International Journal of Economics, Business and Innovation Research
https://e-journal.citakonsultindo.or.id/index.php/IJEBIR
E-ISSN : 2964-0865
IJEBIR

The Effect Of Budget Constraints, Price Sensitivity, And Tax Literacy On Generation Z's Purchase Intentions In Semarang In Response To An Increase In The VAT Rate

Maria Apriani Nautany[1], Sukristanta[2]

[1,2]Fakultas Ekonomika Dan Bisnis Universitas AKI Semarang

E-Mail : mriaprnty@gmail.com, sukristanta@unaki.ac.id

Abstract

The increase in Value Added Tax (VAT) rates has the potential to influence people's consumption behavior, especially Generation Z, who generally have limited budgets and high price sensitivity. This study aims to analyze the influence of limited budgets, price sensitivity, and tax literacy on Generation Z's purchasing interest in facing the increase in VAT rates in Semarang City. The study used a quantitative approach with a survey method. The study population was Generation Z domiciled in Semarang City, while the sample consisted of 170 respondents selected using a purposive sampling technique. Data were collected through a questionnaire with a four-point Likert scale and analyzed using the Statistical Package for the Social Sciences (SPSS) through descriptive statistical analysis, validity tests, reliability tests, classical assumption tests, multiple linear regression analysis, t-tests, F-tests, and coefficients of determination. The results showed that limited budgets and price sensitivity had a negative and significant effect on purchasing interest, while tax literacy had no significant effect. Simultaneously, all three variables had a significant effect on purchasing interest with an Adjusted R^2 value of 0.302. This study concluded that economic factors and perceptions of price were more determinants of Generation Z's purchasing interest in facing the increase in VAT rates than understanding of taxation.

Keywords: Budget Constraint, Generation Z, Price Sensitivity, Purchase Intention, Tax Literacy

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

International Journal of Economics, Business and Innovation Research
https://e-journal.citakonsultindo.or.id/index.php/IJEBIR
E-ISSN : 2964-0865
IJEBIR

INTRODUCTION

Taxes are a key instrument in the state financial system, serving not only as a source of revenue but also as a tool to regulate economic activity, maintain stability, and support equitable distribution of public welfare. One form of tax most closely linked to consumer consumption is Value Added Tax (VAT), an indirect tax levied on the consumption of goods and services. Unlike income tax, which considers the taxpayer's economic capacity, VAT is imposed equally on all consumers, thus placing a proportionally greater burden on low- to middle-income groups (Bird & Gendron, 2007). Through Minister of Finance Regulation No. 131 of 2024, the government implemented a 12 percent VAT rate policy with different mechanisms for luxury goods and general goods. Although formally the effective rate on most general goods remains the same as the previous rate through the Other Value Added Tax (DPP) scheme, the phenomenon of pre-emptive inflation has caused many businesses to adjust prices both before and after the policy is implemented, so consumers continue to experience price increases for goods and services (CELIOS, 2024). This condition has the potential to reduce people's purchasing power and influence consumption behavior, especially among the productive age group.

Generation Z is the most relevant group to study because most are still in the early stages of economic life with relatively limited incomes. From a budget constraint perspective, price increases due to changes in VAT rates narrow consumption space if not accompanied by a commensurate increase in income (Varian, 2014). CELIOS (2024) estimates that the VAT rate increase could increase the average expenditure burden of young consumers by IDR 1.7 million per year for various daily needs. This pressure encourages various forms of behavioral adjustments, such as delaying purchases, switching to cheaper substitute products, or canceling purchases. On the other hand, Generation Z is also characterized by a high familiarity with digital technology, making it easier to compare prices of various products quickly. This condition increases their sensitivity to price changes, where the perception of prices being considered unreasonable can reduce consumers' perceived value and ultimately suppress purchasing interest (Monroe, 2003; Zeithaml, 1988).

This phenomenon demonstrates that changes in VAT rates are not solely related to fiscal policy but also raise consumer behavior issues influenced by various economic and psychological factors. Budget constraints are one factor thought to influence Generation Z's purchasing intentions when prices rise. However, previous research has shown inconsistent findings. Friska, Lubis, and Hasibuan (2023) found that budget

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

constraints had no significant impact on consumer behavior. Conversely, research by Widodo and Devica (2022) demonstrated that price sensitivity significantly impacts purchase intention, indicating that price changes remain a key consideration in young consumers' purchasing decisions.

Research issues are also evident in the tax literacy variable, which yields conflicting results. Sustiyo (2022) concluded that Value Added Tax literacy significantly influences Generation Z's consumer behavior, while research by Lestari, Pratama, Putri, and Putri (2025) found a negative but insignificant effect when VAT literacy was linked to a digital lifestyle. Furthermore, the public's lack of understanding of the 12 percent VAT rate implementation mechanism has also given rise to various misconceptions on social media, leading to panic and delayed purchasing decisions. This phenomenon suggests that tax literacy levels have the potential to influence how young consumers respond to tax policies, particularly in shaping perceptions of price increases and purchasing decisions (Kirchler, 2007; Eriksen & Fallan, 1996).

