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## Improving Regional Revenue Through Taxpayer Compliance: An Economic Study on Service Quality, Knowledge, and Sanctions

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### ***Abstract:***

*This study aims to analyze the influence of service quality, tax knowledge, and tax sanctions on motor vehicle taxpayer compliance in Buleleng Regency. A quantitative approach was applied using a survey method, in which data were collected through questionnaires from 100 respondents selected by simple random sampling from a total population of 269,486 taxpayers. The data were analyzed using multiple linear regression. The findings indicate that service quality, knowledge, and tax sanctions simultaneously have a significant effect on taxpayer compliance. Individually, each variable also exerts a positive and significant influence on compliance. These results suggest that improving taxpayer compliance—as a strategy to enhance regional revenue—requires attention to service delivery, tax education, and the enforcement of effective sanctions.*

**Keywords:** *Taxpayer Compliance, Service Quality, Tax Knowledge, Tax Sanctions*

Submitted: August 7, 2025, Accepted: September 20, 2025, Published: October 10, 2025

## **1. Introduction**

Taxation has become one of the most crucial components in supporting the State Revenue and Expenditure Budget (APBN) in Indonesia. It contributes around 70–80% of total state revenue, making it the largest and most dependable source of funding for national development (Wulandari et al., 2014). Tax, by definition, is a mandatory contribution to the state without direct compensation and is binding and enforceable (Mardiasmo, 2018). Taxes not only play a vital role in stimulating the national economy but also serve as a financial source to fund public services and infrastructure, with the ultimate goal of improving people's welfare (Yadinta et al., 2018; Sugiarti et al., 2021). In addition to its national impact, taxes significantly influence regional development through local taxes and retributions, which are regulated under Law No. 1 of 2022. This law grants regional governments authority to impose and manage local

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taxes, including motor vehicle taxes (PKB), which are among the primary revenue sources for provincial governments (Azahra & Trisnarningsih, 2025).

The government of Indonesia, through Law No. 1 of 2022 concerning Financial Relations Between the Central Government and Regional Governments (HKPD), authorizes provinces to collect five types of taxes, including the Motor Vehicle Tax (PKB) and the Vehicle Title Transfer Fee (BBNKB). Local governments are also allowed to impose an additional tax known as “opsen” on these taxes to increase local own-source revenue (PAD). This autonomy enables regions to set tax rates tailored to their socioeconomic conditions (Simatupang et al., 2023). In the Province of Bali, motor vehicle taxes are governed by Regional Regulation No. 9 of 2019 and are collected by the Regional Revenue Agency (BAPENDA) through integrated offices known as SAMSAT. These offices are a collaboration between BAPENDA, the National Police, and PT Jasa Raharja Insurance Company, ensuring an integrated system for vehicle registration, tax payment, and insurance.

In Bali, motor vehicle tax (PKB) is the largest contributor to local tax revenue. Data from the Ministry of Finance’s Bali Regional Office shows that local revenue (PAD) contributes 58% of Bali’s total income, with 85% coming from local taxes—of which 75% is from PKB. Buleleng Regency, with a population of approximately 826,740 or 19.03% of Bali’s total population, has the highest number of residents. With increasing population comes higher ownership of motor vehicles, and thus, greater potential for tax collection. However, local data from UPTD PPRD Samsat Buleleng reveals a worrying trend: although vehicle ownership is rising, the number of unpaid vehicle taxes is also increasing—reaching nearly 26% in 2024. This highlights a growing issue of non-compliance among vehicle owners in fulfilling their tax obligations (Ernawatiningsih & Sudiartana, 2020).

Table 1.1 shows the number of registered motor vehicles and their tax compliance status in Buleleng from 2020 to 2024. While there was an increase in compliance from 2020 to 2022, a sharp decline occurred in 2024, with only 74.06% of vehicle owners paying their taxes. The remaining 25.94%—equivalent to nearly 70,000 vehicles—had not fulfilled their obligations. This suggests that despite growth in vehicle ownership, compliance remains a critical challenge (Harlia et al., 2022). These findings underscore the urgent need for targeted interventions by the Buleleng Samsat Office to improve taxpayer behavior and local revenue performance (Santoso et al., 2025).

