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The Effect Of Tax Knowledge, Taxpayer Awareness, And Tax Sanctions On Msme Taxpayer Compliance (A Study on MSMEs in Cijantung Sub-District, East Jakarta)

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Abstract

Tax is a major source of state revenue and plays an important role in supporting national development. One sector with significant potential for tax revenue is Micro, Small, and Medium Enterprises (MSMEs). However, MSME taxpayer compliance still faces various challenges, including limited tax knowledge, low taxpayer awareness, and the implementation of tax sanctions. This study aims to examine and provide empirical evidence regarding the effect of tax knowledge, taxpayer awareness, and tax sanctions on MSME taxpayer compliance in Cijantung Sub-District, East Jakarta. This study employed a quantitative approach with an associative research design. The population consisted of 602 registered MSMEs, while 90 respondents were selected using convenience sampling based on predetermined criteria. Data were collected through questionnaires measured on a Likert scale and analyzed using multiple linear regression, the t-test, the F-test, and the coefficient of determination with the help of SPSS. The results show that the relationship between tax knowledge, taxpayer awareness, and tax sanctions and MSME taxpayer compliance falls into the moderate category. The F-test indicates that tax knowledge, taxpayer awareness, and tax sanctions simultaneously have a significant effect on MSME taxpayer compliance. Partially, tax knowledge has a positive but insignificant effect, taxpayer awareness has a positive and significant effect, and tax sanctions also have a positive and significant effect on MSME taxpayer compliance. The R^2 value of 16.7% indicates that the three independent variables explain 16.7% of the variation in MSME taxpayer compliance, while the remaining 83.3% is influenced by other factors outside the research model.

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Keywords: Tax Knowledge, Taxpayer Awareness, Tax Sanctions, MSME Taxpayer Compliance

INTRODUCTION

Tax is the main source of state revenue and plays a strategic role in financing the administration of government and national development. Rochmat Soemitro, in his book *Dasar-Dasar Hukum Pajak dan Pajak Pendapatan*, explains that tax is a contribution that must be paid by the public to the state based on the provisions of statutory regulations, is compulsory in nature, provides no direct reciprocal benefit that can be felt by the taxpayer, and is used to finance various public needs and state expenditures (Pamuji & Nasihuddin, 2020).

Within the structure of the State Budget (APBN), the contribution of taxes dominates state revenue and becomes an important instrument in realizing fiscal independence. The continuity and success of national development are largely determined by the availability of adequate sources of financing, in which tax is one of the most important sources of state revenue (Hantono & Wijaya, 2025). Therefore, the success of national development depends heavily on the level of taxpayer compliance in carrying out tax obligations correctly, completely, and on time. Taxpayer compliance not only reflects the success of tax administration but also indicates the level of public awareness and participation in supporting national development.

One group of taxpayers that plays a significant role in the national economy is Micro, Small, and Medium Enterprises (MSMEs). MSMEs are the backbone of the Indonesian economy because of their very large number, their high capacity to absorb labour, and their contribution to Gross Domestic Product (GDP). In addition, MSMEs hold a strategic position in the Indonesian economy and have great potential to become a primary driver in efforts to reduce poverty (Sitepu, 2023). Given the magnitude of this role, the potential tax revenue from the MSME sector is also very large. Nevertheless, that potential has not been fully optimized because the level of MSME taxpayer compliance remains low.

Several fundamental problems hinder tax compliance, among others the low level of taxpayer understanding of tax regulations, tax administration procedures that are perceived as complicated, and the implementation of tax sanctions that is considered not yet effective (Afiyah et al., 2024). Internal challenges include limited tax knowledge, low awareness of the importance of taxes, and the perception that taxes are a burden on the business. External challenges include the complexity of tax regulations, the quality of tax officer services, and the application of tax sanctions that have not fully produced a deterrent effect. These conditions cause some MSME actors to be less than fully compliant in fulfilling their tax obligations, whether in registration, reporting, or payment.