Based on these conditions, this study aims to analyze the influence of budget constraints, price sensitivity, and tax literacy on Generation Z's purchasing interest in the face of the VAT rate increase. This research is important because changes in VAT policy not only impact the fiscal aspect but also influence the consumption behavior of the productive age group that has a significant contribution to national household consumption. The novelty of this study lies in the integration of these three variables in a single research model specifically linked to Generation Z's purchasing interest in the context of the implementation of the 12 percent VAT rate increase. This approach is expected to provide a more comprehensive understanding of the factors influencing young consumers' responses to changes in tax policy.

RESEARCH METHODOLOGY

This study uses a quantitative approach to examine the causal relationship between budget constraints, price sensitivity, and tax literacy on Generation Z's purchasing intentions in the face of increasing Value Added Tax (VAT) rates. The quantitative approach was chosen because it emphasizes objective measurement of variables through numerical data, which are then analyzed using statistical procedures. The testing was conducted based on deductively formulated hypotheses based on the Theory of Planned Behavior as the main research theory (Sugiyono, 2023). The research data were obtained through questionnaires distributed to respondents and then

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

processed to produce conclusions that can describe the relationships between variables in the studied population.

The population of this study was all Generation Z individuals residing in Semarang City, including students, workers, and other groups who have reached the age to make independent consumption decisions (Sugiyono, 2023). The sampling technique used purposive sampling, considering the characteristics of respondents in accordance with the research objectives. Respondents were determined based on several criteria, namely including Generation Z individuals born between 1997 and 2012 with a minimum age of 18 years, residing in Semarang City, having purchased goods or services subject to VAT after the implementation of the 12 percent rate, and being willing to complete the questionnaire completely and according to actual conditions. The determination of the sample size refers to the provisions of Hair et al. (2014), which is five times the number of statement items in the research instrument. With a total of 32 statement items, this study used 160 respondents as the research sample.

The research instrument was a structured questionnaire compiled using a four-point Likert scale: strongly agree, agree, disagree, and strongly disagree. The use of a scale without a neutral option aims to reduce the tendency of respondents to choose middle answers, thus providing a clearer picture of respondents' attitudes (Sugiyono, 2023). The questionnaire measured four research variables: budget constraints, price sensitivity, tax literacy, and purchasing interest based on predetermined indicators. In addition to primary data obtained through the questionnaire, this study also utilized secondary data from the Central Statistics Agency (BPS), the Financial Services Authority (OJK), the Directorate General of Taxes (DGT), Bank Indonesia, scientific journals, reference books, and various relevant academic publications to strengthen the research's theoretical foundation (Sugiyono, 2014).

Data analysis was performed using Statistical Package for the Social Sciences (SPSS) software. The analysis stages included descriptive statistical analysis to describe the characteristics of the data through the average, minimum, maximum, and standard deviation values (Sugiyono, 2017). Next, instrument quality testing was carried out, consisting of a validity test using Pearson Product Moment correlation and a reliability test using Cronbach's Alpha with the provision that the alpha value is greater than 0.60 (Ghozali, 2018). Before hypothesis testing was carried out, the data were first tested using classical assumption tests including normality tests with Kolmogorov Smirnov and Probability Plot graphs, multicollinearity tests using Tolerance and Variance Inflation Factor (VIF) values, and heteroscedasticity tests using the Glejser

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

Test (Ghozali, 2018; Santoso, 2019). Hypothesis testing was carried out through multiple linear regression analysis to determine the influence of each independent variable on purchasing interest, either partially through the t-test, simultaneously through the F-test, or through the coefficient of determination (R^2) to determine the model's ability to explain variations in the dependent variable (Sugiyono, 2017; Ghozali, 2018).

The research began with the development of research instruments based on the indicators of each predetermined variable. Next, an online questionnaire was distributed to respondents who met the research criteria through various communication media commonly used by Generation Z. The collected data was then selected, coded, and tabulated before testing the instrument's quality through validity and reliability tests. After the instrument was declared to have met the requirements, the data was analyzed using the classical assumption test to ensure the regression model met the analysis criteria. The next stage was to conduct multiple linear regression analysis followed by hypothesis testing through the t-test, F-test, and coefficient of determination (R^2). The results of the analysis were then interpreted to answer the research objectives regarding the influence of budget constraints, price sensitivity, and tax literacy on Generation Z's purchasing interest in facing the increase in VAT rates.

