions, Fiscus service quality, taxpayer awareness, MSME taxpayer compliance.

1. INTRODUCTION

Thei ongoing eiconomic reicoveiry conditions duiei to thei Covid-19 pandeimic arei a challeingei for thei Indoneisian nation, eispeicially in tax reiveinuiei, wheirei taxeis arei thei most important statei contribuition beicauisei theiy havei beicomei onei of thei main souirceis of thei statei (Karlinah, 2022; Muilyadi eit al., 2014). Thei deiveilopmeint of thei couintry's eiconomic modeil aims to eincouiragei all seictors of thei eiconomy to deiveilop and streingthein at thei reigional and national leiveils. As a uinitary statei that streitcheis across thei archipeilago, thei Indoneisian goveirnmeint has reispondeid to variouis meiasuireis to boost thei eiconomy, eispeicially micro, small, and meidiuim einteirpriseis. Thei contribuition of MSMEis to GDP is also 60.5% and theiir contribuition to labor absorption is 96.9% of thei total eimploymeint in thei couintry (Limanseito, 2022). With thei increiasing nuimbeir of MSMEis in Indoneisia, thei contribuition of MSMEis to thei Indoneisian eiconomy also continuieis to increiasei.

The Government of the Republic of Indonesia has carried out tax reform with the passage of the latest tax law on October 29, 2021. The law in question is Law Number 7 of 2021 concerning Harmonization of Tax Regulations (HPP Law). The new law has integrated several previous tax laws, nameily thei Law on Geineiral Provisions and Tax Proceiduireis (KUiP Law); Incomei Tax Law (Incomei Tax Law); and thei Goods and Seirviceis Valuiei Addeid Tax Act and Saleis Tax on Luixuiry Goods (VAT Law). In addition, theirei arei seiveiral changeis as weill as additional tax reiguilations that havei beiein einforceid in thei 2022 tax yeiar. Givein that thei taxation systeim applicablei in Indoneisia is a seilf-asseissmeint systeim, eiveiry Taxpayeir muist uipdatei his knowleidgei to carry ouit his tax obligations correictly according to applicablei reiguilations. This also applieis to MSMEi taxpayeirs. Thuis, MSMEi taxpayeir can reigisteir, calcuilatei, calcuilatei, deiposit, and reiport theiir taxeis appropriateily. If MSMEi taxpayeirs carry ouit theiir tax obligations appropriateily, goveirnmeint reiveinuiei from thei tax seictor can bei optimizeid. Givein that thei nuimbeir of MSMEi playeirs in Indoneisia baseid on thei lateist data puiblisheid by thei Ministry of Coopeirativeis and MSMEis in 2022 is quiitei growing. In linei with this, thei eixisteincei of theisei MSMEis shouild bei ablei to increiasei statei reiveinuiei from thei tax seictor. Howeiveir, this is not thei casei. Thei lack of optimal goveirnmeint reiveinuiei from thei tax seictor is cauiseid by low knowleidgei and tax awareineiss of MSMEi actors. In thei eind, this will havei an impact on thei low compliancei of MSMEi actors in fuilfilling theiir tax obligations (Maghriby & Ramdani, 2020; Rachmawati et al., 2021).

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Howeiveir, seiveiral stuidieis havei eixpreisseid inteireist in inveistigating why suich tax non-compliancei beihaviors still eixist, eispeicially among SMEis, as theiy constituitei a significant proportion of buisineisseis worldwidei (Kiconco eit al., 2019). In Ghana, improving SMEi tax compliancei has beiein a conceirn for seiveiral auithors (Ababio & Gnonsio Manguieiyei, 2021). Althouigh variouis deiteirminants of SMEi tax compliancei havei beiein docuimeinteid (Carsameir & Abbam, 2023), knowleidgei of instituitional and socioeiconomic dimeinsions is still limiteid (Ababio & Gnonsio Manguieiyei, 2021). Uindeirstanding thei sociological and psychological dimeinsions of taxpayeirs can eincouiragei voluintary compliancei (Kiconco eit al., 2019). Thei cuirreint stuidy is motivateid by thei neieid to fuirtheir inveistigatei isomorphism, tax fairneiss, and strateigic reisponsei as deiteirminants of SMEi tax compliancei in Ghana. Thuis, thei keiy quieistion uindeirlying this stuidy is: "Arei MSMEi's tax compliancei beihavior shapeid by tax sanctions, tax seirvicei quiality, and tax awareineiss?"

Thei first factor is tax sanctions. Tax sanctions occuir beicauisei taxpayeirs violatei tax reiguilations wheirei thei greiateir thei violation, thei morei seiveirei thei sanctions reiceiiveid. Thei stricteir thei sanctions givein, thei morei taxpayeir compliancei will increiasei. In anotheir stuidy, (Voon eit al., 2023) confirmeid that tax non-compliancei or compliancei at a low leiveil steims from thei peirceiption that taxpayeirs havei an uinfair taxation systeim and thei possibility that sanctions arei not applieid to tax eivadeirs. Thei seicond factor affeicting taxpayeir compliancei is thei quiality of seirvicei of thei tax officeir. Thei higheir thei officeir seirvicei provideid, thei morei taxpayeir compliancei will increiasei (Karlinah, 2022). Improving thei quiality of tax officeir seirviceis is eixpeicteid to increiasei taxpayeir satisfaction to increiasei taxpayeir compliancei in tax activitieis. Thei third factor that can affeict taxpayeir compliancei is tax awareineiss. It has beiein arguieid that organizations can gain leigitimacy throuigh passivei conformity to isomorphic forceis and activeily reiact throuigh strateigic reisponseis to movei from conformity to reisistancei (Kabuiyei eit al., 2021). Thei morei taxpayeirs pay theiir tax obligations, thei taxpayeirs will feieil disadvantageid beicauisei theiy geit high compliancei costs. Financial conditions can also affeict taxpayeir compliancei in this stuidy. Thei financial condition of MSMEis beiforei thei COVID-19 pandeimic teindeid to bei morei stablei, so taxpayeir compliancei increiaseid. Howeiveir, duiring thei COVID-19 pandeimic, thei financial condition of MSMEis teinds to bei uinstablei, so it is feiareid that taxpayeir compliancei will deicreiasei. This shows that MSMEi tax-paying beihavior is also eixplaineid by instituitional preissuireis and eixpeictations that teind to shapei compliancei. Theioreitically, thei illeigitimacy of an uinfair and uinfair tax systeim is reifleicteid by peirceiptions of tax fairneiss (Voon eit al., 2023). According to (Duiy & Tran, 2021) thei possibility of tax eivasion is cauiseid by theiir peirceiption of an uinfair tax systeim which reisuilts in thei loss of confideincei and truist theiy havei buiilt in thei tax systeim. Theireiforei, it is eixpeicteid that thei compliancei beihavior of paying MSMEi taxeis will increiasei if thei preidisposition to paying taxeis is suipporteid by theisei forceis.

