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## The Role of Tax Socialization, Education, and Government Support in MSME Compliance in Teras Malioboro

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**Abstract:**

*This study aims to analyze the influence of tax socialization, education level, and government support on tax compliance among MSMEs in Teras Malioboro, Yogyakarta. The research employs a quantitative approach, using primary data collected through a questionnaire. The population consists of 888 MSME taxpayers at Teras Malioboro, with a sample of 90 respondents selected using simple random sampling. The data were analyzed using multiple linear regression to determine the effect of the independent variables on tax compliance. The results show that tax socialization and education level have a positive and significant impact on tax compliance, while government support does not significantly influence compliance. These findings suggest that enhancing understanding through effective socialization and education can improve MSME compliance. However, the study's scope is limited to a specific area, and further research is recommended to expand the sample and explore additional factors affecting tax compliance. Additionally, improved government support in tax services is suggested to enhance taxpayer compliance.*

**Keywords:** Tax Socialization, Education Level, Government Support, Tax Compliance, MSMEs,

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### 1. Introduction

Taxpayer compliance can be defined as the behavior or actions of a taxpayer who fulfills all tax obligations and exercises their tax rights in accordance with prevailing legal provisions (Atarwaman, 2020). Micro, Small, and Medium Enterprises (MSMEs) play a crucial role in the economy. However, the compliance level of MSME taxpayers remains a focal point of concern, indicating challenges that must be addressed to ensure their economic contributions can be optimally realized (Sofianti & Wahyudi, 2022). Factors such as tax socialization, education, and government support significantly influence the compliance of MSME taxpayers (Poly Endrayanto et al., 2022).

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One of the government's strategies to enhance taxpayer compliance is through tax socialization activities. Tax socialization involves disseminating information to the public to improve their understanding of tax-related matters (Pramukty & Yulaeli, 2022). This initiative aims to equip taxpayers with sufficient knowledge about the tax system, thereby increasing compliance in paying and reporting their taxes (Boediono et al., 2018). A lack of understanding among taxpayers regarding their tax obligations often leads to reluctance in calculating, paying, and reporting their taxes (Windiarini et al., 2020). Consequently, they tend to violate the applicable tax regulations.

The second factor influencing taxpayer compliance is the level of education. Both formal and informal tax education positively affect taxpayers' compliance in fulfilling their tax obligations. This is attributed to a better understanding of the tax system and payment processes among individuals with higher education levels. However, the impact of education on tax compliance may vary. Educated individuals are more likely to understand opportunities for tax violations, which can, in turn, affect their compliance levels (Sulistiyowati et al., 2021).

Another significant factor is government support. Support includes various forms of information, whether verbal or non-verbal, such as advice or tangible assistance provided by one's social environment. Furthermore, support can encompass emotional benefits that influence the behavior of its recipients (Rianto & Yoganingsih, 2020). Governments can organize tax socialization and education programs to enhance public understanding of tax obligations and the importance of compliance (Zulma, 2020). Additionally, they must ensure that services provided by tax institutions such as consultation, form submissions, and online services are accessible and high-quality.

A lack of support for tax obligations is often associated with low education levels (Rahman, 2018). Limited understanding and awareness regarding the importance of paying taxes are key issues that need widespread public education to improve compliance rates. An effective approach to address this is through the education system, both at schools and universities. Educational institutions serve as an ideal platform to convey knowledge and foster awareness about the tax system, instilling compliance with tax obligations from an early age (Yasin et al., 2021). Taxpayers with higher education levels and a better understanding of taxation tend to comply more with their obligations compared to those with limited access to information (Sulistiyowati et al., 2021). Education significantly influences compliance levels, as individuals with higher education are more likely to adhere to tax regulations. Conversely, low education levels correlate with lower awareness and compliance with tax obligations (Patriandari & Safitri, 2019).

The issuance of Government Regulation No. 23 of 2018 also impacted tax compliance among MSME actors in Kotagede District, Yogyakarta (Maulida, 2018). This demonstrates that tax regulations can influence the compliance levels of MSME taxpayers. The studies cited above indicate that factors such as tax socialization, education, government support, and tax regulations significantly affect MSME taxpayer compliance. Therefore, examining these factors in the context of MSME

compliance in Teras Malioboro, Yogyakarta, becomes relevant to provide a deeper understanding of the determinants of compliance.