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Tax knowledge is one of the important factors influencing taxpayer compliance. It covers the taxpayer's understanding of the applicable tax regulations as well as the procedures for registration, calculation, payment, and reporting. Taxpayers with adequate tax knowledge tend to be more capable of fulfilling their tax obligations correctly and of avoiding administrative errors. Conversely, low tax knowledge may cause unintentional non-compliance, such as late reporting or errors in tax calculation. For MSME actors, limited tax knowledge is often caused by varied educational backgrounds, limited access to tax information, and the lack of effective assistance or socialization. Previous studies reveal that most MSME actors still do not fundamentally understand the types of taxes that constitute their obligations, including Income Tax (PPh) and Value Added Tax (PPN) (Septiani et al., 2024).

Besides tax knowledge, the level of taxpayer awareness is also a crucial factor in determining compliance. Taxpayer awareness can be interpreted as a condition in which taxpayers understand, acknowledge, and voluntarily carry out their tax obligations without coercion. This awareness is closely related to the attitudes and perceptions of taxpayers towards taxation, including their understanding of the function of taxes for development and their trust in the government to manage tax revenue transparently and accountably. In the MSME context, some business actors still view tax as an obligation that provides no direct benefit to their business, so that compliance is often forced or occurs only when supervision is tight.

Another factor that influences taxpayer compliance is the application of tax sanctions. Tax sanctions are a law enforcement instrument intended to prevent tax violations and to increase taxpayer compliance. Besides functioning as a law enforcement tool, tax sanctions also have an educational function in shaping the fiscal behaviour of society (Ristamada, 2025). Tax sanctions may take the form of administrative or criminal sanctions imposed on taxpayers who fail to fulfil their obligations. Firm, fair, and consistent application of tax sanctions is expected to create a deterrent effect and encourage compliance. However, sanctions that are too heavy without being balanced by education and guidance may create resistance and a negative perception of the tax system.

Various government policies have been implemented to encourage MSME taxpayer compliance, among others the simplification of tax rates, administrative convenience, and improvement of tax services. Even so, the level of MSME taxpayer compliance is still not optimal. This indicates that fiscal policy alone is not effective enough without being accompanied by improvements in tax knowledge, taxpayer awareness, and the appropriate application of tax sanctions. Based on this description, the problems examined in this study are whether tax knowledge, taxpayer awareness, and tax sanctions simultaneously and partially affect MSME taxpayer compliance. Accordingly,

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this study aims to examine and provide empirical evidence of the effect of tax knowledge, taxpayer awareness, and tax sanctions, both simultaneously and partially, on the compliance of MSME taxpayers in Cijantung Sub-District.

THEORETICAL BASIS

Attribution Theory

Attribution theory was first introduced and defined by Heider in 1958 (Bawono et al., 2026). According to Heider, attribution has two main meanings, namely attribution as a perceptual process and attribution as a judgement of causal relationships. Attribution theory distinguishes two forms of causal attribution, namely personal attribution and impersonal attribution. Personal attribution refers to internal factors of the individual, such as beliefs, desires, and intentions, that direct purposive human behaviour, whereas impersonal attribution refers to external factors outside the individual, that is, forces or conditions that do not involve personal intention or purpose.

In the context of this study, attribution theory explains that the compliance behaviour of MSME taxpayers is influenced by the way taxpayers interpret the causes of their tax obligations, both internal and external. Tax knowledge and taxpayer awareness are internal factors that encourage taxpayers to attribute compliance to personal responsibility and moral obligation, so that compliance arises voluntarily. Meanwhile, tax sanctions are an external factor that influences compliance through pressure and the threat of punishment when tax obligations are not fulfilled.

Theory of Planned Behavior

The *Theory of Planned Behavior* explains that human action is influenced by three main factors. The first is behavioural belief, which covers a person's view of the outcomes to be obtained from a behaviour and how those outcomes are evaluated. The second is normative belief, which relates to the expectations of other people regarding the action taken and the extent to which the individual is motivated to comply with those expectations. The third is control belief, which refers to the individual's perception of the factors that may facilitate or hinder the performance of the behaviour, as well as the extent to which the individual feels in control of those factors.