Field observations and interviews with vehicle taxpayers in Buleleng indicate several contributing factors to this low compliance. Many taxpayers lack awareness about due dates and tax amounts, while others face challenges such as long distances to Samsat offices, high payment amounts, or long processing times. These conditions often lead to late payments and subsequent penalties, discouraging future compliance. This situation reflects inadequate tax knowledge among the public and highlights the need for education and service reform (Byaro & Kinyondo, 2020; Subekti & Yuliana, 2023). In many cases, non-compliance stems from a lack of understanding of legal

responsibilities and the broader impact of taxes on regional development (Pangaribuan & Hidayat, 2023).

Taxpayer compliance is defined as the willingness and ability of taxpayers to fulfill their tax obligations in accordance with applicable laws and regulations. It plays a pivotal role in increasing regional revenues because improved compliance directly correlates with higher tax receipts (Mutia, 2014; Silaen & Pangaribuan, 2023). Compliance is categorized into two types: formal compliance (meeting legal filing and payment deadlines) and material compliance (adhering to substantive tax obligations). Several factors can influence this behavior, including the tax administration system, the quality of tax services, enforcement mechanisms, and taxpayer knowledge (Chasanah & Syaiful, 2022; Yuliani et al., 2024).

One of the most influential factors in taxpayer compliance is the quality of service. Good public service can improve satisfaction and trust, encouraging citizens to meet their tax obligations. Previous studies by Eman et al. (2021), Ernawatiningsih and Sudiartana (2020), and Harlia et al. (2022) found a positive and significant relationship between service quality and motor vehicle tax compliance. Conversely, other studies such as Kartikasari & Yadnyana (2021) found no significant effect, indicating mixed findings. This inconsistency suggests a research gap and provides a strong rationale for further investigation into the relationship between service quality and tax compliance in the context of Buleleng Regency (Putra et al., 2025; Rizkiani, 2022).

In addition to service quality, tax knowledge is another critical factor affecting compliance. Taxpayers with adequate knowledge of tax laws and procedures are more likely to fulfill their obligations (Karlina & Ethika, 2020; Barlan et al., 2021; Yanuarika et al., 2023). Tax knowledge influences motivation and shapes taxpayer behavior. However, not all studies support this view. For instance, Astuti & Astuti (2022) found that taxpayer awareness and education programs sometimes have a limited effect. To improve taxpayer education, Buleleng Samsat has launched several initiatives such as village-level outreach, school visits, and digital campaigns via social media platforms. The effectiveness of these efforts requires further empirical examination (Jumawan et al., 2024).

Tax sanctions are another tool used to encourage compliance. Sanctions act as a deterrent, ensuring that taxpayers fulfill their obligations or face financial and legal consequences. Several researchers (e.g., Ernawatiningsih & Sudiartana, 2020; Susi Sugiyarti et al., 2021) have found a significant positive effect of sanctions on compliance, while others (e.g., Di Nola et al., 2021) reported otherwise. In Buleleng, non-compliant vehicle owners face penalties of 25% of the tax owed, as well as the risk of vehicle deregistration under national law. These regulations are meant to enforce compliance, but their impact on actual taxpayer behavior in Buleleng remains unclear and warrants further investigation.

Given the data-driven issues, regional significance, and mixed findings in prior literature, this study seeks to investigate the effect of service quality, tax knowledge, and tax sanctions on motor vehicle taxpayer compliance in Buleleng Regency. The novelty of this research lies in its comprehensive approach to analyzing the combined and individual effects of these three variables within the localized context of Buleleng. It addresses the existing research gap and provides empirical insights that can support local government strategies in increasing taxpayer compliance and, ultimately, improving regional revenue performance.

## **2. Theoretical Foundations**

### **The Influence of Tax Service Quality, Tax Knowledge, and Tax Sanctions on Taxpayer Compliance**

Tax service quality, tax knowledge, and tax sanctions are three major factors that significantly contribute to the level of taxpayer compliance, particularly in the context of motor vehicle tax. According to Astuti and Astuti (2022), high-quality tax services—including speed, accuracy, friendliness, and professionalism of officers—enhance taxpayers' positive perceptions, which in turn encourage them to comply with their tax obligations.