This study is expected to contribute to the theoretical development of factors influencing MSME taxpayer compliance, particularly in the context of tax socialization, education, government support, and tax regulations. Furthermore, the findings of this research are anticipated to offer policy recommendations to the government and related institutions to improve MSME taxpayer compliance in Teras Malioboro, Yogyakarta. These insights may also serve as a guide for MSMEs in understanding and fulfilling their tax obligations.

## **2. Theoretical Background**

**Tax Socialization has a positive and significant effect on MSMEs Taxpayer Compliance:** The Theory of Planned Behavior (TPB), a component of the Reasoned Action Theory (TRA), was defined by Ajzen (1991). This theory focuses on how attitudes, subjective norms, and perceived behavioral control influence an individual's intention to perform a specific action, ultimately affecting their actual behavior. In the context of taxation, effective tax socialization plays a pivotal role in shaping positive attitudes toward tax payment. Campaigns or information dissemination that emphasize the benefits of taxes, such as infrastructure development and public services, alongside administrative tax procedures, can foster positive attitudes toward tax compliance.

Tax counseling contributes significantly to the success of tax socialization efforts. Various media can be utilized to raise public awareness about the importance of tax morality and its role in national development. Socialization, in its general sense, is understood as the process by which individuals learn from interactions with others, encompassing how we think, feel, and act to ensure effective social participation. Research by Megantara et al. (2017) found that tax socialization positively influences taxpayer compliance. Similarly, Hafiz & Saryadi (2017) demonstrated that tax socialization impacts taxpayers' understanding, while Wardani & Wati (2018) affirmed that tax socialization significantly affects taxpayer compliance levels.

These findings highlight the importance of tax socialization as a strategic tool for improving tax compliance. By enhancing taxpayers' understanding and attitudes through well-structured socialization programs, policymakers can foster greater adherence to tax regulations, contributing to national revenue and sustainable development.

**Education Level has a positive and significant effect on MSMEs Taxpayer Compliance:** Education plays a crucial role in improving perceived behavioral control (planned behavior) by equipping individuals with the knowledge and skills necessary to comply with tax obligations. Tax socialization efforts that provide clear information and practical guidance are more effective in enhancing perceived behavioral control, particularly among educated individuals. Those with higher levels

of education tend to possess better cognitive skills and knowledge, enabling them to understand and navigate tax systems more efficiently (Yasin et al., 2021).

According to Putri (2016), education not only reflects an individual's integrity but also serves as a medium for introducing tax knowledge. The higher the taxpayer's education level, the greater their awareness and compliance with tax obligations, which ultimately leads to an increase in tax revenue for the Directorate General of Taxes (DJP). Research by Amaliah et al. (2015) also demonstrates that education levels significantly influence MSME taxpayers' compliance. MSME taxpayers with higher education levels are more likely to comply with tax regulations because they better understand taxation and the procedures for tax payment.

Similarly, Kakunsi et al. (2017) emphasize that education levels have a positive and significant impact on taxpayer compliance. Educated individuals are more likely to perceive the tax system as accessible and manageable, which fosters greater adherence to their tax obligations. These findings underscore the importance of incorporating education and targeted socialization efforts as part of strategies to enhance taxpayer compliance, particularly among MSMEs.

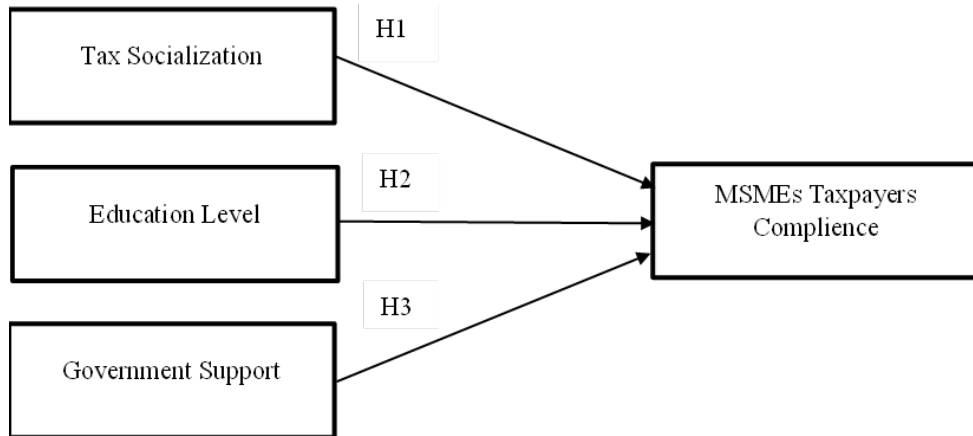
**Government Support has a positive and significant effect on MSMEs Taxpayer Compliance:** Compliance theory encompasses a set of concepts and principles that explain why individuals or organizations adhere to rules, regulations, and norms established by authorities or society. When the government provides tangible support, such as adequate infrastructure and quality public services, taxpayers are more likely to develop a positive attitude toward paying taxes as they perceive the direct value of their contributions.