In the context of taxpayer compliance, compliance can be understood as a positive attitude arising from the taxpayer's behaviour in obeying tax regulations. Such compliance is influenced by the taxpayer's knowledge of their obligations, social expectations to comply with the rules, and the existence of tax sanctions intended to direct taxpayer behaviour so that it conforms to the prevailing regulations.

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MSME Taxpayer Compliance

Taxpayer compliance can be defined as the behaviour of taxpayers in fulfilling all of their tax obligations as a form of contribution to national development, the implementation of which is expected to be carried out voluntarily. This compliance is reflected in the taxpayer's awareness in performing tax obligations in accordance with the established provisions. Compliance can further be observed from obedience in meeting tax administrative requirements, such as registering as a taxpayer, submitting a Tax Return (SPT) that is filled in correctly, clearly, and completely, and completing the Tax Payment Slip accurately.

Tax Knowledge

Tax knowledge is the ability of taxpayers to understand tax regulations, both regarding the tax rates they must pay under the law and the benefits of taxes for their lives (Mardiasmo, 2008). When a person has understood and comprehended taxation, an increase in taxpayer compliance is expected to follow. Taxpayers with adequate knowledge tend to obey the exercise of their rights and obligations without having to be forced or threatened by sanctions or punishment.

Taxpayer Awareness

Taxpayer awareness is a condition in which taxpayers understand, know, and are able to carry out the prevailing tax provisions voluntarily. A high level of taxpayer awareness will influence compliance in paying taxes, because such awareness reflects an understanding of the benefits and the importance of taxes for society and for national development.

Tax Sanctions

Tax sanctions represent the perception of the public regarding the punishment imposed for violations in fulfilling tax obligations. Based on Law Number 28 of 2007 concerning General Provisions and Tax Procedures, tax sanctions consist of administrative sanctions, in the form of interest, fines, and increases, and criminal sanctions. The clearer the perception of tax sanctions held by taxpayers, the more positive the effect on MSME taxpayer compliance.

Hypothesis Development

A hypothesis is a temporary answer to the research problem, the truth of which needs to be proven through the empirical data collected (Mustafa, 2022). Tax knowledge, taxpayer awareness, and tax sanctions represent cognitive, psychological, and regulatory factors that are expected to jointly shape compliance behaviour. Previous

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studies show that tax understanding has a positive effect on MSME taxpayer compliance (Fatma Ridhotin & Ardini, 2022; Herdiatna & Lingga, 2022), that taxpayer awareness has a positive and significant effect on compliance (Fenesanjus & Riharjo, 2023; Laia & Tipa, 2023), and that tax sanctions have a real impact on increasing tax compliance (Hantono & Sianturi, 2022; Andreansyah & Farina, 2022). Based on this description and the results of previous research, the hypotheses of this study are formulated as follows:

H1: Tax knowledge, taxpayer awareness, and tax sanctions simultaneously affect MSME taxpayer compliance.
H2: Tax knowledge affects MSME taxpayer compliance.
H3: Taxpayer awareness affects MSME taxpayer compliance.
H4: Tax sanctions affect MSME taxpayer compliance.

RESEARCH METHODS

This study uses a quantitative approach with an associative research design, which aims to determine the relationship or influence between two or more variables. According to Sugiyono (2020:16), the quantitative research method is a research approach based on the philosophy of positivism, used to study a particular population or sample, with data collected through research instruments and analysed quantitatively or statistically in order to test the hypotheses that have been formulated. The quantitative approach was chosen because the research data are expressed in numbers and analysed using statistical methods.

The research was conducted on Micro, Small, and Medium Enterprises located in Cijantung Sub-District, Pasar Rebo District, East Jakarta. This location was selected on the consideration that Cijantung has a fairly large and varied number of MSMEs, so that it is relevant as a research object related to MSME tax compliance. The research was carried out from January to May 2026, covering research preparation, instrument development, data collection, data processing, and report writing.

The population of this study comprises all MSME actors in Cijantung Sub-District that are registered as taxpayers. Based on data published by the Pasar Rebo District Office, the number of MSMEs holding a Business Identification Number (NIB) in Cijantung Sub-District in 2020–2026 was recorded at 602 registered MSMEs. Sekaran and Bougie (2016:195) distinguish two sampling techniques, namely probability sampling and non-probability sampling. This study applies non-probability sampling, specifically convenience sampling, in which the members most easily accessible are selected as subjects. Questionnaires were distributed to 100 MSME actors who met the research criteria; of these, 90 questionnaires were returned and declared complete, so that the number of samples analysed in this study is 90 respondents.

