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 Accounting Literacy and Tax Literacy on Individual Taxpayer Compliance in Filing Annual Tax Returns in Jambi City

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Abstract

This study aims to determine and analyze the influence of accounting literacy and taxation literacy on individual taxpayer compliance regarding annual tax return (SPT Tahunan) reporting in Jambi City, both partially and simultaneously. The study employs a quantitative approach with an associative research design. The population consists of individual taxpayers in Jambi City, with a sample size of 100 respondents. Data were collected via questionnaires using a Likert scale and analyzed using multiple linear regression with the aid of SPSS 27 software. Partially, accounting literacy has a positive and significant effect on taxpayer compliance, with a t-statistic of 4.689 and a significance level of 0.000. Taxation literacy also has a positive and significant effect on taxpayer compliance, with a t-statistic of 6.655 and a significance level of 0.000. Simultaneously, accounting literacy and taxation literacy significantly influence taxpayer compliance, with an F-statistic of 2,213.901 and a significance level of 0.000. The findings suggest that enhancing taxpayers' ability to understand accounting information and tax regulations can foster greater compliance in annual tax return reporting.

Keywords: Accounting Literacy, Taxation Literacy, Taxpayer Compliance, Individual Taxpayer, Annual Tax Return (SPT Tahunan).

INTRODUCTION

Tax is one of the primary instruments for financing national development and government administration. According to Mardiasmo (2023), tax is a mandatory contribution made by citizens to the state treasury based on statutory regulations, without receiving direct reciprocal benefits, and is used to finance public expenditures.

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Meanwhile, Resmi (2023) explains that tax represents a transfer of wealth from society to the state based on statutory provisions, which is used to finance government expenditures, while any surplus may be used to finance public investment.

The role of taxation has become increasingly important in line with the growing financing needs of the state. In terms of Individual Income Tax, data from the Ministry of Finance show that in the first semester of 2024, Individual Income Tax revenue continued to grow by approximately 12 percent, while Article 21 Income Tax revenue grew by approximately 28.5 percent on both a gross and net basis. This condition indicates that economic activities and individual income make an increasingly important contribution to national tax revenue.

However, the increase in tax revenue has not always been accompanied by formal compliance among Individual Taxpayers in filing their Annual Tax Returns (SPT). Compliance with tax return filing obligations remains one of the major challenges in Indonesia's tax administration. The Directorate General of Taxes (DGT) recorded that as of April 1, 2025, approximately 12.34 million Annual Income Tax Returns for the 2024 Tax Year had been filed. This figure consisted of approximately 12 million Individual Taxpayer Returns and 338.2 thousand Corporate Taxpayer Returns. Compared with approximately 19.78 million taxpayers required to file Annual Tax Returns, the filing rate at that time was only approximately 62.38 percent.

Accounting literacy essentially reflects an individual's ability to understand and use accounting information in making economic decisions. For Individual Taxpayers, particularly those engaged in business activities or independent professional services, this ability is important because the information reported in an Annual Tax Return is derived from financial activities and records accumulated throughout the tax year.

In addition to accounting literacy, another factor expected to influence taxpayer compliance is tax literacy. Tax literacy can be understood as an individual's level of knowledge and ability to understand tax concepts, taxpayers' rights and obligations, tax rates and taxable objects, procedures for calculating and paying taxes, Annual Tax Return filing procedures, tax sanctions, and the use of tax administration systems. Tax literacy has become increasingly relevant because tax regulations and administrative systems are dynamic and continue to evolve.

Based on previous studies, differences in findings and research gaps remain regarding the factors that influence taxpayer compliance. From the perspective of accounting literacy, Erviando and Simanjuntak (2026) found that accounting literacy has a positive effect on tax compliance; however, their study was limited to MSME operators. Furthermore, Ignasius and Tambun (2025) integrated accounting literacy and tax literacy in explaining tax compliance, but employed Coretax as a moderating variable. Meanwhile, Oktaviani et al. (2025) examined taxpayer compliance through the utilization

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of Coretax, tax literacy, and ease of access to services, with tax awareness as a moderating variable, whereas Tuhumena and Patty (2025) positioned tax literacy as a moderating variable in the relationship between the e-Filing system and MSME taxpayer compliance.

Furthermore, Putri and Junaidi (2023) found that tax literacy affects Individual Taxpayer compliance, while Hadinata and Marpaung (2025) demonstrated that tax literacy affects compliance both directly and indirectly through tax awareness. These findings are consistent with Nistiana et al. (2022) and Prasetiyo (2024), who found that tax literacy affects taxpayer compliance. However, different findings were reported by Safitri and Febriyanto (2026), who found that tax literacy partially had no significant effect on compliance with Individual Annual Tax Return filing obligations. This finding indicates inconsistency in the results of previous studies.