In addition, tax knowledge, which includes an understanding of tax regulations, the role of taxes in development, and reporting procedures, has been shown to improve awareness and motivation to comply voluntarily (Azahra & Trisnaningsih, 2025; Pangaribuan & Hidayat, 2023). The higher the taxpayers' knowledge, the higher the level of compliance they demonstrate.

Tax sanctions act as external control mechanisms that enforce legal discipline. Strict and consistent sanctions serve as a deterrent and prevent violations, thus supporting increased compliance (Putra et al., 2025; Silaen & Pangaribuan, 2023). Both administrative and criminal sanctions have proven significant in encouraging compliance, especially among motor vehicle taxpayers.

### **The Influence of Tax Service Quality on Taxpayer Compliance**

According to compliance theory, service quality is an external factor that shapes taxpayer perception and behavior. Responsive, accessible, and expectation-aligned tax services are capable of generating satisfaction that translates into improved compliance (Jumawan et al., 2024; Susi Sugiyarti et al., 2021). A study by Rizkiani (2022) affirms that service quality has a positive and significant effect on taxpayer compliance, particularly in the payment of motor vehicle taxes at Samsat offices.

Byaro and Kinyondo (2020) further argue that trust in government institutions, fostered through quality service, promotes voluntary compliance. When taxpayers feel they are treated fairly and professionally, they are more likely to adhere to their tax responsibilities.

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### **The Influence of Tax Knowledge on Taxpayer Compliance**

Tax knowledge serves as an internal norm in compliance theory and the Theory of Planned Behavior. Knowledge about tax calculations, reporting procedures, and deadlines enables taxpayers to actively participate in the taxation system (Simatupang et al., 2023; Subekti & Yuliana, 2023).

Studies by Chasanah and Syaiful (2022) as well as Yanuarika et al. (2023) reveal that higher levels of tax knowledge are positively correlated with increased compliance. A lack of tax knowledge often becomes a primary cause of non-compliance, particularly among micro, small, and medium-sized enterprises (MSMEs).

### **The Influence of Tax Sanctions on Taxpayer Compliance**

Tax sanctions, whether in the form of administrative fines or criminal penalties, are tools to strengthen regulations and create deterrent effects for violators. Research by Karlina and Ethika (2020) and Harlia et al. (2022) demonstrates that firm and well-communicated sanctions positively influence compliance in the payment of motor vehicle taxes.

Santoso et al. (2025) assert that the perception of strict and inevitable sanctions enhances taxpayer awareness to avoid postponing or evading tax payments. Therefore, the implementation of effective sanctions is a crucial strategy to increase regional revenue through improved taxpayer compliance.

### **Research Hypotheses**

Based on the literature review above, the hypotheses proposed in this study are as follows:

- H1:** Tax service quality, tax knowledge, and tax sanctions simultaneously have a significant effect on motor vehicle taxpayer compliance in Buleleng Regency.
- H2:** Tax service quality has a positive and significant effect on taxpayer compliance.
- H3:** Tax knowledge has a positive and significant effect on taxpayer compliance.
- H4:** Tax sanctions have a positive and significant effect on taxpayer compliance.

## **3. Methodology**

This study employs a quantitative research design to examine the influence of tax service quality, taxpayer knowledge, and tax sanctions on motor vehicle taxpayer compliance in Buleleng Regency. The population in this study comprises all registered motor vehicle taxpayers at the Samsat Office of Buleleng Regency, totaling 269,486 individuals. Given the large population, the sample was selected using the simple random sampling technique with a 10% margin of error, based on the Taro Yamane formula. Using this approach, the required minimum sample size is 100 respondents. The sample was then proportionally distributed across three locations: 50 taxpayers from Samsat Induk Buleleng, 30 from Samsat Pembantu Seririt, and 20 from Gerai Samsat Kubutambahan, representing various compliance statuses.