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The independent variables in this study are Tax Knowledge (X1), measured through six indicators; Taxpayer Awareness (X2), measured through five indicators; and Tax Sanctions (X3), measured through five indicators. The dependent variable is MSME Taxpayer Compliance (Y), measured through six indicators. All variables were measured using a Likert scale. Data were collected through two techniques. First, a questionnaire was used as the main instrument for obtaining primary data and was distributed directly to MSME actors in Cijantung Sub-District. Second, a literature study was conducted by collecting secondary data in the form of textbooks, scientific journals, tax laws and regulations, and other relevant sources.

The collected data were analysed using statistical methods with the help of SPSS. Validity testing was carried out using the Pearson Product Moment correlation by comparing the calculated r value with the r table value; with 15 trial respondents, the r table value is 0.514 at a significance level of 5% (α = 0.05). Reliability testing used Cronbach's Alpha, where an instrument is declared reliable if the Corrected Item-Total Correlation is greater than 0.30 and Cronbach's Alpha is greater than 0.60. The analysis was continued with descriptive statistics, classical assumption tests (normality, multicollinearity, and heteroscedasticity), multiple linear regression analysis, and hypothesis testing through the t-test, the F-test, and the coefficient of determination (R^2). The regression model used in this study is formulated as follows:

$$\mathbf{Y = a + b_1X_1 + b_2X_2 + b_3X_3 + e}$$

where Y is MSME Taxpayer Compliance, a is the constant, b_1–b_3 are the regression coefficients, X_1 is Tax Knowledge, X_2 is Taxpayer Awareness, X_3 is Tax Sanctions, and e is the error term.

RESULTS AND DISCUSSION

Characteristics of Respondents

The characteristics of respondents are presented to provide a general description of the profile of MSME taxpayers in Cijantung Sub-District who participated in this study, covering gender, level of education, ownership of a Business Identification Number (NIB), and ownership of a Taxpayer Identification Number (NPWP).

Table 1. Characteristics of Respondents (n = 90)

Characteristic	Category	Frequency	Percentage (%)
Gender	Male	49	54.4
	Female	41	45.6
Last Education	Junior High School	20	22.2
	Senior High School	59	65.6

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Characteristic	Category	Frequency	Percentage (%)
	Bachelor's Degree (S1)	11	12.2
NIB Ownership	Owned	75	83.3
	Not Owned	15	16.7
NPWP Ownership	Owned	35	38.9
	Not Owned	55	61.1

Source: Primary data processed using SPSS (2026)

Based on Table 1, male respondents numbered 49 people (54.4%) and female respondents 41 people (45.6%), so that participation was relatively balanced between the two. In terms of education, the majority of respondents had completed senior high school, namely 59 people (65.6%), followed by junior high school with 20 people (22.2%) and a bachelor's degree with 11 people (12.2%). This profile reflects the general characteristics of business actors in the MSME sector. Most respondents already possessed an NIB (75 respondents or 83.3%), but only 35 respondents (38.9%) owned an NPWP, while 55 respondents (61.1%) did not. Based on the type of business, the largest group was other types of business with 29 respondents (32.2%), followed by grocery stores with 20 respondents (22.2%), culinary businesses with 15 respondents (16.7%), vegetable traders with 10 respondents (11.1%), furniture with 6 respondents (6.7%), food stalls and accessories with 4 respondents each (4.4%), and cake shops with 2 respondents (2.2%).

Validity and Reliability Testing

The results of the validity test show that all statement items in the four research variables have a calculated r value greater than the r table value of 0.514 with a significance level below 0.05. The reliability test also shows that all variables have a Corrected Item-Total Correlation above 0.30 and Cronbach's Alpha above 0.60. Therefore, all research instruments are declared valid and reliable and are suitable for use in the subsequent stages of analysis.