The phenomenon of taxpayer compliance can also be observed in Jambi Province, particularly within tax service areas covering Jambi City. One of the tax offices serving several areas of Jambi City is the Jambi Telanaipura Primary Tax Office (KPP Pratama Jambi Telanaipura), whose jurisdiction includes Pasar Jambi, Telanaipura, Kota Baru, Alam Barajo, and Danau Sipin Districts, as well as Muaro Jambi Regency. Data obtained from KPP Pratama Jambi Telanaipura and published in a 2026 study show the following developments.

The data reveal an important phenomenon. The number of registered Individual Taxpayers continuously increased from 178,423 in 2020 to 242,535 in 2024, representing an increase of approximately 64 thousand taxpayers. However, this increase was not accompanied by consistent growth in Annual Tax Return filings. The number of Individual Annual Tax Returns filed increased from 43,123 in 2020 to 60,188 in 2022, but subsequently declined to 59,216 in 2023 and further decreased to 54,880 in 2024. At the same time, the overall Annual Tax Return compliance achievement rate decreased from approximately 100.9 percent in 2022 to 92.9 percent in 2023 and 86.1 percent in 2024.

This phenomenon becomes even more noteworthy because the number of registered taxpayers increased considerably. In 2023, there were 219,518 registered Individual Taxpayers, increasing to 242,535 in 2024, or by approximately 10.5 percent. In contrast, the number of Individual Annual Tax Returns filed decreased from 59,216 to 54,880, representing a decline of approximately 7.3 percent. Therefore, the expansion of the taxpayer base has not been accompanied by a corresponding increase in Annual Tax Return filing behavior. This condition indicates a gap between being registered as a taxpayer and having the ability or willingness to fulfill Annual Tax Return filing obligations.

Based on these empirical phenomena and the identified research gap, it is important to investigate the extent to which taxpayers' ability to understand accounting information and their level of tax knowledge can encourage compliance in fulfilling Annual

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Tax Return filing obligations. Therefore, this study is entitled "The Effect of Accounting Literacy and Tax Literacy on Individual Taxpayer Compliance in Filing Annual Tax Returns in Jambi City."

Objectives

This article intends

1. To identify and analyze accounting literacy, tax literacy, and Individual Taxpayer compliance in filing Annual Tax Returns in Jambi City.
2. To identify and analyze the effect of accounting literacy on Individual Taxpayer compliance in filing Annual Tax Returns in Jambi City.
3. To identify and analyze the effect of tax literacy on Individual Taxpayer compliance in filing Annual Tax Returns in Jambi City.
4. To identify and analyze the simultaneous effect of accounting literacy and tax literacy on Individual Taxpayer compliance in filing Annual Tax Returns in Jambi City..

METHODS

This study was conducted at KPP Pratama Jambi, located in Telanaipura District, Jambi City. The research was scheduled for two months, from August to September 2026. This study employed a quantitative research design with a causal-associative approach. According to Sugiyono (2023), quantitative research is based on the philosophy of positivism. The causal-associative approach was used to examine the causal relationships between accounting literacy and tax literacy as independent variables and Individual Taxpayer compliance as the dependent variable.

The population consisted of 242,535 Individual Taxpayers registered for Annual Tax Return filing in Jambi City. The sample size was determined using the Slovin formula with a 10% margin of error, resulting in a sample of 100 respondents.The sampling technique used was probability sampling with the simple random sampling method. This method was selected because each taxpayer in the research population had an equal opportunity to be selected as a respondent.

Primary data were collected through questionnaires distributed to Individual Taxpayers, while documentation was used to obtain supporting data. The questionnaire employed a five-point Likert scale ranging from 1 (Strongly Disagree) to 5 (Strongly Agree) The study consisted of three variables: Accounting Literacy (X_1), Tax Literacy (X_2), and Individual Taxpayer Compliance in Filing Annual Tax Returns (Y).

Before data analysis, the research instrument was tested for validity and reliability. Validity testing was conducted to determine whether each questionnaire item accurately

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measured the intended variable. Reliability was evaluated using Cronbach's Alpha, with a value greater than 0.70 indicating good reliability.

Multiple linear regression analysis was used to examine the effects of accounting literacy and tax literacy on Individual Taxpayer compliance, using the following equation:

$$Y = a + b_1X_1 + b_2X_2 + e$$

where Y represents Individual Taxpayer Compliance, X_1 represents Accounting Literacy, X_2 represents Tax Literacy, *a* is the constant, b_1 and b_2 are regression coefficients, and *e* is the error term. The t-test was used to examine the partial effect of each independent variable, while the F-test was used to examine their simultaneous effect. A significance level of 0.05 was applied. The coefficient of determination (R^2) was used to determine the proportion of variation in taxpayer compliance explained by accounting literacy and tax literacy.