The government plays a crucial role in the success of Micro, Small, and Medium Enterprises (MSMEs) through support in areas such as regulation, taxation, ease of licensing, market access, mentoring and training, and low-interest financing. Research indicates that monetary policies have a positive impact on MSME performance, while insufficient government support in empowering MSMEs can hinder improvements in their performance (Ondang et al., 2019).

In a study conducted by Syaputra (2019), government regulations under Government Regulation No. 23 of 2018 were found to have a partial influence on taxpayer compliance. Similarly, research by Imaniati & Isroah (2016) demonstrated that government support through the implementation of Government Regulation No. 46 of 2013 significantly affected taxpayer compliance. These findings underscore the importance of effective government policies and support mechanisms in fostering compliance among taxpayers, particularly within the MSME sector. By aligning regulatory frameworks with taxpayer needs and providing robust support systems, governments can enhance compliance rates while contributing to the overall success of MSMEs.

## Theoretical Framework

Below is the conceptual framework used in this research:



**Figure 1. Research Framework**

## 3. Methodology

The population in this study consists of taxpayers from Micro, Small, and Medium Enterprises (MSMEs) located in the Teras Malioboro, Yogyakarta, totaling 888 MSMEs taxpayer tenants in 2023. The Teras Malioboro is divided into several building layouts, namely buildings A, B, C, and D. The following is the research population count:

<b>Teras Malioboro Building Layout</b>	<b>Number of MSMEs</b>
Building A	712
Building B	67
Building C	52
Building D	57
<b>Total Population</b>	<b>888</b>

Source: Secondary Data, 2024, processed

The sample in this research is MSMEs that are Taxpayers on the Teras Malioboro in Yogyakarta. The sampling technique used in this research is Simple Random Sampling, which consists of a number of elements selected randomly where each element or member of the population has an equal chance of being chosen as a sample (Sugiyono, 2019). Determination of the sample size according to the Slovin's formula is as follows:

$$n = \frac{N}{1 + N(e)^2}$$

$$n = \frac{888}{1 + 888 (10\%)^2}$$

$$n = \frac{888}{9,88}$$

$$n = 89,97 \text{ (rounded to 90) respondents}$$

Information :

n	=	Sample Size
N	=	Population Size
e	=	Percentage of tolerance for inaccuracies is 10%.

Based on the calculations, the sample size for this study consists of 90 respondents, who are MSME taxpayers operating in the Teras Malioboro area of Yogyakarta. The respondents were selected using simple random sampling from MSMEs located across four buildings in Teras Malioboro: Building A, Building B, Building C, and Building D.

This study utilizes primary data, which refers to information collected directly from its original source through questionnaires distributed to respondents in line with the research objectives. A questionnaire is a research tool used to pose written questions, accompanied by predetermined answer options, to respondents (Diana & Tanjung, 2020). The questionnaire for this study consists of four sections: Tax Socialization, Education Level, Government Support, and Taxpayer Compliance among Micro, Small, and Medium Enterprises (MSMEs).

A Likert scale ranging from 1 to 5 was employed to measure responses. Respondents were asked to select the option that best represented their situation. The scale scores are as follows: Strongly Agree (SA) scored 5, Agree (A) scored 4, Neutral/Uncertain (N) scored 3, Disagree (D) scored 2, and Strongly Disagree (SD) scored 1. The questions in the survey reflect the study's variables. The questionnaire was developed by the researchers and disseminated to respondents via Google Forms.