The study analyzes four variables: one dependent variable—motor vehicle taxpayer compliance, and three independent variables—tax service quality, taxpayer knowledge, and tax sanctions. Each variable is defined operationally and measured using indicators adapted from prior literature. For example, taxpayer compliance is assessed based on timely tax payments, awareness of regulations, and absence of administrative sanctions. All variables are measured using a Likert scale ranging from 1 (Strongly Disagree) to 5 (Strongly Agree). The questionnaire includes both open and closed-ended questions, although closed-ended Likert-type questions were primarily used for data analysis.

Data were collected through three primary methods: questionnaires, observation, and document review. The main instrument used was a structured questionnaire distributed to motor vehicle taxpayers. Observational techniques were also employed to capture real-time service conditions and behaviors related to tax compliance at the Samsat office. Document review was conducted to obtain secondary data regarding the profile of the Samsat Office, vehicle registration statistics, and data on compliant and delinquent taxpayers. These multiple methods were intended to ensure a comprehensive and triangulated data collection process.

Before the actual survey, the instrument underwent validity and reliability testing. Validity was tested using the Pearson Product-Moment Correlation, with 30 respondents, where all question items showed  $r$ -values greater than the critical  $r$ -table value of 0.374, indicating all items were valid. Reliability was assessed using the Cronbach's Alpha method. All variables scored above 0.70, confirming internal consistency and reliability. These steps ensured the accuracy and consistency of the data collection instrument prior to full deployment.

For data analysis, this study utilized SPSS 25.0 software. A classical assumption test was first conducted, including tests for normality, multicollinearity, and heteroscedasticity to ensure the suitability of regression modeling. Hypothesis testing was performed using multiple linear regression analysis to evaluate the simultaneous and partial effects of independent variables on taxpayer compliance. The F-test assessed the overall model significance, while the t-test evaluated the individual contribution of each independent variable. The coefficient of determination ( $R^2$ ) was also calculated to determine how well the independent variables explain variations in the dependent variable.

#### **4. Empirical Findings/Results**

##### **Descriptive Analysis of Respondent Data**

This study involved 100 respondents who are motor vehicle taxpayers in Buleleng Regency. The data were collected through questionnaires distributed across four different Samsat service points between April 7 and April 14, 2025. The following table presents the characteristics of respondents, covering gender, type of vehicle, occupation, tax payment location, and tax payment status.

**Table 1. Profile of Motor Vehicle Taxpayer Respondents in Buleleng Regency**

No	Category	Sub-Category	Frequency	Percentage (%)
1	<b>Questionnaire Distribution</b>	Distributed / Received / Used	100	100%
2	<b>Gender</b>	Male	72	72%
		Female	28	28%
3	<b>Type of Vehicle</b>	Motorcycle	81	81%
		Private Car	12	12%
		Pick-Up / Truck	7	7%
4	<b>Occupation</b>	Civil Servant (PNS)	8	8%
		Farmer / Plantation Worker	27	27%
		Private Employee	38	38%
		Entrepreneur	9	9%
		Others	18	18%
5	<b>Tax Payment Location</b>	Main Samsat Office Buleleng	25	25%
		Samsat Sub-office Seririt	25	25%
		Samsat Service Point Kubutambahan	25	25%
		Samsat Link Tejakula	25	25%
6	<b>Motor Vehicle Tax Status</b>	Paid	84	84%
		Unpaid	16	16%

The total number of questionnaires distributed and successfully returned was 100, resulting in a 100% usable response rate. The majority of respondents were male (72%), with female respondents accounting for 28%. In terms of vehicle ownership, motorcycles dominated at 81%, followed by private cars (12%) and pick-up/trucks (7%). Regarding occupational background, the largest group consisted of private employees (38%), followed by farmers/plantation workers (27%), while civil servants, entrepreneurs, and others made up the remainder. The distribution of respondents across the four Samsat offices was evenly spread (25% each), indicating balanced access to tax services across the region. Most notably, 84% of the respondents were tax-compliant, having paid their Motor Vehicle Tax (PKB), while 16% were still delinquent, suggesting the need for further outreach or policy interventions to improve taxpayer compliance.

### **Classical Assumption Testing**

Before conducting multiple linear regression analysis, the classical assumption tests must first be performed, as they are a prerequisite for valid regression results. The classical assumption tests include the normality test, multicollinearity test, and heteroscedasticity test.