RESULT AND DISCUSSION

Result

Descriptive Analysis Results

Based on questionnaire data from 100 respondents, descriptive analysis was conducted on Accounting Literacy (X1), Tax Literacy (X2), and Individual Taxpayer Compliance (Y). Using a five-point Likert scale, mean scores of 3.41–4.20 were categorized as high.

The Accounting Literacy (X1) variable obtained an average score of 3.99, indicating a high level of accounting literacy. The highest score was found in the ability to classify income and expenses (4.08), while the lowest score was found in the ability to maintain financial records (3.87). These results indicate that respondents generally have good accounting literacy, although their financial recording skills could still be improved.

The Tax Literacy (X2) variable obtained an average score of 3.95, which was also categorized as high. Knowledge of tax sanctions had the highest score (4.08), while understanding of electronic tax filing/Coretax had the lowest score (3.86). This indicates that respondents generally have good tax knowledge, although their understanding of electronic tax filing systems still needs improvement.

The Individual Taxpayer Compliance (Y) variable obtained an average score of 3.95, indicating a high level of compliance. Compliance in reporting all income had the highest score (4.02), while the timeliness of Annual Tax Return filing had the lowest score (3.86). Overall, taxpayers demonstrated a high level of compliance, although timely filing remains an aspect that requires further improvement.

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E-ISSN : 2964-0865
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Multiple Linear Regression Analysis

The multiple linear regression analysis was conducted to examine the effect of Accounting Literacy (X1) and Tax Literacy (X2) on Individual Taxpayer Compliance (Y).

Table 1. Multiple Linear Regression Results

Variable	B	Std. Error	Beta
Constant	-0.391	0.493	–
Accounting Literacy (X1)	0.552	0.118	0.410
Tax Literacy (X2)	0.593	0.089	0.582

Source: SPSS 27, 2026.

The regression equation is:

Y = -0.391 + 0.552X1 + 0.593X2

The coefficient of Accounting Literacy is 0.552, indicating that a one-unit increase in Accounting Literacy is associated with a 0.552-unit increase in Individual Taxpayer Compliance, holding Tax Literacy constant. Meanwhile, the coefficient of Tax Literacy is 0.593, indicating that a one-unit increase in Tax Literacy is associated with a 0.593-unit increase in taxpayer compliance, holding Accounting Literacy constant. Thus, both variables have positive relationships with taxpayer compliance.

Simultaneous Test (F-Test)

Table 2. Simultaneous Test Results (F-Test)

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	5462.963	2	2731.481	2213.901	0.000
Residual	119.677	97	1.234	–	–
Total	5582.640	99	–	–	–

Source: SPSS 27, 2026.

The F-test resulted in an F-value of 2,213.901 with a significance value of 0.000 < 0.05. Therefore, H3 is accepted, indicating that Accounting Literacy and Tax Literacy simultaneously have a significant effect on Individual Taxpayer Compliance in filing Annual Tax Returns in Jambi City.

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Partial Test (t-Test)

Table 3. Partial Test Results (t-Test)

Variable	t-value	Sig.	Result
Accounting Literacy (X1)	4.689	0.000	Significant
Tax Literacy (X2)	6.655	0.000	Significant

Source: SPSS 27, 2026.

Accounting Literacy (X1) has a positive and significant effect on Individual Taxpayer Compliance, with a t-value of 4.689 and a significance value of 0.000 < 0.05. Therefore, H1 is accepted. Higher accounting literacy is associated with higher taxpayer compliance in filing Annual Tax Returns.

Tax Literacy (X2) also has a positive and significant effect, with a t-value of 6.655 and a significance value of 0.000 < 0.05. Therefore, H2 is accepted. This indicates that better knowledge and understanding of taxation are associated with higher taxpayer compliance.

Coefficient of Determination (R^2)

Table 4. Coefficient of Determination

R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
0.989	0.979	0.978	1.11076	1.877

Source: SPSS 27, 2026.

The R value of 0.989 indicates a very strong relationship between the independent variables and Individual Taxpayer Compliance. The R^2 value of 0.979 indicates that Accounting Literacy and Tax Literacy explain 97.9% of the variation in Individual Taxpayer Compliance, while the remaining 2.1% is explained by other factors outside the research model.

Overall, the results confirm that Accounting Literacy and Tax Literacy have positive and significant effects on Individual Taxpayer Compliance, both partially and simultaneously.

DISCUSSION

I. The Effect of Accounting Literacy and Tax Literacy on Taxpayer Compliance

Based on the simultaneous test, the F-value was 2,213.901 with a significance value of 0.000 < 0.05. This result indicates that Accounting Literacy and Tax Literacy simultaneously have a significant effect on Individual Taxpayer Compliance in filing

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Annual Tax Returns in Jambi City. Therefore, the hypothesis stating that Accounting Literacy and Tax Literacy simultaneously affect Taxpayer Compliance is accepted.