A pilot test was conducted before proceeding with the main analysis to ensure the quality and reliability of the instrument. The data collected were analyzed using IBM SPSS version 25, and several tests were performed, including validity test, reliability test, descriptive statistics, classical assumption tests, and multiple linear regression analysis (t-test, F-test, and the coefficient of determination).

#### 4. Empirical Findings/Result

##### Respondents Characteristics

**Tabel 2. Respondent Characteristics**

Category	Frequency (F)	Percentage (%)
<b>Gender</b>		
Male	37	41%
Female	53	59%

Category	Frequency (F)	Percentage (%)
<b>Age</b>		
16-25	35	38,9%
26-35	28	31,1%
36-45	22	24,4%
> 46	5	5,6%
<b>Having a Tax Identification Number (NPWP)</b>		
No	15	16,7
Yes	75	83,3

Source: Secondary Data, 2024, processed

The analysis of respondent gender characteristics revealed that the majority were female, totaling 53 individuals (59%), while male respondents accounted for 37 individuals (41%). An analysis of respondents age characteristics showed that the majority fell within the 16-25 age group, comprising 35 individuals (38.9%). This was followed by the 26-35 age group with 28 individuals (31.1%), the 36-45 age group with 22 individuals (24.4%), and the over-46 age group with 5 individuals (5.6%). Regarding respondents Taxpayer Identification Number (NPWP) status, the data indicated that most respondents 75 individuals (83.3%) already possessed an NPWP, while 15 respondents (16.7%) did not have one.

### Validity Test

**Table 3. Validity Test Result**

Variable	Questions Item	Pearson Correlation	r table	Information
Taxpayer Compliance (KWP)	KWP1	,890**	0,2072	Valid
	KWP2	,870**	0,2072	Valid
	KWP3	,898**	0,2072	Valid
	KWP4	,876**	0,2072	Valid
Tax Socialization (SP)	SP1	,837**	0,2072	Valid
	SP2	,850**	0,2072	Valid
	SP3	,848**	0,2072	Valid
	SP4	,877**	0,2072	Valid
	SP5	,851**	0,2072	Valid
	SP6	,810**	0,2072	Valid
	SP7	,819**	0,2072	Valid
	SP8	,766**	0,2072	Valid
Education Level (TP)	TP1	,677**	0,2072	Valid
	TP2	,620**	0,2072	Valid
	TP3	,804**	0,2072	Valid
	TP4	,785**	0,2072	Valid
	TP5	,795**	0,2072	Valid
	TP6	,790**	0,2072	Valid
	TP7	,784**	0,2072	Valid
	TP8	,699**	0,2072	Valid

Variable	Questions Item	Pearson Correlation	r table	Information
Government Support (DP)	DP1	,914**	0,2072	Valid
	DP2	,875**	0,2072	Valid
	DP3	,862**	0,2072	Valid
	DP4	,898**	0,2072	Valid
	DP5	,905**	0,2072	Valid
	DP6	,912**	0,2072	Valid
	DP7	,888**	0,2072	Valid
	DP8	,866**	0,2072	Valid
	DP9	,836**	0,2072	Valid
	DP10	,877**	0,2072	Valid

Source: Secondary Data, 2024, processed

Based on table 3, it can be observed that all question items for Taxpayer Compliance (KWP), Tax Socialization (DP), Education Level (TP), and Government Support (DP) exhibit Pearson correlation values greater than the r-table and significance levels below the alpha value of 0.05. Therefore, it can be concluded that all question items are valid.

### Reliability Test

**Table 4. Reliability Test Result**

Variable	Questions Item	Cronbach's alpha	Information
Taxpayer Compliance (KWP)	4	0,903	Reliable
Tax Socialization (SP)	8	0,936	Reliable
Education Level (TP)	8	0,885	Reliable
Government Support (DP)	10	0,968	Reliable

Source: Secondary Data, 2024, processed

A variable in a questionnaire is considered reliable if the Cronbach's Alpha value exceeds 0.600. Based on table 4, it is evident that all the variables in this study have Cronbach's Alpha values > 0.600. Therefore, it can be concluded that all variables are reliable and trustworthy.