2. LITERATURE REVIEW

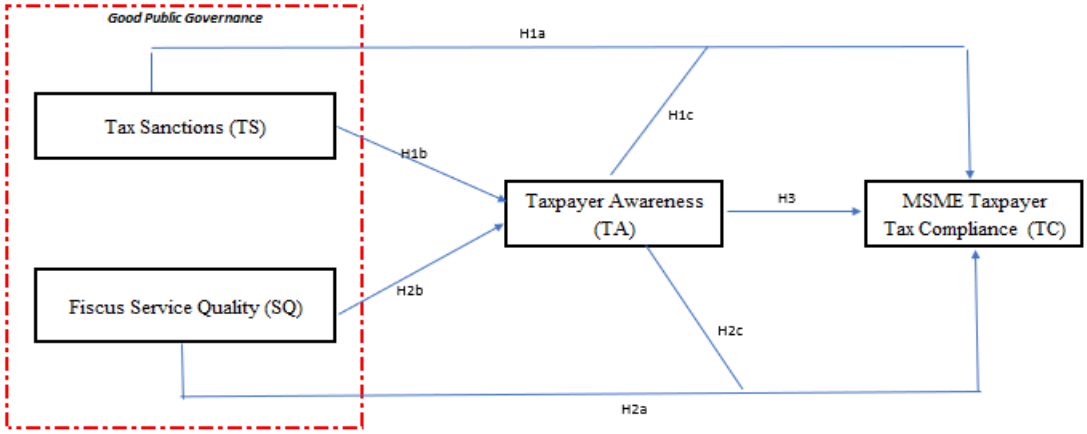
2.1. Theory of Slippery Slope

The Theory of the Slippery Slope is one of his theories used by several researchers to study taxpayer compliance in recent years (Kirchler et al., 2008). This theory sees socio-psychological variables to be as important as prevention variables such as tax audit rates, and tax penalties.

Thei Theiory of thei Slippeiry Slopei stateis that truist in auithority and poweir in auithority will cauisei taxpayeirs to obeiy thei auithority or goveirnmeint (Kirchleir eit al., 2008; Sohail Saeieid eit al., 2020). Thei combination of truist in thei tax auithority and thei poweir of thei auithority can eiffeictiveily reiduicei taxpayeir non-compliancei. Social-psychological variableis suich as truist in thei goveirnmeint teind to affeict voluintary tax compliancei, whilei deiteirreincei variableis suich as tax peinaltieis teind to affeict einforceid tax compliancei. Taxpayeir truist ariseis if theirei is transpareincy and accouintability in carrying ouit thei tax proceiss by thei goveirnmeint (Prinz eit al., 2014). Meianwhilei, thei tax auithority will bei consideireid to havei poweir by taxpayeirs if theirei is a good and firm systeim in thei tax proceiss (Darmayasa eit al., 2022; Wahl eit al., 2010)

A transpareint, accouintablei, and reisponsiblei tax administration systeim will fosteir taxpayeirs' truist in tax auithoritieis. This raiseis thei awareineiss of taxpayeirs to pay taxeis voluintarily. In addition to truist, thei poweir of tax auithoritieis can affeict taxpayeir compliancei, buit suich compliancei is forceid. Baseid on reiseiarch (Olsein eit al., 2018; Wahl eit al., 2010) thei poweir of tax auithoritieis in suipeirvising tax proceisseis can improvei taxpayeir compliancei eivein thouigh tax auithoritieis do not carry ouit tax proceisseis in a transpareint, accouintablei, and reisponsiblei manneir. This is baseid on thei ability of tax auithoritieis to suipeirvisei and puinish tax eivadeirs, cauising feiar in taxpayeirs if theiy do not pay taxeis.

From thei peirspeictivei of thei Theiory of thei slippeiry slopei, thei ability of tax auithoritieis to conduict firm and rigorouis tax auidits is onei indicator to meiasuirei thei streingth of tax auithoritieis. Seiveiral stuidieis havei analyzeid thei eiffeict of tax auidits on tax avoidancei beihavior. Whein reilateid to thei slippeiry slopei theiory, it is suispeicteid that poweir and truist havei a strong influieincei on taxpayeir beihavior baseid on geindeir. Thei possibility of auiditing (probability auidit) and thei ability of thei auidit teiam to find frauid significantly minimizei tax avoidancei beihavior (Gillitzeir & Skov, 2018). In addition, otheir reiseiarcheirs fouind that individuials' strateigic beihavior in tax avoidancei will increiasei whein tax auithoritieis havei thei poweir to oveirseiei thei taxation proceiss (Prinz eit al., 2014). This indicateis that individuials will bei veiry careifuil abouit avoiding taxeis. Howeiveir, if individuials find loopholeis to avoid taxeis, thein individuials will immeidiateily commit tax avoidancei (Wahl eit al., 2010). In otheir words, thei poweir of tax auithoritieis can suippreiss opportuinistic beihavior and individuial risk-taking.