Table 2. Summary of Validity and Reliability Test Results

Variable	Correlation Range (r)	Corrected Item-Total Correlation	Description
Tax Knowledge (X1)	0.519 – 0.855	0.329 – 0.740	Valid and reliable
Taxpayer Awareness (X2)	0.622 – 0.882	0.432 – 0.772	Valid and reliable

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Variable	Correlation Range (r)	Corrected Item-Total Correlation	Description
Tax Sanctions (X3)	0.630 – 0.810	0.434 – 0.695	Valid and reliable
Taxpayer Compliance (Y)	0.608 – 0.743	0.429 – 0.589	Valid and reliable

Source: Primary data processed using SPSS (2026); r table = 0.514

Classical Assumption Tests

The normality test was carried out using the One-Sample Kolmogorov-Smirnov Test. The results show a sample of 90 respondents with a mean residual of 0.000 and a standard deviation of 3.235. The Kolmogorov-Smirnov test statistic is 0.060 with an Asymp. Sig. (2-tailed) value of 0.200. Because the significance value is greater than 0.05 (0.200 > 0.05), the residual data are normally distributed and the regression model fulfils the assumption of normality.

The multicollinearity test was conducted by examining the Tolerance and Variance Inflation Factor (VIF) values. A regression model is declared free from multicollinearity if Tolerance is greater than 0.10 and VIF is smaller than 10. As shown in Table 3, all independent variables have Tolerance values well above 0.10 and VIF values far below 10, so that no multicollinearity occurs among the independent variables.

Table 3. Multicollinearity Test Results

Variable	Tolerance	VIF	Description
Tax Knowledge (X1)	0.870	1.150	No multicollinearity
Taxpayer Awareness (X2)	0.871	1.148	No multicollinearity
Tax Sanctions (X3)	0.918	1.089	No multicollinearity

Source: Primary data processed using SPSS (2026)

The heteroscedasticity test was performed using a scatterplot between the Regression Standardized Predicted Value and the Regression Studentized Residual. The scatterplot shows that the data points are randomly distributed around the horizontal line at a residual value of zero and do not form any particular pattern, such as a cone, widening, or wavy pattern. This indicates that the residual variance is constant, so that the regression model does not suffer from heteroscedasticity.

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Multiple Linear Regression Analysis

Table 4. Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.409	0.167	0.138	3.291

Predictors: (Constant), Tax Sanctions, Taxpayer Awareness, Tax Knowledge;
Dependent Variable: MSME Taxpayer Compliance

Based on Table 4, the R value of 0.409 indicates that the relationship between Tax Knowledge, Taxpayer Awareness, and Tax Sanctions and MSME Taxpayer Compliance falls into the moderate (reasonably strong) category. The R Square value of 0.167 shows that the independent variables are able to explain 16.7% of the variation in the dependent variable, while the remaining 83.3% is influenced by other factors outside the research model, such as the quality of tax officer services, the ease of the tax system, income level, perceptions of tax fairness, and other socio-economic factors. The Adjusted R Square value of 0.138 shows that, after adjusting for the number of independent variables and the sample size, the real contribution of the model is 13.8%, while the Std. Error of the Estimate of 3.291 indicates the level of prediction error of the regression model.

Table 5. F-Test Results (ANOVA)

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	186.943	3	62.314	5.752	0.001
Residual	931.679	86	10.833		
Total	1118.622	89			

Source: Primary data processed using SPSS (2026)

Table 6. t-Test Results (Coefficients)

Model	B	Std. Error	Beta	t	Sig.
(Constant)	9.440	2.237		4.220	0.000
Tax Knowledge (X1)	0.079	0.096	0.087	0.820	0.415
Taxpayer Awareness (X2)	0.256	0.110	0.245	2.327	0.022
Tax Sanctions (X3)	0.246	0.112	0.226	2.199	0.031

Dependent Variable: MSME Taxpayer Compliance; Source: Primary data processed using SPSS (2026)

Based on the results in Table 6, the multiple linear regression equation is obtained as follows:

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$$Y = 9.440 + 0.079X_1 + 0.256X_2 + 0.246X_3$$

The constant value of 9.440 indicates that if Tax Knowledge, Taxpayer Awareness, and Tax Sanctions are held constant or equal to zero, the level of MSME Taxpayer Compliance is 9.440. This value describes the basic level of taxpayer compliance without the influence of the independent variables in this study. The regression coefficients of the three independent variables are all positive, which means that each variable moves in the same direction as MSME taxpayer compliance.