### Descriptive Statistics

Descriptive statistics provides data in tables, graphs, and diagrams that include relevant information related to the research data. The descriptive statistics used in this study are the mean, standard deviation, lowest value, and maximum value (Ghozali, 2016). The results of the descriptive statistical testing may be seen in the following table:



**Table 5. Descriptive Statistic Result**

<b>Variable</b>	<b>N</b>	<b>Minimum</b>	<b>Maximum</b>	<b>Mean</b>	<b>Std. Deviation</b>
Tax Socialization	90	16	40	32.16	6.237
Education Level	90	14	40	29.73	4.678
Government Support	90	13	50	40.62	9.501
Taxpayer Compliance	90	7	20	16.94	3.113
Valid N (listwise)	90				

Source: Secondary Data, 2024, processed

Based on table 5, the analysis reveals the following insights for each variable:

1. Tax Socialization: With a total of 90 respondents, this variable has a minimum value of 16 and a maximum value of 40. The average response is 32.16, with a standard deviation of 6.237. The low standard deviation relative to the mean indicates a small degree of data dispersion.
2. Education Level: For this variable, with 90 respondents, the minimum value is 14, and the maximum value is 40. The average response is 29.73, with a standard deviation of 4.678. Similar to the previous variable, the standard deviation is low compared to the mean, suggesting minimal data variability.
3. Government Support: This variable also consists of 90 respondents, with a minimum value of 13 and a maximum value of 50. The average response is 40.62, and the standard deviation is 9.501. While the standard deviation is slightly larger, it remains below the mean, indicating a relatively small degree of variability.
4. Taxpayer Compliance: With 90 respondents, the minimum value is 7, and the maximum value is 20. The average response is 16.94, with a standard deviation of 3.113. The low standard deviation compared to the mean signifies minimal data deviation.

Overall, the standard deviations across all variables are relatively low compared to their respective means, indicating that the data is consistent and shows minimal dispersion.

### Results of Multiple Linear Regression

Multiple regression analysis is used to determine the functional relationship between two or more independent variables and their dependent variable (Ghozali, 2018). The following are the results of the multiple linear regression analysis:

**Table 6. Multiple Linear Regression Analysis Result**

<b>Model</b>	<b>Unstandardized Coefficients</b>		<b>Standardized Coefficients</b>	<b>T</b>	<b>Sig.</b>
	<b>B</b>	<b>Std. Error</b>	<b>Beta</b>		
1 (Constant)	3.950	1.033		3.824	.000
Tax Socialization	.441	.036	.882	12.357	.000
Education Level	.068	.032	.102	2.118	.037
Government Support	.021	.024	.063	.880	.381

a. Dependent Variable: Taxpayer Compliance

Source: Secondary Data, 2024, processed

Based on table 6, the following equation is obtained:

$$\text{KWP} = 3,950 + 0,441 \text{ SP} + 0,068 \text{ TP} + 0,021 \text{ DP} + \varepsilon$$

The interpretation of this equation is as follows:

1. The constant value of 3.950 indicates that if the independent variables (Tax Socialization, Education Level, and Government Support) are equal to zero, the dependent variable (Taxpayer Compliance) will increase by 3.950.
2. The regression coefficient for the Tax Socialization variable ( $\beta_1$ ) is positive at 0.441, meaning that if the Tax Socialization variable increases by one unit, Taxpayer Compliance will increase by 0.441.
3. The regression coefficient for the Education Level variable ( $\beta_2$ ) is positive at 0.068, indicating that if the Education Level variable increases by one unit, Taxpayer Compliance will increase by 0.068.
4. The regression coefficient for the Government Support variable ( $\beta_3$ ) is positive at 0.021, meaning that if the Government Support variable increases by one unit, Taxpayer Compliance will increase by 0.021.

### Goodness of Fit Test (F Test)

The Model Fit Test is used to determine the adequacy of a model that has been created or if the experimental results meet a certain level of significance. If the value of sig  $< 0.05$ , then the alternative hypothesis is accepted, and if the value of sig  $> 0.05$ , then the alternative hypothesis is rejected. The results of the model fit test may be seen in the following table:

**Tabel 7. F Test Result**

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	709.548	3	236.516	132.793	.000 <sup>b</sup>
Residual	153.174	86	1.781		
Total	862.722	89			

a. Dependent Variable: Taxpayers Compliance

b. Predictors: (Constant), Tax Socializations, Education Level, Government Support

Source: Secondary Data, 2024, processed

Based on table 7 of the F-statistic test above, it can be observed that the calculated F-value is greater than the table F-value ( $132.793 > 2.70$ ) with a significance value below the probability threshold ( $0.000 < 0.05$ ). Therefore, it can be concluded that Tax Socialization, Education Level, and Government Support simultaneously influence Taxpayer Compliance among MSMEs in Teras Malioboro, Yogyakarta.