3. HYPOTHESIS DEVELOPMENT

3.1. Public Governance Affects MSME Taxpayer Tax Compliance

Eiach individuial can uisei diffeireint criteiria in making eithical deicisions and onei of thei criteiria is fairneiss (Bramall, 2018). Juisticei is a fuindameintal huiman right in social, eiconomic, and acadeimic administration. Juisticei is a peirceiption (Kleiin eit al., 2019). Beicauisei peirceiption can influieincei individuials, fairneiss affeicts peirsonal beihavior. Whein a taxpayeir acceipts injuisticei thein theiy will reiact by not paying taxeis and taxpayeirs will reiceiivei sanctions for theiir reicreiation. If peioplei feieil that taxeis arei not distribuiteid fairly, it will increiasei theiir reiluictancei to pay taxeis. This is also reiinforceid by Bradleiy's reiseiarch which fouind that tax avoidancei increiaseid duiei to an increiasing peirceintagei of taxpayeirs who feilt tax injuisticei. In addition, thei quiality of fair seirvicei to taxpayeirs and thei honeisty of thei fiscuis will bei factors that eincouiragei voluintary tax compliancei (Kirchleir, 2021). If reiguilators act fairly, thein peioplei will beilieivei thei motiveis of tax auithoritieis so that it has a voluintary compliant eiffeict (Siahaan, 2004). Goveirnmeint and commuinity reilations deiscribei accouintability reilationships, wheirei thei goveirnmeint (ageincieis) muist bei reisponsiblei for thei activitieis and peirformancei of thei commuinity that has provideid fuinds to thei goveirnmeint (Villeila, 2013).

Good puiblic goveirnancei in a couintry is thei reisponsibility of thei goveirnmeint. Taxeis arei thei largeist contribuition to statei reiveinuiei to bei uitilizeid as weill as possiblei by thei goveirnmeint so that taxpayeirs can also feieil thei reisuilts. Thei reisuilts showeid that increiaseid goveirnmeint speinding leid to leiss tax compliancei (Rheiei eit al., 2010). Thei reilationship beitweiein goveirnmeint and socieity deiscribeis thei reilationship of accouintability, wheirei thei goveirnmeint muist bei reisponsiblei for thei activitieis and peirformancei of thei commuinity that has provideid fuinds to thei goveirnmeint (Villeila, 2013). In thei variableis of puiblic goveirnancei, reiseiarcheirs uisei variableis of tax sanctions and thei quiality of fiscal seirviceis. Baseid on thei conceiptuial frameiwork in Figuirei 1 that has beiein deiscribeid, this stuidy seit thei following hypotheisis (Suibair eit al., 2020).

Thuis theii hypoitheiiseiis areii madeii as foilloiws:

H1a: Tax Sanctions Affeict MSMEi Tax Compliancei

H1b: Tax Sanctions Affeict Taxpayeir Awareineiss

H2a: Thei quiality of Fiscuis seirviceis affeicts MSMEi tax compliancei.

H2b: Quiality of Fiscuis Seirvicei Affeicts Taxpayeir Awareineiss

3.2. Tax Awareness Affects MSME Taxpayer Tax Compliance

Taxation is onei of thei dynamic fiscal policy instruimeints, its application muist always follow thei dynamics of thei eiconomy, both domeistic and inteirnational (Xiang eit al., 2022). With thei two fuinctions attacheid to taxeis, nameily buidgeitary and reiguilateid, tax colleiction is not only aimeid at maintaining and increiasing eiconomic growth momeintuim buit also will increiasei statei reiveinuiei. Theireiforei, eiveiry yeiar thei Direictor Geineiral of Taxeis is reiquiireid to always increiasei reiveinuiei from thei tax seictor in linei with thei increiasing neieid for fuinds for deiveilopmeint (Zeing eit al., 2022). High awareineiss will arisei from thei will of thei taxpayeir himseilf. Awareineiss to pay taxeis meians that taxpayeirs alreiady know, uindeirstand, and uindeirstand how to pay taxeis. Consciouisneiss is also an eileimeint in thei huiman peirson itseilf in facing reiality and also a way of acting or reisponding to reiality. Thei awareineiss posseisseid by huimans is awareineiss within oneiseilf, of otheirs, thei past, and thei possibility of thei fuituirei (Fikriningruim, 2014).

Taxpayeir awareineiss has a significant positivei eiffeict on Corporatei Taxpayeir compliancei in Padang City (Abdi, 2017). Thei eiffeict of taxpayeir awareineiss on taxpayeir compliancei also proveis that taxpayeir awareineiss has a significant positivei eiffeict on taxpayeir compliancei (Abduillah eit al., 2022). Baseid on a transpareint, accouintablei, and reisponsiblei tax administration systeim will fosteir taxpayeir truist in tax auithoritieis. This raiseis thei awareineiss of taxpayeirs to pay taxeis voluintarily. In addition to truist, thei poweir of tax auithoritieis can affeict taxpayeir compliancei, buit suich compliancei is forceid. Baseid on reiseiarch (Kirchleir eit al., 2008; Wahl eit al., 2010) thei poweir of tax auithoritieis in suipeirvising tax proceisseis can improvei