This finding can be explained by the fact that fulfilling tax obligations, particularly filing Annual Tax Returns, requires not only an understanding of tax regulations but also taxpayers' ability to understand their financial information.

This finding is consistent with Ignasius and Tambun (2025), Erviando and Simanjuntak (2026), and Putri and Junaidi (2023), whose studies indicate that accounting and tax literacy are relevant to taxpayer compliance. Therefore, the present study strengthens the view that the ability to understand financial information, combined with adequate tax knowledge, is important in improving Individual Taxpayer compliance in filing Annual Tax Returns.

II. The Effect of Accounting Literacy on Taxpayer Compliance

Based on the partial test, Accounting Literacy obtained a t-value of 4.689 with a significance value of 0.000 < 0.05. In addition, the regression coefficient for Accounting Literacy was 0.552 and positive. These results indicate that Accounting Literacy has a positive and significant effect on Individual Taxpayer Compliance in filing Annual Tax Returns in Jambi City. This means that a higher level of accounting literacy is associated with a higher level of taxpayer compliance in fulfilling Annual Tax Return filing obligations.

This positive effect can be explained by the close relationship between the information reported in Annual Tax Returns and taxpayers' financial conditions. Taxpayers who are able to understand financial transactions, maintain financial records, classify income and expenses, and understand assets and liabilities are better able to provide the information required for Annual Tax Return filing. These abilities can reduce difficulties and errors in identifying financial information that must be reported. Thus, accounting literacy provides an informational foundation that helps taxpayers fulfill their tax obligations more accurately, completely, and systematically.

This finding supports the studies of Erviando and Simanjuntak (2026) and Ignasius and Tambun (2025), which included accounting literacy in models explaining taxpayer compliance. Therefore, this study extends the empirical evidence that the benefits of accounting literacy for tax compliance are relevant not only to business operators but also to Individual Taxpayers.

III. The Effect of Tax Literacy on Taxpayer Compliance

Based on the partial test, Tax Literacy obtained a t-value of 6.655 with a significance value of 0.000 < 0.05. The regression coefficient for Tax Literacy was 0.593 and positive. Therefore, Tax Literacy has a positive and significant effect on Individual Taxpayer Compliance in filing Annual Tax Returns in Jambi City. This means that a higher

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level of tax knowledge and understanding is associated with a higher level of compliance in fulfilling Annual Tax Return filing obligations.

This finding can be explained by the fact that tax knowledge and understanding enable taxpayers to recognize their rights and obligations. Taxpayers who understand taxable objects, tax calculation and payment procedures, Annual Tax Return filing procedures, filing deadlines, tax sanctions, and electronic tax systems are better able to fulfill their obligations in accordance with applicable regulations. In contrast, limited tax literacy may cause difficulties in understanding procedures, errors in completing tax returns, or delays in filing. Therefore, better tax literacy can reduce knowledge-related barriers faced by taxpayers in fulfilling their tax obligations.

This finding is consistent with Putri and Junaidi (2023), Hadinata and Marpaung (2025), Nistiana et al. (2022), and Prasetiyo (2024), who found that tax literacy has an effect on taxpayer compliance.

CONCLUSION

Based on the findings of the study on the effect of Accounting Literacy and Tax Literacy on Taxpayer Compliance at KPP Pratama Jambi, it can be concluded that Accounting Literacy and Tax Literacy simultaneously have a positive and significant effect on Individual Taxpayer Compliance in filing Annual Tax Returns in Jambi City. Partially, Accounting Literacy has a positive and significant effect on Individual Taxpayer Compliance, indicating that better accounting literacy is associated with higher taxpayer compliance. Similarly, Tax Literacy has a positive and significant effect on Individual Taxpayer Compliance, indicating that greater knowledge and understanding of taxation are associated with higher compliance in fulfilling Annual Tax Return filing obligations.

Based on the findings and conclusions of this study, Individual Taxpayers are encouraged to continuously improve their accounting literacy, particularly their ability to maintain accurate and systematic financial records. Tax authorities and related institutions are also encouraged to strengthen tax education and outreach programs, particularly regarding Annual Tax Return filing procedures and the use of electronic tax services such as Coretax. Efforts to improve taxpayer compliance should not only focus on knowledge of tax regulations but should also include basic education on financial recording and the management of financial information. Furthermore, future researchers are encouraged to include other variables that may influence taxpayer compliance, such as taxpayer awareness, quality of tax services, tax sanctions, ease of Coretax use, tax digitalization, and economic conditions.

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