### T Measurable Test

The test is conducted to determine the significance level of the variables' partial effect. In any model, the partial influence may be seen by its probability. If the p-value  $< 0.05$ , then the independent variable significantly influences the dependent variable. Conversely, if the p-value  $> 0.05$ , then the independent variable does not have an influence on the dependent variable. The t-test results may be seen in the following table:

**Table 8. t Test Results**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	3.950	1.033		3.824	.000
Tax Socialization	.441	.036	.882	12.357	.000
Education Level	.068	.032	.102	2.118	.037
Government Support	.021	.024	.063	.880	.381

a. Dependent Variable: Taxpayer Compliance

Source: Secondary Data, 2024, processed

The Degrees of Freedom (DF) in this study is 88 ( $90-2=88$ ), which results in a t-table value of 1.987. Based on table 8, the variable Tax Socialization has a significant effect on MSME Taxpayer Compliance. This is evidenced by a significance value of 0.000, which is less than 0.05, and the calculated t-value of 12.357, which is greater than the t-table value of 1.987. With a beta value of 0.411, it can be concluded that Tax Socialization has a positive and significant effect on MSME Taxpayer Compliance, meaning the first hypothesis is accepted.

The variable Education Level also significantly affects MSME Taxpayer Compliance. This is evidenced by a significance value of 0.037, which is less than 0.05, and the calculated t-value of 2.118, which is greater than the t-table value of 1.987, with a beta value of 0.068. Therefore, it can be concluded that Education Level has a positive and significant effect on MSME Taxpayer Compliance, meaning the second hypothesis is accepted.

On the other hand, the variable Government Support does not have a significant effect on MSME Taxpayer Compliance. This is evidenced by a significance value of 0.381, which is greater than 0.05, and the calculated t-value of 0.880, which is smaller than the t-table value of 1.987, with a beta value of 0.021. Therefore, it can be concluded that Government Support does not significantly affect MSME Taxpayer Compliance, meaning the third hypothesis is rejected.

### Coefficient of Determination (R Square)

The coefficient of determination ( $R^2$ ) measures the extent to which independent variables provide information on the dependent variable. The results of the coefficient of determination test may be seen in the following table:

**Table 9. R Square Test Results**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.907 <sup>a</sup>	.822	.816	1.33457

Source: Secondary Data, 2024, processed

The coefficient of determination ( $R^2$ ) test essentially measures the extent to which the model explains the variation in the dependent variable. The value of the coefficient of

determination ranges from 0 to 1. Based on Table 9, the R Square value obtained is 0.882, which indicates that the ability of MSMEs Taxpayer Compliance to explain Tax Socialization, Education Level, and Government Support is 0.882 or 88.2%. The remaining 11.8% is explained by other factors that were not examined in this study.

## **5. Discussion**

### **The Impact of Tax Socialization on MSMEs Taxpayers Compliance**

The t-test results indicate that Tax Socialization has a significant impact on Taxpayer Compliance among MSMEs in Teras Malioboro, Yogyakarta. This is evidenced by a significance value of 0.000, which is less than 0.05, and the calculated t-value (12.357) is greater than the t-table value (1.987). The standardized beta coefficient of 0.882 suggests that an increase in Tax Socialization will lead to a corresponding increase in Taxpayer Compliance. Therefore, the first hypothesis (H1), which posits that Tax Socialization positively influences MSMEs Taxpayer Compliance, is supported.

The findings of this study align with the Theory of Planned Behavior (TPB). TPB is a social psychology theory that explains how attitudes, subjective norms, and perceived behavioral control influence an individual's intention to engage in a behavior. In the context of tax socialization, this theory can be applied to understand and influence taxpayer behavior. Tax socialization aims to shift negative attitudes to positive ones by providing clear and persuasive information about the benefits of taxes and the consequences of tax avoidance. Effective tax socialization helps individuals understand the importance of taxes, feel supported by their social environment, and perceive themselves as capable of fulfilling their tax obligations with ease.