RESULTS AND DISCUSSION

Respondent Overview

1. Respondent Characteristics Based on Gender

Table 1. Respondent Characteristics Based on Gender

Gender	Amount	Presentation
Woman	102	60%
Man	68	40%
Total	**170**	**100%**

The majority of respondents in this study were female, namely 102 people (60%), while there were 68 male respondents (40%).

2. Respondent Characteristics Based on Age

Table 2. Respondent Characteristics Based on Age

Age	Amount	Presentation
18-21 years old	85	50%

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

22-25 years old	67	39.4%
26-29 years old	18	10.6%
Total	**170**	**100%**

The majority of respondents were in the 18-21 age group (50%), followed by those in the 22-25 age group (39.4%), and then those in the 26-29 age group (10.6%). This distribution indicates that the respondents in this study were predominantly Generation Z, within the active student age range, who are essentially capable of making their own decisions.

3. Respondent Characteristics Based on Domicile

Table 3 Respondent Characteristics Based on Domicile

Domicile	Amount	Presentation
North Semarang	33	32.4%
Central Semarang	32	18.8%
Other	27	15.9%
East Semarang	19	11.2%
Tembalang	18	10.6%
South Semarang	11	6.5%
Gayamsari	8	4.7%
Total	**170**	**100%**

The research respondents were spread across various areas in Semarang City, with the largest proportion residing in North Semarang (32.4%), followed by Central Semarang (18.8%) and other areas in Semarang City.

4. Respondent Characteristics Based on Status

Table 4. Respondent Characteristics Based on Status

Status	Amount	Presentation
Active Students	100	58.8%
Other	36	21.2%
Study While Working	27	15.9%
Students	7	4.1%
Total	**170**	**100%**

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

The majority of respondents have the status of active students (58.8%), which is in line with the distribution of the respondents' ages, which are dominated by the 18-21 year age group.

5. **Respondent Characteristics Based on Income/Pocket Money**

Table 5. Respondent Characteristics Based on Pocket Money

Income/Pocket Money	Amount	Presentation
<Rp. 1,000,000	83	48.8%
Rp. 1,000,000 – Rp. 2,000,000	46	27.1%
Rp. 2,000,000 – Rp. 3,000,000	27	15.9%
Rp. 3,000,000 – Rp. 4,000,000	9	5.3%
>Rp. 4,000,000	5	2.9%
Total	**170**	**100%**

Nearly half of respondents (48.8%) had a monthly income or allowance below Rp 1,000,000, and cumulatively, 75.9% of respondents earned less than Rp 2,000,000 per month. This characteristic is relevant to the Budgetary Constraints variable studied, as it reflects the limited financial condition of the majority of Generation Z in Semarang City, making them vulnerable to price increases due to VAT rates.

6. **Respondent Characteristics Based on Purchase Frequency**

Table 6. Frequency of Purchase of VAT-Subject Goods

Purchase Frequency per Month	Amount	Presentation
1 – 3 times	100	58.85%
4 – 10 times	43	25.3%
>10 times	27	15.9%
Total	**170**	**100%**

The majority of respondents (58.8%) made purchases of goods/services subject to VAT rates 1-3 times in the last month, which shows that Generation Z in Semarang City regularly transacts with products affected by the VAT rate policy, although the frequency is not very high.

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

International Journal of Economics, Business and Innovation Research
https://e-journal.citakonsultindo.or.id/index.php/IJEBIR
E-ISSN : 2964-0865
IJEBIR

Research Instrument Test Results

1. Validity Test Results

A. Budget Constraint Variable (X1)

Table 7. Results of the Validity Test of Budget Limitations (X1)

Item	r count	r table	Sig. (2-tailed)	Information
Item 1	0.626	0.150	0,000	Valid
Item 2	0.454	0.150	0,000	Valid
Item 3	0.515	0.150	0,000	Valid
Item 4	0.527	0.150	0,000	Valid
Item 5	0.624	0.150	0,000	Valid
Item 6	0.545	0.150	0,000	Valid
Item 7	0.509	0.150	0,000	Valid
Item 8	0.574	0.150	0,000	Valid

Source: Results of SPSS 2026 data processing

Based on the above, all 8 statement items in the Budgetary Limitations variable have a significance value of 0.000 < 0.05, so that all items are declared valid and suitable for use to measure the Budgetary Limitations Variable.

B. Price Sensitivity Variable (X2)

Table 8. Price Sensitivity Validity Test Results

Item	r count	r table	Sig. (2-tailed)	Information
Item 1	0.393	0.150	0,000	Valid
Item 2	0.548	0.150	0,000	Valid
Item 3	0.615	0.150	0,000	Valid
Item 4	0.613	0.150	0.000	Valid
Item 5	0.489	0.150	0,000	Valid
Item 6	0.689	0.150	0,000	Valid
Item 7	0.538	0.150	0,000	Valid
Item 8	0.743	0.150	0,000	Valid

Source: Results of SPSS 2026 data processing

All 8 items in the Price Sensitivity variable also showed a significance value of 0.000 <0.05 so that all items were declared valid.