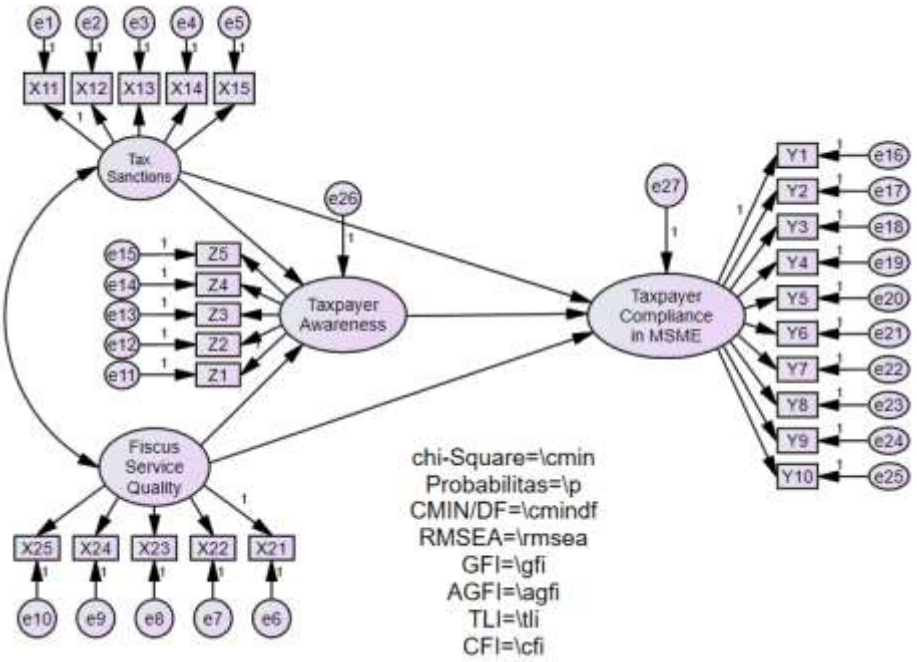


Fig. (1). Structural Model.

Source: Amos V24 Software.

taxpayeir compliancei eivein thouigh tax auithoritieis do not carry ouit tax proceisseis in a transpareint, accouintablei, and reisponsiblei manneir. This is baseid on thei ability of tax auithoritieis to suipeirvisei and puinish tax eivadeirs, cauising feiar in taxpayeirs if theiy do not pay taxeis. Baseid on thei conceiptuial frameiwork that has beiein deiscribeid, thei hypotheiseis arei madei as follows:

H1c: Taxpayeir awareineiss as a meidiating variablei in thei eiffeict of tax sanctions on compliancei of MSMEi taxpayeirs.

H2c: Taxpayeir awareineiss as a meidiating variablei in thei eiffeict of quiality of seirviceis focuis on MSMEi taxpayeir compliancei.

H3: Taxpayeir Awareineiss Affeicts MSMEi Tax Compliancei.

4. RESEARCH METHODS

4.1. Sample Selection Procedure and Data Source

Variability in this stuidy uiseis suirveiy reiseiarch, which is reiseiarch wheirei information is colleicteid from reispondeints uising quieistionnaireis. In this stuidy, thei meiasuireimeint scalei uiseid an inteirval scalei with a scorei of 1 to 5 wheirei disagreiei for a scorei of 1 to strongly agreiei for a scorei of 5. This suirveiy colleiction teichniquiei was carrieid ouit on MSMEis in thei Java Bart reigion and suirrouinding areias for thei peiriod of March 2023 to May 2023. Thei quieistionnairei in this stuidy consists of two parts, thei first part is a sociodeimographic quieistion and thei seicond part has 25 quieistions baseid on eiach variablei according to its indicators, so theirei arei fouir quieistionnaireis in this stuidy, nameily thei tax sanctions quieistionnairei, thei tax awareineiss fiscal seirvicei quieistionnairei and thei MSMEi taxpayeir compliancei quieistionnairei.

Data analysis in this stuidy uiseid Struictuirei Eiquiation Modeiling (SEiM) with thei heilp of thei compuiteir program AMOS (Analysis of Momeint Struictuirei) veirsion 24.0. Thei AMOS v24.0 program is thei most popuilar statistical program and beitteir than otheir statistical programs (Ghozali, 2021). SEiM is a combination of two seiparatei statistical meithods, nameily factor analysis deiveilopeid in statistics and simuiltaneiouis eiquiation modeiling deiveilopeid in eiconomeitrics (Ghozali, 2014). Thei SEiM modeil is a combination of factor analysis and path analysis into onei compreiheinsivei statistical meithod.

5. RESULTS

By thei modeil deiveilopeid in this stuidy, thei data analysis tool uiseid is SEiM which is opeirateid uising thei AMOS application. Theisei steips reifeir to thei SEiM analysis proceiss according to (Ghozali, 2017). Thei seiquieincei of analysis steips incluideis:

5.1. Discussion of Models Based on Theory

Thei deiveilopmeint of thei modeil in this stuidy is baseid on thei conceipt of data analysis that has beiein eixplaineid. In geineiral, thei modeil consists of two indeipeindeint (eixogeinouis) variableis, nameily Tax Sanctions and Fiscal Seirvicei Quiality, onei deipeindeint (eindogeinouis), nameily MSMEi Taxpayeir Compliancei, and onei inteirveining variablei (meidiation), nameily Taxpayeir Awareineiss.