#### **Normality Test**

The normality test was conducted to determine whether the residual values are normally distributed. This study used the One-Sample Kolmogorov-Smirnov test at a significance level of 0.05. The decision rule is as follows: if the significance value is greater than 0.05, the residuals are considered normally distributed; if it is less than 0.05, the residuals are not normally distributed. Based on the test results, the significance value was 0.200, which is greater than 0.05. Therefore, it can be concluded that the residuals in this study are normally distributed.

#### **Multicollinearity Test**

The multicollinearity test was conducted to assess whether there is any correlation between the independent variables in the regression model. This was tested using the tolerance and Variance Inflation Factor (VIF) values. If the VIF value is greater than 10 or the tolerance is less than 0.10, it indicates multicollinearity; otherwise, there is no multicollinearity. The test results showed that all independent variables — service quality, tax knowledge, and tax sanctions — had VIF values below 10 and tolerance values above 0.10. This indicates that there is no multicollinearity among the independent variables.

#### **Heteroscedasticity Test**

To test for heteroscedasticity, this study employed the Glejser test by regressing the absolute value of the residuals against each independent variable. According to Ghozali (2018), if the significance value is greater than or equal to 0.05, it can be concluded that there is no heteroscedasticity. The results showed that the significance values for all independent variables service quality (0.444), tax knowledge (0.929), and tax sanctions (0.242) were greater than 0.05. Therefore, it can be concluded that there is no heteroscedasticity problem in the regression model.

Based on the results of the normality, multicollinearity, and heteroscedasticity tests, it can be concluded that the data used in this study meet the classical assumption requirements. The residuals are normally distributed, there is no multicollinearity among the independent variables, and no heteroscedasticity was found. Hence, the data are suitable for further hypothesis testing.

### **Multiple Linear Regression Analysis**

This research uses multiple linear regression analysis to examine the influence of several independent variables on a dependent variable simultaneously. This method is suitable as the model involves more than one independent variable, namely: Service Quality ( $X_1$ ), Tax Knowledge ( $X_2$ ), and Tax Sanctions ( $X_3$ ), on the dependent variable, Taxpayer Compliance ( $Y$ ). The data was processed using SPSS version 25.0.



**Table 2. Regression Equation Output**

Variable		Unstandardized Coefficients (B)	Standardized Coefficients (Beta)	t	Sig.
Service Quality (X <sub>1</sub> )		0.387	0.470	7.843	0.000
Tax Knowledge (X <sub>2</sub> )		0.353	0.408	5.907	0.000
Tax Sanctions (X <sub>3</sub> )		0.163	0.150	2.024	0.046

Based on the output in Table 2, the regression model is formulated as:

$$Y = 4.540 + 0.387X_1 + 0.353X_2 + 0.163X_3 + \varepsilon$$

This means that if all independent variables are at zero, the predicted value of taxpayer compliance is 4.540. Each increase of one unit in service quality results in an increase in compliance by 0.387 units. Likewise, a one-unit increase in tax knowledge contributes 0.353 units, and tax sanctions contribute 0.163 units. As shown in Table 1, all three independent variables positively and significantly affect taxpayer compliance ( $p < 0.05$ ), evidenced by their respective t-values exceeding the t-table value of 1.660.

#### Coefficient of Determination (R<sup>2</sup>)

**Table 3. Coefficient of Determination (R<sup>2</sup>)**

Model Summary	R	R Square	Adjusted R Square	Std. Error of the Estimate
Model (X <sub>1</sub> , X <sub>2</sub> , X <sub>3</sub> )	0.740	0.547	0.536	2.504

From Table 3, the Adjusted R Square value is 0.536. This indicates that 53.6% of the variance in taxpayer compliance (Y) is explained by the variables of service quality, tax knowledge, and tax sanctions. Meanwhile, the remaining 46.4% is influenced by other factors outside the model. This coefficient value reflects a moderate to strong explanatory power, meaning the model has a meaningful level of predictive capability.