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

C. Tax Literacy Variable (X3)

Table 9. Results of Tax Literacy Validity Test

Item	r count	r table	Sig. (2-tailed)	Information
Item 1	0.547	0.150	0,000	Valid
Item 2	0.559	0.150	0,000	Valid
Item 3	0.640	0.150	0,000	Valid
Item 4	0.543	0.150	0,000	Valid
Item 5	0.369	0.150	0,000	Valid
Item 6	0.407	0.150	0,000	Valid
Item 7	0.433	0.150	0,000	Valid
Item 8	0.501	0.150	0,000	Valid

Source: Results of SPSS 2026 data processing

All eight items in the Tax Literacy variable were declared valid based on the calculated r-value and significance criteria. However, as will be explained in the reliability subtests, some items in this variable were excluded from the final measurement due to internal consistency (reliability) considerations, not because they were invalid.

D. Purchase Interest Variable (Y)

Table 10. Results of Purchase Interest Validity Test

Item	r count	r table	Sig. (2-tiled)	Information
Item 1	0.481	0.150	0,000	Valid
Item 2	0.455	0.150	0,000	Valid
Item 3	0.572	0.150	0,000	Valid
Item 4	0.250	0.150	0.001	Valid
Item 5	0.505	0.150	0,000	Valid
Item 6	0.101	0.150	0.191	Invalid
Item 7	0.565	0.150	0,000	Valid
Item 8	0.656	0.150	0,000	Valid

Source: Results of SPSS 2026 data processing

Test results for the Purchase Intention variable showed that item 6 had a significance value of 0.191 (>0.05), so it was declared invalid and removed from further

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

analysis. Meanwhile, the other seven items were declared valid and used in the reliability testing phase.

2. Reliability Test Results

Table 11. Reliability Test Results

Variables	Initial Number of Items	Final Item Quantity	Final Cronbach's Alpha	Standardization Value	Information
Budget Constraints (X1)	8	8	0.667	0.60	Reliable
Price Sensitivity (X2)	8	8	0.717	0.60	Reliable
Tax Literacy (X3)	8	4	0.638	0.60	Reliable
Purchase Interest (Y)	8	6	0.626	0.60	Reliable

Source: Results of SPSS 2026 data processing

The Budget Constraint and Price Sensitivity variables were declared reliable since the first stage of testing, with all items retained (8 items each), with Cronbach's Alpha values of 0.667 and 0.717, respectively. These two values indicate a good level of internal consistency.

The Tax Literacy variable in the first stage of testing produced a Cronbach's Alpha value of 0.573, which did not meet the minimum requirement of 0.60. Through a gradual process of eliminating items with the lowest Corrected Item-Total Correlation (Items 5, 8, 4, and 3 respectively), the Cronbach's Alpha value finally increased to 0.638, leaving 4 items (items 1, 2, 6, and 7). Thus, the final measurement of the Tax Literacy variable in this study only used half of the items initially designed.

The Purchase Intention variable, after removing the 6th invalid item in the validity test stage, produced a Cronbach's Alpha of 0.548 on the remaining 7 items (not yet qualified). The fourth item was then removed because it had a negative Corrected Item-

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

International Journal of Economics, Business and Innovation Research
https://e-journal.citakonsultindo.or.id/index.php/IJEBIR
E-ISSN : 2964-0865
IJEBIR

Total Correlation value (-0.052), so that the final Cronbach's Alpha value became 0.626 with 6 items retained (items 1, 2, 3, 5, 7, and 8).

Classical Assumption Test Results

1. Normality Test Results

Table 12. Results of the Normality Test (One-Sample Kolmogorov-Smirnov Test)

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		170
Normal Parametersa,b	Mean	,0000000
	Standard Deviation	2.46854762
Most Extreme Differences	Absolute	,056
	Positive	,056
	Negative	-,042
Test Statistics		,056
Asymp. Sig. (2-tailed)		,200c,d
a. Test distribution is Normal.		
b. Calculated from data.		
c. Lilliefors Significance Correction.		
d. This is a lower bound of the true significance.		

Source: Results of SPSS 2026 data processing

Based on the table above, the Asymp. Sig. (2-tailed) value is 0.200 > 0.05, so it can be concluded that the residual data in this study is normally distributed and the regression model has met the normality assumption.