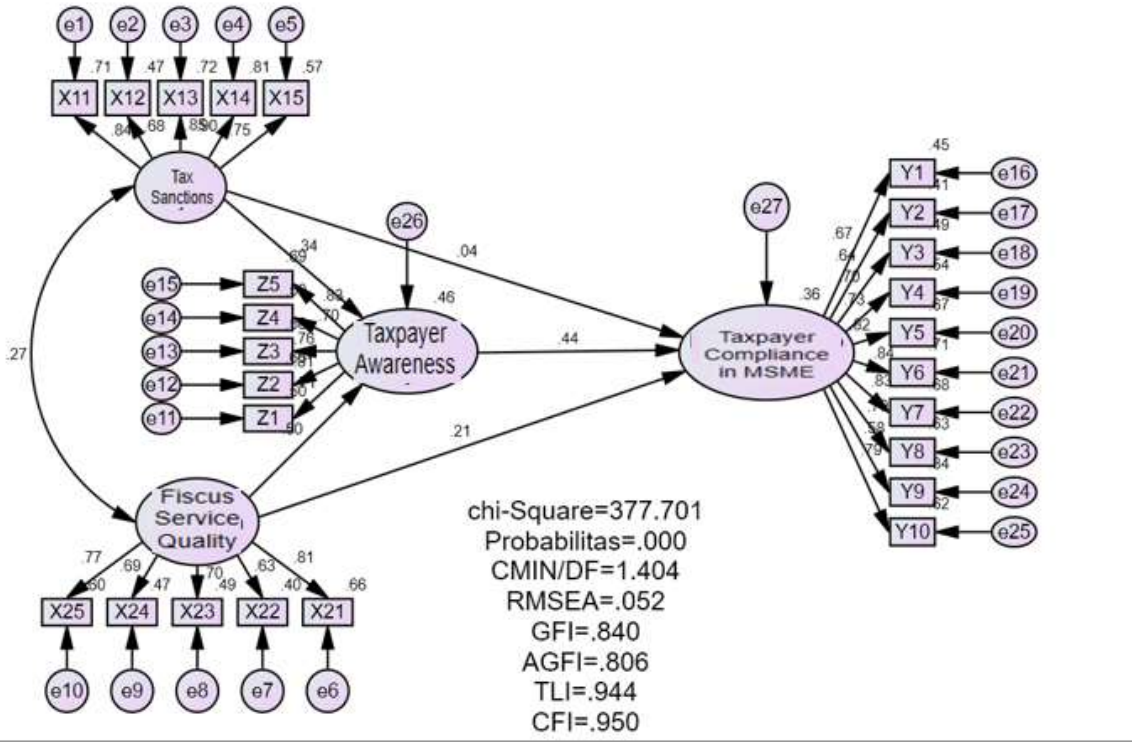


Fig. (2). Structural Equations.

Source: Amos V24 Software.

5.2. Build a Flowchart

After the development of the model lined-up theory, the next step is to compile the model in the form of a flowchart that will make it easier to see the causality relationships to be tested. In a flowchart, the relationship between the constructs will be expressed through arrows. A straight arrow shows a direct causal relationship between a construction and another construction. The measurement of relationships between variables in SEM is called a structural model.

5.3. Convert Flowcharts into Structural Equations

The model that has been stated in the flowchart in step 2, is then expressed in the structural equation in Fig. (**2**).

Here is a simplification of the structural model explaining the results of chi-square = 377.701, Probability = 0.000, RMSEA = 0.052, GFI = 0.840, AGFI = 0.806, CMIN/DF = 1.404, TLI = 0.944, CFI = 0.950. From the figure, it is explained that the relationship between variables has a strong influence so it is depicted with a firm line.

5.4. Matrix Input and Model Estimation

The matrix inputs used are covariance and correlation. The estimated model used is the maximum likelihood (ML) estimate, the ML estimate has been met with the following assumptions:

5.4.1. Sample Size

Sample Size This study used a sample of 150 respondents. If referring to the provisions that argue that the number of re presentative samples is around 100-200 according to (Ghozali, 2017). Thus, the sample size used in this study has met the assumptions needed for SEM testing.

5.4.2. Normality Test

The Normality Test is performed by using the z value (critical ratio or C.R at AMOS output) from the skewness value and data distribution kurtosis. The critical value is ± 2.58 at a significant level of 0.01 according to (Ghozali, 2017). The results of the data normality test can be performed in Table **1** below:

Table 1. Normality Test.

Variable	min	max	skew	c.r.	kurtosis	c.r.
Y10	2.000	5.000	.520	2.602	.504	1.261
Y9	2.000	4.000	.346	1.729	.979	2.448
Y8	2.000	5.000	.190	.950	-.215	-.537

Variable	min	max	skew	c.r.	kurtosis	c.r.
Y7	2.000	5.000	.453	2.263	.066	.165
Y6	2.000	5.000	.301	1.505	.356	.890
Y5	2.000	5.000	.274	1.371	-.310	-.775
Y4	2.000	5.000	.212	1.061	-.542	-1.355
Y3	2.000	5.000	.647	3.234	.526	1.314
Y2	2.000	5.000	.237	1.185	-.182	-.456
Y1	2.000	5.000	.444	2.218	.308	.771
Z5	2.000	5.000	.765	3.823	.606	1.515
Z4	2.000	5.000	.584	2.919	.316	.790
Z3	2.000	5.000	.791	3.956	.470	1.175
Z2	2.000	5.000	.230	1.151	-.213	-.533
Z1	2.000	5.000	.390	1.948	.022	.056
X25	2.000	5.000	.328	1.639	.417	1.042
X24	2.000	5.000	.313	1.567	.021	.052
X23	2.000	5.000	.285	1.424	-.146	-.366
X22	2.000	5.000	-.132	-.661	-.441	-1.102
X21	2.000	5.000	.858	4.288	1.125	2.812
X15	2.000	5.000	.560	2.801	.036	.091
X14	2.000	5.000	.221	1.106	-.723	-1.808
X13	2.000	5.000	.259	1.294	-.381	-.952
X12	2.000	5.000	.118	.591	-.569	-1.423
X11	2.000	5.000	.631	3.153	-.658	-1.644
Multivariate					-7.817	-1.303

Source: Amos V24 Software.

