

Tax Compliance of Muslim Entrepreneurs in the City of Makassar

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ABSTRACT

The purpose of this study is to reveal Muslim entrepreneurs' people's perceptions of tax compliance related with knowledge, religiosity and justice and to find out whether knowledge, religiosity and justice affect them or not in terms of their tax compliance. The informants of this research are Muslim entrepreneurs in Makassar City. Data was collected through interviews with informants and analysed with a phenomenological approach. A result showed that tax compliance of Muslim entrepreneur is on what is detected into their tax payable. A Religiosity specs affect their views regarding taxes which they consider to be something that should not need to be imposed on citizens but they remain compliant with detected taxes. Knowledge helps in reporting tax and helps them to identify gray areas. While in the aspect of justice, all informants thought that there had not been justice in terms of taxation and what they got from what they paid.

Keywords:

Tax Compliance, Muslim Entrepreneurs, Religiosity, Knowledge, Justice

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Introduction

[1] Indonesia income that comes from taxes amounted to 81% of the total state revenue. Revenue from the source is relatively still small when seen from the potential that is there when maximized. Realization of tax revenue can be achieved when taxpayer compliance has been running optimally. [2] But based on existing data the level of tax compliance in Indonesia is still below. The indications can be seen from several things, namely the number of registered taxpayers, the return on tax returns, tax ratio and tax gap.

[3] Taxpayer compliance is the main factor in determining the amount of tax revenue that can be collected by the Directorate General of Taxes. Tax compliance behaviour is one of several phenomena that have affected the global economy, and this has become a material for practitioners and academics to conduct in-depth studies. [4] Tax compliance behaviour is considered as an important phenomenon that affects developed and developing economies. While the phenomenon that

occurs that the level of tax non-compliance in developing countries is far more than developed countries.

The tax collection system that applies in Indonesia is a *Self-Assessment system* where taxpayers are given the trust to calculate, pay, and report their own taxes. This system encourages taxpayers to be more transparent and responsible in calculating their own taxes, which is certainly good. Even so, taxpayers might try to manipulate their finances to reduce their need to pay taxes or even make them zero. This of course makes taxpayers does not become compliant.

The Directorate General of Tax (DJP) recorded on 2018 compliance ratio of annual tax 71%. The ratio was down compared to 2017. Compliance ratio is calculated from the ratio between the number of tax returns received against the number of taxpayers are obliged to submit SPT. In 2018, for the 2017 tax return many tax returns, taxpayers did not report the return tax return as did the previous year. The Ministry of Finance is targeting 2018 reporting for 2018 compliance can increase 85%.. This is based