2. Multicollinearity Test Results

Table 13. Multicollinearity Test Results

Coefficientsa								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	25,580	1,550		16,508	,000		

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

International Journal of Economics, Business and Innovation Research
https://e-journal.citakonsultindo.or.id/index.php/IJEBIR
E-ISSN : 2964-0865
IJEBIR

	X1	-,264	,062	-,317	-4,271	,000	,749	1,336
	X2	-,258	,058	-,337	-4,423	,000	,710	1,409
	X3	,058	,089	,043	,648	,518	,940	1,064
a. Dependent Variable: Y								

Source: Results of SPSS 2026 data processing

The three independent variables have a Tolerance value above 0.10 and a VIF value below 10, so it can be concluded that there are no symptoms of multicollinearity between the independent variables in this regression model.

3. Heteroscedasticity Test Results

Table 14. Results of Heteroscedasticity Test (Glejser Test)

Coefficientsa								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	,862	,933		,923	,357		
	X1	,058	,037	,138	1,552	,123	,749	1,336
	X2	,011	,035	,028	,306	,760	,710	1,409
	X3	-,035	,054	-,052	-,656	,512	,940	1,064
a. Dependent Variable: ABS_RES								

Source: Results of SPSS 2026 data processing

The significance values for all three independent variables are all above 0.05, thus concluding that this regression model does not exhibit heteroscedasticity. In other words, the residual variance is homogeneous (homokedastic) across all observations. This result is also supported by the scatterplot in the figure below:

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

International Journal of Economics, Business and Innovation Research
https://e-journal.citakonsultindo.or.id/index.php/IJEBIR
E-ISSN : 2964-0865
IJEBIR

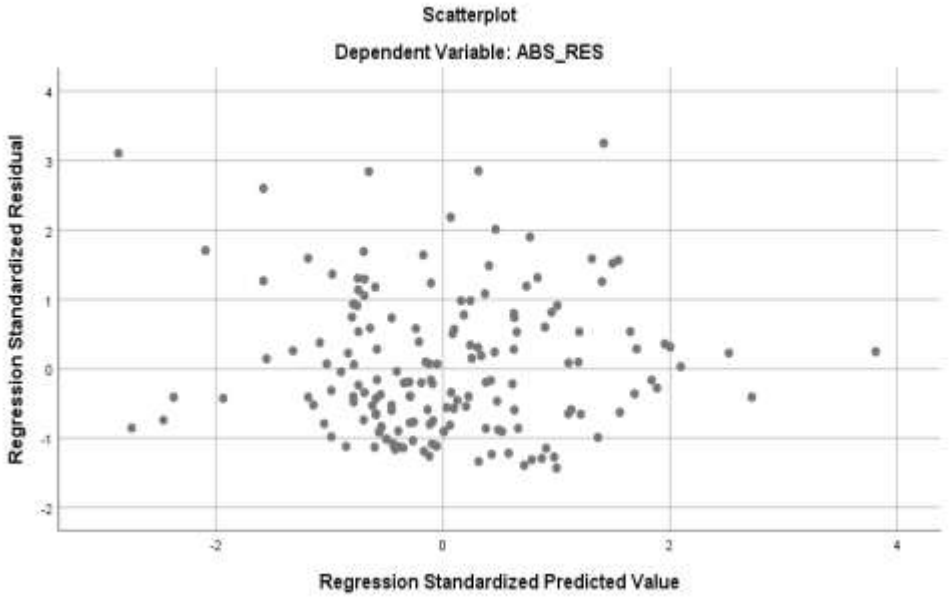


Figure 1. Results of Heteroscedasticity Test
Source: Results of SPSS 2026 data processing

The figure above shows the distribution of standardized residual regression points against the standardized predicted value regression in the Glejser Test model (dependent variable: ABS_RES). The points in the scatterplot are randomly distributed, both above and below zero on the Y-axis, without forming a specific systematic pattern so that it can be concluded that there is no deviation from the classical assumption of heteroscedasticity in the regression model in this research data.

Results of Multiple Linear Regression Analysis

Table 15. Results of Multiple Linear Analysis

Coefficientsa								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	25,580	1,550		16,508	,000		
	X1	-,264	,062	-,317	-4,271	,000	,749	1,336
	X2	-,258	,058	-,337	-4,423	,000	,710	1,409

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

	X3	,058	,089	,043	,648	,518	,940	1,064
a. Dependent Variable: Y								

Source: Results of SPSS 2026 data processing

Based on the table above, the multiple linear regression equation in this study can be formulated as follows:

Y=25,580 – 0.264X1 – 0.258X2 + 0.058X3 + e

The interpretation of the regression equation is as follows:

1. The constant value of 25.580 indicates that if the variables Budget Limitation, Price Sensitivity, and Tax Literacy are considered constant (zero value), then Generation Z's Purchase Interest is at 25.580.
2. The regression coefficient of Budget Constraints (X1) of -0.264 indicates a negative relationship, which means that every one unit increase in budget constraints will decrease purchasing interest by 0.264 units, assuming other variables remain constant.
3. The Price Sensitivity regression coefficient (X2) of -0.258 indicates a negative relationship, which means that every one unit increase in price sensitivity will decrease purchasing interest by 0.258 units, assuming other variables remain constant.
4. The Tax Literacy regression coefficient (X3) of 0.058 indicates a positive relationship, meaning that every one-unit increase in tax literacy will increase purchasing interest by 0.058 units, assuming other variables remain constant. However, as will be explained in the hypothesis testing sub-chapter, this effect is not statistically significant.