#### F-Test (Simultaneous Test)

**Table 4. ANOVA**

ANOVA Table	Sum of Squares	df	Mean Square	F	Sig.
Regression	735.969	3	245.323	39.080	0.000
Residual	609.981	97	6.288		
Total	1345.950	100			

As shown in Table 4, the F-value is 39.080, which is greater than the F-table value of 2.70, with a significance level of 0.000 (less than 0.05). This result indicates that the regression model is statistically significant. Therefore, H1 is accepted, meaning that

service quality, tax knowledge, and tax sanctions simultaneously affect taxpayer compliance.

### **t-Test (Partial Test)**

The t-test is used to evaluate the individual effect of each independent variable. Based on Table 1, Service Quality ( $X_1$ ) shows a t-value of 7.843 and a significance of 0.000. Since the t-value exceeds the critical value (1.660) and the p-value is below 0.05, it confirms that service quality has a significant positive effect on taxpayer compliance. Thus, H2 is accepted. Similarly, Tax Knowledge ( $X_2$ ) produces a t-value of 5.907 and a significance of 0.000, which also meets the criteria for statistical significance, indicating that H3 is accepted and tax knowledge significantly and positively affects compliance. Lastly, Tax Sanctions ( $X_3$ ) display a t-value of 2.024 and a significance of 0.046, which is still below 0.05. Although the effect is smaller than the other variables, it remains statistically significant. Therefore, H4 is accepted, meaning tax sanctions significantly affect taxpayer compliance. All these findings are supported by the data in Table 1.

## **5. Discussion**

### **The Influence of Service Quality, Tax Knowledge, and Tax Sanctions on Taxpayer Compliance**

The findings of this study reveal that service quality, tax knowledge, and tax sanctions simultaneously have a significant and positive effect on motor vehicle taxpayer compliance in Buleleng Regency. This is in line with compliance theory, which explains that individuals are more inclined to obey tax regulations when they clearly understand them, perceive them as fair, and recognize the consequences of non-compliance (Di Nola et al., 2021).

Service quality contributes to building taxpayer trust and satisfaction. When public services are delivered efficiently and professionally, taxpayers are more likely to comply voluntarily. Research by Jumawan et al. (2024) and Susi Sugiyarti et al. (2021) found that accessible services—such as online payments, drive-thru counters, and well-managed offices—encourage positive taxpayer behavior.

Tax knowledge enables taxpayers to comprehend their rights and responsibilities, payment schedules, and the functions of taxation. Without adequate understanding, taxpayers may unintentionally neglect their obligations. This aligns with studies by Azahra and Trisnaningsih (2025) and Pangaribuan and Hidayat (2023), which confirmed that improving tax education significantly enhances compliance.

Tax sanctions act as formal deterrents. In Buleleng, enforcement mechanisms like administrative fines and the threat of vehicle data deletion provide strong incentives for compliance. This is consistent with Karlina and Ethika (2020) and Harlia et al. (2022), who demonstrated that strict and visible penalties reinforce tax discipline.

However, as noted by Subekti and Yuliana (2023), a balanced approach that combines strict sanctions, effective services, and informative outreach yields the best outcomes.

These three elements—if implemented cohesively—can transform the tax ecosystem into one that is participatory, transparent, and compliant.

### **The Influence of Service Quality on Taxpayer Compliance**

The study also confirms that service quality has a direct and significant influence on taxpayer compliance, especially in the context of motor vehicle taxation. Service quality is reflected in the experience taxpayers have at the SAMSAT office, including responsiveness, facility availability, staff competence, and ease of payment processes. Taxpayers who receive timely, courteous, and accessible services tend to be more compliant. Features such as drive-thru counters, waiting rooms, and digital service options—like online renewal and e-payment—enhance convenience and trust. This is supported by Rizkiani (2022) and Putra et al. (2025), who showed that improving service facilities leads to higher compliance levels.

Further, Chasanah and Syaiful (2022) highlighted that satisfaction with service delivery can positively shape a taxpayer's attitude toward fulfilling obligations. Similarly, Byaro and Kinyondo (2020) found that when citizens trust public institutions and perceive the quality of governance positively, their willingness to pay taxes increases significantly.

The implication is clear: local governments should prioritize continuous service innovation through digital transformation and employee capacity building. Doing so will not only improve taxpayer satisfaction but also strengthen long-term compliance.