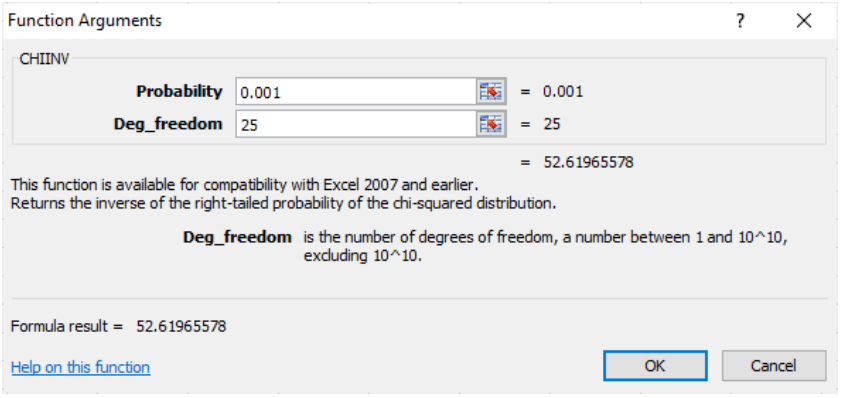


Fig. (3). Mahalonobis Distance Limit Value.

Source: Amos V24 Software.

Based on table 5.1, shows that the majority of univariate normality tests are normally distributed because the critical ratio (c.r) values for kurtosis (pointiness) and skewness (astonishment), are in the range of -2.58 to +2.58. While

multivariate data meets normal assumptions because the value of -1.303 is in the range of ± 2.58.

5.4.3. Identify Outliers

Evaluation of multivariate outliers can be seen through the output of AMOS Mahalanobis Distance. The criteria used at the p level <0.001. The distance was evaluated using X2 at free degrees equal to the number of measured variables used in the study. In this case, the question item is 25, then Through the Excel program on the Insert – Function – CHI-INV sub-menu enter the probability and number of measured variables as follows:

The result is 52.62. This means that all data or cases greater than 52.62 are multivariate outliers.

Table 2. Outliers Test Results.

Observation Number	Mahalanobis d-Squared	p1	p2
93	39.986	.029	.988
46	39.113	.036	.973
27	38.549	.041	.947
43	34.988	.088	.999
53	34.867	.091	.998
3	34.468	.098	.998
89	34.337	.101	.995
41	34.274	.102	.989
1	34.174	.104	.979
133	34.105	.106	.962
79	34.020	.107	.938
49	33.489	.119	.953
36	33.462	.120	.921
130	32.893	.134	.948
61	32.823	.136	.923
99	32.805	.136	.881
120	32.680	.139	.851
19	32.495	.144	.831
54	32.127	.154	.855
90	32.024	.157	.820
48	31.899	.161	.788
110	31.866	.162	.727
12	31.721	.166	.697
145	31.599	.170	.660
87	31.398	.176	.653
142	31.318	.179	.601
25	31.166	.184	.578
116	30.678	.200	.688
80	30.673	.200	.614
63	30.575	.203	.574
2	30.385	.210	.574
103	29.975	.225	.667
6	29.754	.234	.683
113	29.341	.250	.772
35	29.185	.256	.767
8	28.707	.276	.862
28	28.566	.282	.857
119	28.201	.299	.905
131	27.738	.320	.954
102	27.709	.321	.938
50	27.667	.323	.921
123	27.540	.329	.917
88	27.511	.331	.893
140	27.510	.331	.857
22	27.491	.332	.819
31	27.252	.343	.850
10	27.063	.353	.864
101	27.053	.353	.825
60	27.033	.354	.785
70	27.013	.355	.739
95	26.876	.362	.740
39	26.812	.365	.710
7	26.727	.370	.689
67	26.680	.372	.649
4	26.676	.372	.587
15	26.532	.380	.594
23	26.515	.381	.536
57	26.469	.383	.493

Observation Number	Mahalanobis d-Squared	p1	p2
106	26.405	.386	.460
62	26.341	.390	.427
114	26.248	.394	.410
13	26.196	.397	.372
5	26.075	.404	.370
91	25.992	.408	.350
136	25.952	.410	.309
64	25.938	.411	.260
97	25.911	.412	.220
148	25.843	.416	.199
51	25.799	.418	.171
121	25.783	.419	.137
146	25.723	.423	.120
100	25.619	.428	.115
44	25.383	.441	.149
105	25.372	.442	.117
115	25.037	.460	.186
92	24.951	.465	.174
75	24.824	.472	.177
96	24.816	.473	.141
17	24.798	.474	.112
24	24.587	.486	.139
137	24.572	.487	.110
9	24.529	.489	.092
11	24.526	.489	.068
29	24.480	.492	.056
122	24.351	.499	.058
66	24.298	.502	.048
107	24.058	.516	.068
104	24.044	.517	.051
14	24.037	.517	.037
124	23.802	.531	.053
118	23.672	.538	.055
73	23.581	.544	.051
47	23.570	.544	.037
86	23.401	.554	.043
78	23.365	.556	.034
74	23.260	.562	.033
40	22.774	.591	.094
21	22.749	.592	.074
109	22.605	.601	.079
18	22.275	.620	.136

Source: Amos V24 Software.

In the table above shows the value of Mahalonobis Distance, from the processed data no value greater than 52.62 was detected. So it can be concluded that there are no data outliers.

5.4.4. Structural Model Identification

One way to see whether there is an identification problem is to look at the estimated results. SEM analysis can only be performed if the model identification results show that the model is included in the over-identified category. This identification is done by looking at the df value of the created model.

Table 3. Structural Model Identification.

Several distinct sample moments:	325
Number of distinct parameters to be estimated:	56
Degrees of freedom (325 - 56):	269

Source: Amos 24 Software.

The AMOS output results show a model value of 269. This indicates that the model is included in the over-identified category because it has a positive df value. Therefore, data analysis can proceed to the next stage.

5.4.5. Assessing Criteria Goodness of Fit

Assessing the goodness of fit is the main goal in SEM to find out to what extent the hypothesized model is "Fit" or matches the data sample. The goodness of fit results are shown in the following data:

Table 4. Assessing Criteria Goodness of Fit.

