



The Effect of Information and Communication Technology Utilization on Taxpayer Compliance with the Ability to Pay as a Variable

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Abstract

The purpose of this study was to examine the effect of information and communication technology utilization on taxpayer compliance with the ability to pay as a moderating variable. This study uses a quantitative approach. The sample used was 124 taxpayers registered in Semarang City. The Partial Least Square-Structural Equation Modeling (PLS-SEM) analysis technique was used to test the moderating effect of ability to pay and the effect of information and communication technology utilization on taxpayer compliance. The results showed that the use of information and communication technology has a significant positive effect on taxpayer compliance. In addition, this study found that the ability to pay moderates the effect of utilization of information and communication technology on taxpayer compliance.

Introduction

Taxpayer compliance has a strategic role in supporting state revenue which is the backbone of national development (Purwono et al., 2021). High compliance from taxpayers allows the government to obtain stable and sustainable revenue to finance various development programs, such as infrastructure, education, and health. Conversely, taxpayer non-compliance can disrupt fiscal stability, trigger budget deficits, and limit the government's room for maneuver in implementing economic policies (HH et al., 2024). Thus, increasing taxpayer compliance not only has an impact on the sustainability of development, but also on inclusive and sustainable economic growth (Annisa, 2021).

Based on data from the Directorate General of Taxes, taxpayers in Semarang City in 2023 amounted to 656,599, of which the number of taxpayers required to submit tax returns and the number of incoming tax returns are as follows

Table 1. Total number of taxpayers and tax return filers in Semarang City

Name of LTO	2021			2022			2023		
	Mandatory SPT	SPT Entry	%	Mandatory SPT	SPT Entry	%	Mandatory SPT	SPT Entry	%
KPP Pratama Semarang Barat	53.710	55.133	103%	61.402	43.850	71%	48.071	43.633	91%
KPP Pratama Semarang Timur	28.264	27.127	96%	29.337	19.764	67%	21.734	18.958	87%
KPP Pratama Semarang Selatan	12.142	11.707	96%	12.301	9.736	79%	9.536	9.448	99%
KPP Pratama Semarang Tengah	12.263	10.617	87%	10.300	10.248	99%	10.449	10.084	97%
KPP Madya Semarang	1.485	1.481	100%	1.442	1.472	102%	1.473	1.439	98%
KPP Madya Dua Semarang	1.547	1.531	99%	1.506	1.514	101%	1.515	1.491	98%
KPP Pratama Semarang	72.203	64.423	89%	77.381	52.774	68%	51.526	53.596	104%
KPP Pratama Semarang Gayamsari	35.698	35.278	99%	36.732	35.730	97%	35.040	34.990	100%
Total	217.312	207.297	96%	230.401	175.088	86%	179.344	173.639	97%

Source: Directorate General of Taxes, 2024

The data above shows that in general the formal compliance of taxpayers in Semarang City is quite high, but when viewed from the number of taxpayers who make tax deposits as a percentage, the number is quite small. The following is data on the number of taxpayers who make tax deposits in Semarang City

Table 2. Comparison of Total WP Deposit with Registered WP in Semarang City

Name of LTO	2021			2022			2023		
	Registered Taxpayers	WP Deposit	%	Registered Taxpayers	WP Deposit	%	Registered Taxpayers	WP Deposit	%
KPP Pratama Semarang Barat	157.269	10.640	6,77%	168.458	11.294	6,70%	178.621	10.216	5,72%
KPP Pratama Semarang Timur	69.971	6.672	9,54%	73.497	7.115	9,68%	76.591	6.010	7,85%
KPP Pratama Semarang Selatan	31.449	3.111	9,89%	33.044	3.359	10,17%	34.444	2.912	8,45%
KPP Pratama Semarang Tengah	30.063	5.901	19,63%	31.226	6.052	19,38%	32.889	5.091	15,48%
KPP Madya Semarang	2.027	1.952	96,30%	2.030	1.691	83,30%	2.036	1.592	78,19%
KPP Madya Dua Semarang	2.289	1.806	78,90%	2.316	1.931	83,38%	2.348	1.789	76,19%
KPP Pratama Semarang	171.922	11.687	6,80%	181.993	12.432	6,83%	191.002	11.093	5,81%
KPP Pratama Semarang Gayamsari	124.721	8.926	7,16%	132.298	9.245	6,99%	138.668	8.497	6,13%
Total	589.711	50.695	29%	624.862	53.119	28%	656.599	47.200	25%

Source: Directorate General of Taxes, 2024

The data above shows that for KPP Pratama in Semarang City, the average taxpayer who makes a deposit is still below 10 (ten) percent, which can be said to be quite low but it cannot necessarily be said that the material compliance of taxpayers in Semarang City is said to be low. Furqon et al. (2022) mentioned that high tax compliance is not always directly proportional to the amount of tax paid, taxpayers may comply with tax rules strictly but report lower taxes because they utilize deductions or do good tax planning.