### **The Influence of Tax Knowledge on Taxpayer Compliance**

Tax knowledge was also found to significantly affect taxpayer compliance. Taxpayers who are aware of their obligations—including due dates, calculation procedures, and the broader purpose of taxation—tend to comply more consistently. This supports the notion that compliance is not only a legal issue but also a matter of awareness and understanding.

According to Yanuarika et al. (2023) and Kartikasari and Yadnyana (2021), a taxpayer's level of understanding significantly influences their motivation to comply. Without proper knowledge, taxpayers may unintentionally make errors or delay payments. Conversely, informed taxpayers are more proactive and responsible. The importance of tax literacy has led many regions, including Buleleng, to adopt creative educational strategies—such as village outreach programs, social media campaigns, and WhatsApp-based reminders. These efforts reflect findings by Santoso et al. (2025) and Ernawatiningsih and Sudiartana (2020), who recommended widespread tax education to foster compliance at the grassroots level.

In conclusion, tax authorities must prioritize knowledge dissemination as a strategic tool, not only to prevent non-compliance but also to promote a culture of tax awareness and voluntary participation.

### **The Influence of Tax Sanctions on Taxpayer Compliance**

The analysis also demonstrates that tax sanctions significantly and positively influence taxpayer compliance. Sanctions serve as legal tools to deter misconduct and enforce the credibility of tax regulations. In Buleleng, taxpayers are subject to administrative fines and data deletion for prolonged non-payment, which motivates timely compliance.

This result is consistent with previous studies by Silaen and Pangaribuan (2023) and Yuliani et al. (2024), which found that stronger sanctions correlate with increased tax discipline. Furthermore, enforcement measures such as field inspections, public warnings, and legal notifications improve perceptions of state authority and deter non-compliance.

However, sanctions alone are not enough. According to Simatupang et al. (2023), sanctions are more effective when integrated with tax awareness and service quality initiatives. A punitive approach must be complemented by education and assistance, allowing taxpayers to not only fear consequences but also understand and engage with their obligations.

Thus, for a comprehensive compliance strategy, local governments must implement a balanced model: strict enforcement combined with empathetic service and widespread taxpayer education. This synergy will contribute to sustainable taxpayer behavior and better regional revenue outcomes.

## **6. Conclusions**

Based on the discussion and the results of statistical testing and hypothesis analysis, this study concludes that service quality, tax knowledge, and tax sanctions collectively have a significant and positive influence on motor vehicle taxpayer compliance in Buleleng Regency. The effective implementation of responsive and professional services by the SAMSAT office, the enhancement of taxpayer literacy, and the firm but fair enforcement of tax sanctions have proven to be crucial in influencing taxpayer behavior. A high level of taxpayer compliance directly contributes to increased regional revenue and supports the success of local development programs, which ultimately benefits both the community at large and the taxpayers themselves.

These findings highlight the importance for local governments, particularly the UPT PPRD SAMSAT Buleleng, to prioritize the development of more responsive and accessible public services. Service innovations—such as digital applications, call centers, and well-trained customer service teams—can significantly improve taxpayers' experiences and foster greater trust in the system. In addition, increasing tax knowledge through targeted educational campaigns in local communities, schools, and digital platforms will enhance public understanding of taxation and its benefits. This understanding is key to building a more compliant and tax-aware society. Moreover, the consistent enforcement of sanctions against non-compliant taxpayers

must continue in parallel with education and service improvements to create a balanced and effective compliance strategy.

This study was limited to a single regency with a sample of 100 motor vehicle taxpayers, which may not fully represent the broader taxpayer population in Buleleng or other regions. Future research is encouraged to involve larger and more diverse samples to improve the generalizability of the findings. Additionally, this study focused on only three variables—service quality, tax knowledge, and tax sanctions—while other potentially influential factors, such as tax awareness, incentive programs, tax amnesty policies, and the role of tax socialization, were not included. Subsequent research should consider incorporating these variables to develop a more comprehensive understanding of taxpayer compliance. Expanding the geographic scope and conducting longitudinal studies would also provide deeper insights into behavioral changes over time and support the formulation of more dynamic tax policies.

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