The Effect of Tax Knowledge on MSME Taxpayer Compliance

The results show that Tax Knowledge has a regression coefficient of 0.079 with a t value of 0.820 and a significance value of 0.415 (> 0.05). This indicates that tax knowledge has a positive relationship with MSME taxpayer compliance, but statistically the effect is not significant, so H2 is rejected. Theoretically, tax knowledge is part of the cognitive factors that explain the extent to which taxpayers understand tax rules, procedures, rights, and obligations. In the *Theory of Planned Behavior*, knowledge belongs to behavioural belief, that is, the individual belief that forms the basis of an attitude towards a behaviour. However, the theory also emphasises that knowledge does not automatically produce actual behaviour if it is not followed by intention and internal motivation.

The findings suggest that the tax understanding possessed by MSME actors is not yet strong enough to drive compliance. Taxpayers may already know the tax rules, but they still weigh other factors such as the benefits of taxation, the economic condition of the business, and their perception of the tax system. This result is not in line with Yusuf and Rahmawati (2025), who concluded that the better a person's understanding of the tax system, the greater the likelihood that the individual will comply with tax obligations. On the other hand, the result is consistent with Hantono and Sianturi (2022), who found that tax knowledge does not always have a significant effect on taxpayer compliance, because tax education often only improves administrative understanding without changing compliance behaviour in the absence of adequate awareness and supervision.

The Effect of Taxpayer Awareness on MSME Taxpayer Compliance

The analysis shows that Taxpayer Awareness has a regression coefficient of 0.256 with a t value of 2.327 and a significance value of 0.022 (< 0.05), so that it has a positive and significant effect on MSME taxpayer compliance and H3 is accepted. From the perspective of compliance theory, taxpayer awareness reflects the concept of voluntary compliance, namely compliance that arises voluntarily because of moral awareness and social responsibility as a citizen. Taxpayers who understand the importance of taxes for

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national development tend to have an internal commitment to fulfil their tax obligations without coercion.

When linked to the *Theory of Planned Behavior*, taxpayer awareness relates to the attitude toward behaviour, that is, the individual's positive attitude towards paying taxes. When taxpayers hold the view that paying tax is a right action and beneficial for society, the intention to comply increases. This result is consistent with previous studies stating that taxpayer awareness is the main factor in improving tax compliance (Iftakukhoiri & Bagana, 2024) and that such awareness reflects individual understanding of the importance of carrying out tax obligations as a form of social responsibility (Astuti & Muliyani, 2024). The finding implies that strategies to improve MSME tax compliance need to emphasise the development of fiscal awareness through public education, transparency in the use of tax revenue, and improved public trust in the government.

The Effect of Tax Sanctions on MSME Taxpayer Compliance

Tax Sanctions have a regression coefficient of 0.246 with a t value of 2.199 and a significance value of 0.031 (< 0.05), which means that tax sanctions have a positive and significant effect on MSME taxpayer compliance, so that H4 is accepted. According to compliance theory, compliance is formed not only through voluntary awareness but also through the mechanism of enforced compliance, namely compliance that arises because of the threat of punishment or sanctions. Tax sanctions function as a behavioural control instrument that produces a deterrence effect for taxpayers who do not fulfil their obligations.

Within the framework of the *Theory of Planned Behavior*, tax sanctions relate to perceived behavioural control, that is, the individual's perception of the consequences that will be received in the event of a violation. When the risk of sanctions is considered high, the tendency of taxpayers to comply increases. This result is in line with previous research stating that consistency in the application of sanctions is able to improve taxpayer compliance, particularly in the MSME sector, which is sensitive to financial and administrative risk (Nisa & Subagio, 2024).