Hypothesis Test Results

1. Partial Test Results (t-Test)

Table 16. t-Test Results

Coefficientsa								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	25,580	1,550		16,508	,000		
	X1	-,264	,062	-,317	-4,271	,000	,749	1,336

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

International Journal of Economics, Business and Innovation Research
https://e-journal.citakonsultindo.or.id/index.php/IJEBIR
E-ISSN : 2964-0865
IJEBIR

	X2	-,258	,058	-,337	-4,423	,000	,710	1,409
	X3	,058	,089	,043	,648	,518	,940	1,064
a. Dependent Variable: Y								

Source: Results of SPSS 2026 data processing

The t-test results show that Budgetary Constraints show a calculated t-value of -4.271 with a significance level of 0.000 <0.05. The absolute value of the calculated t exceeds the t-table of 4.271 > 1.974, thus the Budgetary Constraints variable has a significant effect on Purchase Intention, and H1 is declared accepted. The negative direction of the coefficient (-0.264) indicates that the higher the budget constraints felt by respondents, the lower their purchase interest.

The Price Sensitivity variable also shows a calculated t value of -4.423 with a significance level of 0.000 < 0.05. The absolute value of the calculated t exceeds the t table of 4.423 > 1.974, which means that the Price Sensitivity variable also has a significant effect on Purchase Interest and H2 is declared accepted. The negative regression coefficient (-0.258) indicates that respondents' sensitivity to price changes due to increased VAT rates will be followed by a decrease in their purchase interest.

Tax Literacy shows the opposite result, where the calculated t value is 0.648 with a significance level of 0.518 > 0.05. Therefore, the calculated t value is below the t table of 0.648 < 1.974 and the significance level exceeds the limit, so the Tax Literacy variable has no effect on Purchase Intention and H3 is rejected.

2. Simultaneous Test Results (f-Test)

Table 17. Simultaneous Test Results (F Test/ANOVA)

ANOVA						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	471,813	3	157,271	25,351	,000b
	Residual	1029,840	166	6,204		
	Total	1501,653	169			
a. Dependent Variable: Y						
b. Predictors: (Constant), X3, X1, X2						

Source: Results of SPSS 2026 data processing

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

International Journal of Economics, Business and Innovation Research
https://e-journal.citakonsultindo.or.id/index.php/IJEBIR
E-ISSN : 2964-0865
IJEBIR

Based on the data processing results above, the calculated F value was obtained at 25.351 with a significance value of 0.000 < 0.05. Thus, H4 which states that budget constraints, price sensitivity and tax literacy simultaneously (together) have a significant effect on Generation Z's purchasing interest in facing the increase in VAT rates is declared accepted.

3. Results of the Coefficient of Determination (R2) Test

Table 18. Results of Determination Test (R2)

Model Summary					
Model	R	R Square	Adjusted R Square	Standard Error of the Estimate	Durbin-Watson
1	,561a	,314	,302	2,491	1,967
a. Predictors: (Constant), X3, X1, X2					
b. Dependent Variable: Y					

Source: Results of SPSS 2026 data processing

The Adjusted R Square value of 0.302 indicates that the variables Budget Constraints, Price Sensitivity, and Tax Literacy together are able to explain 30.2% of the variation in Generation Z's Purchase Intention in the face of VAT rate increases. The remaining 69.8% is explained by other variables or factors outside this research model, such as lifestyle, social media influence, brand trust, or family economic conditions that were not examined in this study.

DISCUSSION

The Impact of Budget Constraints on Generation Z's Purchasing Interest

The test results show that Budgetary Constraints have a negative and significant effect on Generation Z's Purchase Intention with a value of 0.000 < 0.05, so H1 is accepted. This means that the higher the budget constraints felt by Generation Z due to the increase in VAT rates, the lower their purchase intention will be. This finding is consistent with the theoretical argument built in chapter II based on the Theory of Planned Behavior, where budgetary constraints act as an aspect of perceived behavioral control that weakens an individual's confidence in their ability to shop. This finding is in line with the results of research conducted by Abrori, Pahala, and Wahono (2025) and

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

Hanum (2017), which shows that limited income has an impact on decreasing consumption levels.