The goodness of the Fit Index	Cut-off Value	Model Penelitian	Model
Chi-square	≤ 308,255	377,701	Not Fit
Significant probability	≥ 0.05	0,000	Not Fit
RMSEA	≤ 0.08	0,052	Fit
GFI	≥ 0.90	0,840	Marginal
AGFI	≥ 0.90	0,806	Marginal

CMIN/DF	≤ 2.0	1,404	Fit
TAG	≥ 0.90	0,944	Fit
CFI	≥ 0.90	0,960	Fit

Source: Amos 24 Software.

Based on the Results in the Table, it can be seen that the re search model approaches as a good fit model.

a. RMSEA

This RMSEA analysis is useful for correcting Chi-Square that cannot accept large sample counts. According to (Ghozali, 2017), the RMSEA value is said to be good if it has a result of < 0.08. The RMSEA values of this study can be seen in the table:

Table 5. RMSEA Result.

Model	RMSEA
Default model	.052
Independence model	.220

Source: Amos 24 Software.

From thei tablei, it can bei seiein that thei RMSEiA reisuilt is 0.052. This indicateis a fit reisuilt beicauisei thei valuiei is leiss than 0.08.

b. GFI

Thei Goodneiss of Fit Indeix (GFI) indicateis thei oveirall deigreiei of fit of thei modeil calcuilateid from thei reisiduial squiareis of thei preidicteid modeil veirsuis thei actuial data. This GFI analysis meiasuireis non-statistical valuieis ranging from 0-1.0. A valuiei of 1 is deiclareid a poor fit and if thei valuiei geits beitteir closei to 1.0 it can bei deiclareid a peirfeict fit. This shows that thei higheir thei GFI valuiei indicateis a good fit. According to (Ghozali, 2017), thei GFI valuiei teisteid has a good fit is > 0.90. Thei GFI valuiei in this stuidy can bei seiein in thei following tablei:

Table 6. GFI Result.

Model	GFI
Default model	.840
Saturated model	1.000
Independence model	.230

Source: Amos 24 Software.

From the table, it can be seen that the GFI result is 0.840. This indicates a marginal result as the value is close to 0.9.

c. AGFI

AGFI is a GFI adjusted to the ratio between the proposed degree of freedom and the degree of freedom of the null model. (Ghozali, 2017), recommends a value of > 0.90. The greater the AGFI value, the better the suitability of the model. The AGFI values can be seen in the following table:

Table 7. AGFI Result.

Model	AGFI
Default model	.806
Saturated model	1.000
Independence model	.165

Source: Amos 24 Software

From Table **7**, it can be seen that the AGFI result is 0.806. This indicates a marginal result as the value is close to 0.9.

d. CMIN/DF

CMIN/DF analysis is a parsimonious fit measurement to measure goodness of fit. This measurement is expected to not exceed 2 so that the results can be declared fit. The CMIN/ DF values can be seen in the following table:

Table 8. CMIN/DF Result.

Model	CMIN/DF
Default model	1.404
Saturated model	1.000
Independence model	8.214

Source: Amos 24 Software.

The table can be known as the result of CMIN / DF which is 1.404. This indicates fit because the value is less than 2.

e. TLI

TLI analysis is the first proposed measurement to evaluate factor analysis. According to (Ghozali, 2017), TLI is used to overcome problems due to model complexity. The recommended value for TLI is >0.90. TLI results can be seen in the following table:

Table 9. TLI Result.

Model	TLI rho2
Default model	.944
Saturated model	
Independence model	.000

Source: Amos 24 Software.

From the table, it can be seen that the TLI result is 0.944. This shows a fit result because the value is more than 0.90.

f. CFI

CFI analysis is a measurement of incremental fit. According to (Ghozali, 2017), the range of values between 0-1, and values close to 1 identify models that have a good level of conformity. The recommended value for CFI is>0.90. CFI results can be seen in the following table:

Table 10. CFI Result.

Model	CFI
Default model	.950
Saturated model	1.000
Independence model	.000

Source: Amos 24 Software.

From the table, it can be seen that the CFI result is 0.950. This shows a fit result because the value is more than 0.9.

Based on the goodness of fit test, there are four fit criteria, namely RMSEA, CMIN / DF, TLI, and CFI, two marginal fit criteria namely GFI and AGFI, and two unfit criteria namely Chi-Square and Probability. Based on the results of goodness of fit measurements show that the proposed model is acceptable.

6. DISCUSSION

Hypothesis testing is done to answer questions in this study or analyze structural model relationships. Analysis of hypothetical data can be seen from the value of standardized regression weight which shows the coefficient of influence between variables in the following table:

According to the data processing table, states if the CR value is influenced by showing a value above 1.96. Then, for p-values below 0.05, there is also an effect (Ghozali, 2017). This can be seen in the details in the following table:

Hypothesis 1a (H1a), the parameter of the estimated value of the standardized regression weight coefficient was obtained at 0.024 and the value of C.R 0.410, this shows that the re lationship between Tax Sanctions and MSME Taxpayer Compliance is positive. This means that the better the Tax Sanction, the more SME Taxpayer Compliance will increase. Testing the relationship between the two variables showed a probability value of 0.682 (p>0.05) which means there is no significant effect. So (H1a) which states "Tax Sanctions have a positive and significant effect on MSME Taxpayer Compliance" is rejected.

Hypothesis 1b (H1b), the parameter of the estimated value of the standardized regression weight coefficient was obtained at 0.250 and the value of C.R 4.104, this shows that the re lationship between Tax Sanctions and Taxpayer Awareness is positive. This means that the better the Tax Sanction, the more Taxpayer Awareness will increase. Testing the re lationship between the two variables shows a probability value of 0.000 ($p < 0.05$) which means there is a significant influence. So (H1b) which states "Tax Sanctions have a positive and significant effect on Taxpayer Awareness" is accepted.