The Simultaneous Effect of the Independent Variables

The results of the simultaneous test (F-test) show an F value of 5.752 with a significance of 0.001 (< 0.05), which means that Tax Knowledge, Taxpayer Awareness, and Tax Sanctions jointly have a significant effect on MSME taxpayer compliance, so that H1 is accepted and the regression model is declared fit. This finding indicates that tax compliance is multidimensional behaviour that is not influenced by a single factor alone, but rather by a combination of cognitive factors (knowledge), psychological factors (awareness), and regulatory factors (sanctions). From the perspective of modern tax

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compliance theory, the success of a tax system requires a balance between an educational approach and a law enforcement approach.

Coefficient of Determination

The R Square value of 0.167 shows that the three independent variables are able to explain 16.7% of the variation in MSME taxpayer compliance, while the remaining 83.3% is influenced by other factors outside the research model, such as the quality of tax officer services, the ease of the digital tax system, the economic condition of the business, perceptions of tax fairness, and socio-economic factors. The Adjusted R Square value of 0.138 shows the real contribution of the model after adjustment for the sample size and the number of variables. Thus, the results of this study reinforce the behavioural view that tax compliance is not determined solely by administrative knowledge, but is strongly influenced by individual awareness and the effectiveness of government supervision.

CONCLUSION AND RECOMMENDATIONS

Conclusion

Based on the results of the data analysis, the following conclusions can be drawn:

1. Tax knowledge, taxpayer awareness, and tax sanctions simultaneously have a significant effect on MSME taxpayer compliance. The ANOVA test produced an F value of 5.752 with a significance of 0.001 at α = 0.05. Because the significance value is smaller than the significance level (0.001 < 0.05), H_0 is rejected and H_1 is accepted.
2. Tax knowledge does not have a significant effect on MSME taxpayer compliance. The t-test shows that Tax Knowledge has a regression coefficient of 0.079 with a significance of 0.415 (> 0.05), which indicates a positive relationship but not a statistically significant effect.
3. Taxpayer awareness has a positive and significant effect on MSME taxpayer compliance, with a regression coefficient of 0.256 and a significance of 0.022 (< 0.05).
4. Tax sanctions have a positive and significant effect on MSME taxpayer compliance, with a regression coefficient of 0.246 and a significance of 0.031 (< 0.05).

Research Limitations

This study has several limitations that need to be considered in interpreting the results. First, the research was conducted only on MSME taxpayers in Cijantung Sub-District, so that the results cannot be broadly generalised to the whole of East Jakarta or other regions in Indonesia. Second, the study examined only three independent

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variables, while taxpayer compliance may also be influenced by other factors such as the quality of tax officer services, business income level, the ease of the digital tax system, perceptions of tax fairness, and trust in the government. Third, the data were obtained through self-report questionnaires, so that the answers depend on the subjective perception, level of understanding, and honesty of the respondents, which allows for response bias. Fourth, the research was conducted within a specific period (cross-sectional), so that it only describes the condition of taxpayer compliance at the time of the study. Fifth, compliance was measured based on taxpayer perceptions rather than official tax administration data, because access to actual compliance data is confidential and limited.

Recommendations

For MSME taxpayers, it is expected that they improve their tax understanding through active participation in socialization activities and tax training as well as the use of digital tax information services, so that tax literacy can foster awareness and voluntary compliance.

For the government and the tax authority, the Directorate General of Taxes is expected to intensify tax socialization for MSME actors on a more massive and sustainable basis, to simplify tax information so that it is easily understood by small business actors, to optimise digital-based tax services in order to facilitate reporting and payment, and to apply tax sanctions consistently alongside a guidance approach in order to build long-term compliance.

For regional government and MSME development agencies, it is recommended that MSME assistance programmes be strengthened through education in business administration and tax literacy. Synergy among regional government, MSME communities, and academics can reinforce a culture of tax awareness at the community level.

For future researchers, it is recommended to add other variables such as the quality of tax services, tax digitalisation, perceptions of tax fairness, and trust in the government; to broaden the research area so that the results have higher generalisability; to use a mixed method or longitudinal approach in order to obtain a more comprehensive picture of taxpayer compliance behaviour; and to combine perception data with actual tax compliance data where access permits.

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