The Influence of Price Sensitivity on Generation Z's Purchase Interest

The test results show that Price Sensitivity has a negative and significant effect on Generation Z's Purchase Intention with a Sig. value of 0.000 < 0.05, so H2 is accepted, meaning that the higher Generation Z's sensitivity to price sensitivity, the lower their purchase interest. When viewed from the standardized Beta coefficient value (-0.337), price sensitivity is the variable with the greatest influence on Purchase Intention compared to the other two independent variables.

This finding is consistent with the Theory of Planned Behavior framework, where price sensitivity forms a negative attitude towards purchasing behavior, and is in line with research by Khohar and Hermanto (2024) and Widodo & Devica (2022) which also found a significant influence of price sensitivity or price sensitivity on purchasing interest.

The Influence of Tax Literacy on Generation Z's Purchasing Interest

Unlike the previous two variables, the test results on the tax literacy variable show that Tax Literacy does not have a significant effect on Generation Z's Purchase Intention Sig. 0.518 > 0.05, so H3 is rejected. Although the direction of the coefficient is positive, in accordance with the theoretical predictions built previously, this effect is not statistically strong enough to be concluded as a real relationship.

This finding differs from the research findings of Lestari et al. (2025), Sustiyo (2022), and Qoriba et al. (2026), which found a significant influence of tax literacy on Generation Z's consumer behavior. There are several possible explanations for this difference.

1. Methodologically, the Tax Literacy variable in this study was ultimately measured using only 4 of the 8 items initially designed, due to an item elimination process to meet reliability requirements. This item coverage measurement has the potential to make the measured Tax Literacy construct less comprehensive than the initial design, thus weakening its ability to capture variations in Purchase Intention.
2. Conceptually, this also confirms the argument that has been built in Chapter I regarding the gap between the understanding/perception of Generation Z and the technical reality of the 12% VAT policy. It can be assumed that cognitive knowledge about taxes does not necessarily directly influence purchasing behavior, because purchasing decisions in Generation Z are more driven by budget constraints and

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

direct price sensitivity, rather than a conceptual understanding of the tax mechanism itself.

The Simultaneous Influence of Three Variables on Generation Z's Purchase Interest

The F test results show that Budget Constraints, Price Sensitivity, and Tax Literacy simultaneously have a significant effect on Generation Z's Purchase Intention with an F value of 25.351 and a Significant value of 0.000 <0.05, so H4 is accepted. The Adjusted R Square value of 0.302 indicates that these three variables together provide a significant contribution (30.2%) in explaining variations in Purchase Intention, although most of the significant influence is driven primarily by Budget Constraints and Price Sensitivity. This finding strengthens the argument that in the context of increasing VAT rates, financial factors (budgetary capacity) and psychological factors towards prices (price sensitivity) play a much greater role than tax knowledge or literacy factors in shaping Generation Z's purchase intention.

CONCLUSION

This study proves that budget constraints and price sensitivity have a negative and significant effect on Generation Z's purchasing interest in the face of the Value Added Tax (VAT) rate increase in Semarang City. The higher the budget constraints perceived by respondents, the lower the purchasing interest shown. Similarly, the higher the price sensitivity, the greater the tendency of Generation Z to reduce purchasing interest after the VAT rate increase. Conversely, tax literacy does not show a significant effect on purchasing interest, although it has a positive direction of the relationship. Simultaneously, budget constraints, price sensitivity, and tax literacy have a significant effect on Generation Z's purchasing interest, with the model's ability to explain the variation in purchasing interest by 30.2 percent, while the remainder is influenced by other factors outside the research model.

This study has limitations because it was only conducted on Generation Z in Semarang City, so the results cannot be generalized to other regions with different socioeconomic characteristics. Furthermore, the number of indicators for the tax literacy variable was reduced after reliability testing, thus limiting the measurement scope. Future research is recommended to expand the research area, increase the number of respondents, and develop a tax literacy measurement instrument to represent the construct more comprehensively. Future research could also include other variables

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

such as lifestyle, social media influence, brand trust, perceived value, or family economic conditions to improve the model's ability to explain purchasing intention. Practically, the results of this study provide implications for the government's need to improve public education regarding VAT policies in a simpler and more transparent manner, while businesses need to implement more competitive pricing strategies and provide promotional programs that are appropriate to the purchasing power of Generation Z.

BIBLIOGRAPHY

Abrori, A., Pahala, I., & Wahono, P. (2025). Pengaruh persepsi tarif Pajak Pertambahan Nilai terhadap perilaku belanja konsumen dengan tingkat pendapatan sebagai variabel pemoderasi. *Jurnal Ekonomi, Manajemen, Akuntansi dan Keuangan, 6*(1), 1–12.

Ajzen, I. (1991). *The theory of planned behavior*. *Organizational Behavior and Human Decision Processes, 50*(2), 179–211.