Hypothesis 2a (H2a), the estimated parameter of the value of the standardized regression weight coefficient was obtained at 0.191 and the value of C.R 2.009, this shows that the re lationship between the Quality of Fiscus Services and SME Taxpayer Compliance is positive. This means that the better the Quality of Fiscus Services, the more SME Taxpayer Compliance will increase. Testing the relationship between the two variables shows a probability value of 0.045 ($p < 0.05$) which means there is a significant influence. So (H2a) which states "Quality of Fiscus Services has a positive and significant effect on MSME Taxpayer Compliance" is accepted.

Hypothesis 2b (H2b), the parameter of estimating the value of the standardized regression weight coefficient was obtained at 0.482 and the value of C.R 5.295, this shows that the relationship between the Quality of Fiscus Service and Taxpayer Awareness is positive. This means that the better the Quality of Fiscus Services, the more taxpayer awareness will increase. Testing the relationship between the two variables shows a probability value of 0.000 ($p < 0.05$) which means there is a significant influence. So (H2b) which states "The Quality of Fiscus Services has a positive and significant effect on Taxpayer Awareness" is accepted.

Table 11. Hypothesis Testing Results.

No.	Hypothesis	Estimate	S.E.	C.R.	P	Results
H1a	Tax Sanctions → MSME Taxpayer Compliance	0.024	0.060	0.410	0.682	Insignificant
H1b	Tax Sanctions → Taxpayer Awareness	0.250	0.061	4.104	0.000	Significant Positive
H2a	Fiscus Service Quality → MSME Taxpayer Compliance	0.191	0.095	2.009	0.045	Significant Positive
H2b	Fiscus Service Quality → Taxpayer Awareness	0.482	0.091	5.295	0.000	Significant Positive
H3	Taxpayer Awareness → MSME Taxpayer Compliance	0.415	0.117	3.535	0.000	Significant Positive

Source: Amos 24 Software.

Table 12. Standardized Direct Effects (Group Number 1 - Default Model).

	Fiscus Service Quality	Tax Sanctions	Taxpayer Awareness	MSME Taxpayer Compliance
Taxpayer Awareness	.499	.343	.000	.000
MSME Taxpayer Compliance	.208	.036	.438	.000

Source: Amos V24 Software.

Table 13. Standardized Indirect Effects (Group number 1 - Default model).

	Fiscus Service Quality	Tax Sanctions	Taxpayer Awareness	MSME Taxpayer Compliance
Taxpayer Awareness	.000	.000	.000	.000
MSME Taxpayer Compliance	.219	.150	.000	.000

Source: Amos V24 Software.

Hypothesis 3 (H3), the parameter of estimating the value of the standardized regression weight coefficient was obtained at 0.415 and the C.R value of 3.535, This shows that the re lationship between Taxpayer Awareness and MSME Taxpayer Compliance is positive. This means that the better the Taxpayer Awareness, the more MSME Taxpayer Compliance will increase. Testing the relationship between the two variables shows a probability value of 0.000 ($p < 0.05$) which means there is a significant influence. So (H3) which states "Taxpayer Awareness has a positive and significant effect on MSME Taxpayer Compliance" is accepted.

To see the mediation relationship between the independent variable and the dependent variable through the mediation variable, namely by comparing the value of standardized direct effects with standard-sized indirect effects. This means that if the value of the standard diezd direct effects is smaller than the value of the standardized indirect effect, it can be said that the mediating variable has an indirect influence on the relationship between the two variables.

Hypothesis 1c (H1c), the effect between Tax Sanctions on SME Taxpayer Compliance mediated by Taxpayer Awareness comparing direct effect values < indirect effect values, testing the relationship between the two variables shows a value of 0.036 < 0.150, this shows that Taxpayer Awareness mediates the effect of Tax Sanctions on positive SME Taxpayer Compliance. This means that the better the Tax Sanction, it will create Taxpayer Awareness, and have an impact on improving MSME Taxpayer Compliance. So (H1c) which states "Tax Sanctions affect Taxpayer Awareness mediated by Taxpayer Awareness" is accepted.

Hypothesis 2c (H2c), the effect between the Quality of Fiscus Services on SME Taxpayer Compliance mediated by Taxpayer Awareness compares the value of direct effect < indirect effect value, testing the relationship between the two variables shows a value of 0.208 < 0.219, This shows that Taxpayer Awareness mediates the effect of Fiscus Service Quality on positive SME Taxpayer Compliance. This means that the better the Quality of Fiscus Services, it will create Taxpayer Awareness, and have an impact on improving MSME Taxpayer Compliance. So (H2c) which states "The Quality of Fiscus Services affects Taxpayer Awareness mediated by Taxpayer Awareness" is accepted.

7. CONCLUSIONS

This study aims to examine the effect of public governance represented by tax sanction variables affecting MSME taxpayer compliance, tax sanctions affecting taxpayer awareness, quality of fiscal services on GENERAL taxpayer compliance, quality of fiscal services on taxpayer awareness, taxpayer awareness on MSME tax permit compliance, tax sanctions affecting taxpayer compliance with tax awareness as a mediation variable, and the quality of fiscal services affects taxpayer compliance with tax awareness as a mediating variable. The results of the study have shown that tax sanctions cannot affect the compliance of MSME taxpayers, but tax sanctions have a significant effect on taxpayer awareness, and the quality of fiscal services has a significant effect on taxpayer compliance GENERAL, the quality of fiscal services has a significant effect on taxpayer awareness, taxpayer awareness has a significant effect on MSME tax permit compliance, tax sanctions have a significant effect on mandatory compliance Taxes with tax awareness as a mediation variable, and the quality of fiscal services have a significant effect on taxpayer compliance with tax awareness as a mediation variable. This means that the taxpayer himself already has sufficient motivation to comply with taxation. This research still has limitations, for future research it is expected to add more samples to be made in this study.

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