These results are consistent with research by Megantara et al. (2017), who found that tax socialization positively affects taxpayer compliance. Hafiz & Saryadi (2017) also reported that tax socialization impacts taxpayers' understanding, while Wardani & Wati (2018) emphasized that tax socialization influences taxpayer compliance levels. Conversely, Lianty et al. (2017) concluded that tax socialization does not have a significant effect on taxpayer compliance.

### **The Effect of Education Level on MSMEs Taxpayers Compliance**

The results of the t-statistic test indicate that the Education Level has a positive effect on MSMEs Taxpayer Compliance. This is evidenced by a significance value of 0.037, which is less than 0.05, and a t-calculated value of 2.118, which is greater than the t-table value of 1.987. The standardized coefficient beta is 0.102, meaning that as the Education Level increases, Taxpayer Compliance also increases. Therefore, the second hypothesis (H2), which states that Education Level positively influences MSME Taxpayer Compliance, is supported.

These results align with the Theory of Planned Behavior, which is used to study human behavior, particularly in relation to intentions, and provides guidelines for studying attitudes toward behavior (Pranadata & Gede, 2014). Taxpayers with higher education levels tend to have a better understanding of the importance of taxes for

national development and the benefits derived from paying taxes. Higher education leads to a more positive attitude toward tax payment because individuals better comprehend the goals and benefits of taxation. This, in turn, encourages the intention to comply with tax obligations. Additionally, higher education can enhance one's ability to understand and manage the tax payment process, improving the perception of behavioral control.

These findings are consistent with research by Kakunsi et al. (2017), which found that education level positively and significantly influences taxpayer compliance. Amaliah et al. (2015) also demonstrated that education level significantly affects MSME taxpayer compliance. Putri (2016), further supported this by showing that education level influences taxpayer compliance. However, Rahman (2018) found that education level does not affect taxpayer compliance.

### **The Influence of Government Supports on MSMEs Taxpayers Compliance**

The t-test results indicate that Government Support does not significantly affect MSMEs Taxpayer Compliance. This is evidenced by the significance value of  $0.381 > 0.05$  and the calculated t-calculated being smaller than the critical t-table ( $0.880 < 1.987$ ). The standardized beta coefficient is 0.063, suggesting that Government Support does not influence Taxpayer Compliance. Therefore, the third hypothesis (H3), which states that Government Support positively impacts MSME Taxpayer Compliance, is not supported.

Tax compliance theory refers to the adherence, obedience, and submission to laws, regulations, or rules. In the context of taxation, compliance refers to the obligation of taxpayers to fulfill all their tax responsibilities and exercise their tax rights. Taxpayer compliance is a behavior based on the awareness of taxpayers in fulfilling their tax duties, grounded in the applicable regulations and laws.

These findings contradict tax compliance theory, which suggests that tax compliance is influenced by the threat of sanctions and strict law enforcement. If government support is weak or ineffective, the lack of real threats and inconsistent enforcement of laws may lead taxpayers to feel that the risk of being caught and penalized is minimal. As a result, taxpayers are less motivated to comply. Furthermore, insignificant or rarely applied penalties may lead to non-compliance, as taxpayers do not perceive any fear of consequences for not paying taxes.

This result contrasts with the findings of Nisaak & Khasanah (2022), who stated that tax incentives, as a proxy for government support, have a positive impact on taxpayer compliance. Syaputra (2019) demonstrated in his research that government regulation, specifically Government Regulation No. 23 of 2018, partially affects taxpayer compliance. Similarly, Imaniati & Isroah (2016) found that government support through the implementation of Government Regulation No. 46 of 2013 positively influenced taxpayer compliance.

## 6. Conclusions

Based on the research findings, tax socialization and education levels have been shown to have a positive and significant impact on the tax compliance of MSMEs in Teras Malioboro, Yogyakarta. In contrast, government support did not show a significant influence on taxpayer compliance. These results indicate that improving understanding through tax socialization and education can increase the awareness and compliance of MSMEs in fulfilling their tax obligations.

The limitations of this study lie in the narrow scope of the sample, which is confined to MSMEs in a specific location, namely Teras Malioboro. Therefore, the results may not be generalizable to other areas. Furthermore, other variables that might affect tax compliance, such as personal motivation or social awareness, were not explored. Future research is recommended to expand the sample to other regions and consider additional variables that could influence taxpayer compliance. Additionally, the government should strengthen support through more accessible and high-quality tax services.

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