Bird, R. M., & Gendron, P.-P. (2007). *The VAT in developing and transitional countries*. Cambridge University Press.

Center of Economics and Law Studies. (2024). *PPN 12%: Pukulan telak bagi dompet Gen Z dan masyarakat menengah ke bawah*.

Direktorat Jenderal Pajak. (2025). *PMK 131/2024: Tarif PPN sebelas-dua belas*. Kementerian Keuangan Republik Indonesia. https://www.pajak.go.id/en/node/113453

Eriksen, K., & Fallan, L. (1996). Tax knowledge and attitudes towards taxation: A report on a quasi-experiment. *Journal of Economic Psychology, 17*(3), 387–402.

Ferdinand, A. T. (2014). *Metode penelitian manajemen: Pedoman penelitian untuk penulisan skripsi, tesis dan disertasi ilmu manajemen* (5th ed.). Badan Penerbit Universitas Diponegoro.

Friska, N. R., Lubis, F. A., & Hasibuan, R. R. A. (2023). Pengaruh religiusitas, budget constraint, dan penggunaan media sosial terhadap perilaku konsumsi muslim di Kecamatan Tanjung Morawa. *JAE (Jurnal Akuntansi dan Ekonomi), 8*(3), 90–101.

Ghozali, I. (2018). *Aplikasi analisis multivariate dengan program IBM SPSS 25* (9th ed.). Badan Penerbit Universitas Diponegoro.

Hair, J. F., Jr., Black, W. C., Babin, B. J., & Anderson, R. E. (2014). *Multivariate data analysis* (7th ed.). Pearson.

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

Hanum, N. (2017). Analisis pengaruh pendapatan terhadap perilaku konsumsi mahasiswa Universitas Samudra di Kota Langsa. *Jurnal Samudra Ekonomika, 1*(2), 107–116.

Khohar, N. E., & Hermanto, Y. B. (2024). Pengaruh perceived quality, price sensitivity, dan store image terhadap purchase intention. *BIP's Jurnal Bisnis Perspektif, 16*(1), 15–28.

Kirchler, E. (2007). *The economic psychology of tax behaviour*. Cambridge University Press.

Kotler, P., & Keller, K. L. (2022). *Marketing management* (16th ed.). Pearson.

Lestari, A., Pratama, I. K. I., Putri, I. F., & Putri, P. A. (2025). Pengaruh literasi PPN dan gaya hidup digital terhadap perilaku konsumtif Generasi Z (Studi kasus: Mahasiswa Akuntansi UBSI Slipi). *Jurnal Aplikasi Perpajakan, 6*(2), 1–26.

Mankiw, N. G. (2021). *Principles of economics* (9th ed.). Cengage Learning.

Monroe, K. B. (2003). *Pricing: Making profitable decisions* (3rd ed.). McGraw-Hill.

Nagle, T. T., & Müller, G. (2018). *The strategy and tactics of pricing* (6th ed.). Routledge.

OECD. (2020). *OECD/INFE 2020 international survey of adult financial literacy*. OECD Publishing.

Priyatno, D. (2018). *SPSS: Panduan mudah olah data bagi mahasiswa dan umum*. Andi.

Qoriba, M. F., Fairuzah, M. N., Zaki, R. M., Arisman, R. A., Alfarisi, N., & Paryanti, A. B. (2026). Pengaruh literasi pajak tidak langsung, perilaku berbelanja, dan persepsi risiko ekonomi terhadap respon konsumen atas kenaikan PPN. *Journal of Capital Markets and Banking, 14*(1), 374–399. https://doi.org/10.63607/jcmb.v14i1

Santoso, S. (2019). *Menguasai statistik dengan SPSS*. Elex Media Komputindo.

Sugiyono. (2014). *Metode penelitian kuantitatif, kualitatif, dan R&D*. Alfabeta.

Sugiyono. (2017). *Metode penelitian kuantitatif, kualitatif, dan R&D*. Alfabeta.

Sugiyono. (2023). *Metode penelitian kuantitatif, kualitatif, dan R&D*. Alfabeta.

Sustiyo, J. (2022). Literasi Pajak Pertambahan Nilai (PPN) dan perilaku konsumtif pada Generasi Z. *Owner: Riset dan Jurnal Akuntansi, 6*(1), 508–516.

Varian, H. R. (2014). *Intermediate microeconomics: A modern approach* (9th ed.). W. W. Norton & Company.

Widodo, M. S., & Devica, S. (2022). Pengaruh price sensitivity dan environmentalism terhadap purchase intention pada pakaian thrift. *Jurnal Bisnis Terapan, 6*(2), 171–182.

Zeithaml, V. A. (1988). Consumer perceptions of price, quality, and value: A means-end model and synthesis of evidence. *Journal of Marketing, 52*(3), 2–22.

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.