Advances in information and communication technology (ICT) in recent years have brought significant revolutions, including in the field of tax administration. Various innovations such as e-filing, e-billing, and digital-based tax applications have accelerated and simplified the tax reporting process by taxpayers (Kienata, 2019). With ICT-based systems, taxpayers can now access taxation services online anytime and anywhere, reducing the need for direct interactions that are often time-consuming. In addition, this technology improves efficiency by automating administrative processes, thereby reducing the risk of human error. Transparency is also more assured as integrated and digitally recorded data allows for easier monitoring by authorities, creating public trust in the tax system (Arta & Khoiriawati, 2022).

The current tax collection system in Indonesia uses a *self-assessment* system, where taxpayers are authorized to calculate, report, and pay their own taxes. According to Zega (2019) , this system relies on taxpayer honesty in tax reporting and requires checks and audits to ensure actual compliance. In other words, within the framework of the *self-assessment* system, the tax reporting obligation rests with the taxpayer, and compliance is considered achieved if no evidence of violations is found during an audit or examination (Paraja Baslan, 2023).

The Directorate General of Taxes (DGT) to date has actually maximized the use of ICT in carrying out supervisory actions to taxpayers, including through platforms such as *Approweb*, *Apportal*, and *SIDJP* etc.. Some of these platforms present data from internal and external parties of the Directorate General of Taxes to be analyzed by *Account Representatives* so that supervisory actions can be taken with the aim of increasing taxpayer compliance. *Approweb* enables more accurate monitoring by providing direct access to relevant tax data, making it easier for tax officers to verify taxpayer compliance.

By utilizing a combination of these three platforms, DGT can conduct more effective and efficient supervision, as well as improve accuracy in detecting tax non-compliance. As a result,

this ICT-based supervision not only strengthens the audit and enforcement process, but also encourages overall taxpayer compliance. Based on research conducted by (Immordino & Russo, 2018; Muturi & Kiarie, 2015; OO & Adegbe, 2020; Sentanu & Budiarta, 2019; Tambun & Riandini, 2022) states that information technology has a positive influence on taxpayer compliance. Meanwhile, according to Annisah & Susanti (2021) The use of information technology has no effect on taxpayer compliance.

Information technology plays an important role in overcoming limited human resources at the Directorate General of Taxes (DGT), especially in efforts to improve taxpayer compliance. In 2023, DGT recorded a shortage of tax auditors compared to the ideal requirement based on KEP-244/PJ/2021, which caused limitations in the scope and frequency of tax audits.

Ability to pay is an important factor affecting tax compliance. Ability to pay refers to the financial capacity of taxpayers to fulfill their tax obligations (Asri & Yeni, 2024). Taxpayers who have adequate financial resources are more likely to pay their taxes in full and on time. Conversely, taxpayers who face financial difficulties may find it difficult to pay the required amount of tax and may be more likely to look for ways to reduce their tax obligations or even avoid them. This is in line with research (Adu & Amponsah, 2020; Aryandini et al., 2016; Kim & Im, 2017) that financial conditions have a positive influence on taxpayer compliance, while according to (Arini, 2019; Budiman, 2018; Karlinah, 2022) the ability to pay or financial conditions have no positive effect on taxpayer compliance.

Research on the relationship between information and communication technology (ICT) utilization and taxpayer compliance has been widely conducted, such as by Tambun & Riandini (2022) and Muturi & Kiarie (2015), which shows the positive impact of ICT on compliance. However, the results of research conducted by Annisah & Susanti (2021) show that ICT does not always significantly affect taxpayer compliance. This difference in results creates a research gap that needs to be explored further, especially regarding factors that can moderate the relationship. One factor that has rarely been studied is the taxpayer's ability to pay, which can affect how taxpayers respond to the convenience offered by technology. By considering the ability to pay, this research becomes relevant to better understand the dynamics between ICT and taxpayer compliance, and provide a more inclusive policy picture.

This study aims to analyze the effect of information and communication technology utilization on taxpayer compliance, with ability to pay as a moderating variable. Specifically, this study wants to explore the extent to which ICT can improve taxpayer compliance in the context of individuals with different levels of ability to pay. The results of this study are expected to make a theoretical contribution by explaining the role of ability to pay as a moderating variable, as well as providing practical recommendations for the government, especially the Directorate General of Taxes, in designing technology-based tax policies that are more effective and fair for various segments of taxpayers.

The Effect of Information and Communication Technology Utilization on Taxpayer Compliance

Information and communication technology has encouraged the birth of various types of services in the field of taxation in Indonesia. Services provided to taxpayers include e-registration for taxpayer registration, e-billing for taxpayer payment, e-filing and efaktur for tax reporting. The existence of these various services will ultimately be able to generate data and/or information for the Directorate General of Taxes. Information is data that has been processed into a form that is meaningful to the recipient and useful for current or future decision making (Gani et al., 2016).

The data and/or information received by the Directorate General of Taxes can come from internal or external parties, while data from external parties comes from agencies, institutions, associations and other parties (ILAP) including *Automatic Exchange of Information* (AEOI) data. The data and/or information is then processed by DGT in an application called Web-based Profile Application (Approweb). Approweb is used as a tool to conduct supervision of taxpayers based on the comparison of data and/or information originating from various sources. The purpose of this application is to secure tax revenue by monitoring compliance and extracting taxation potential.

One of the ways that tax officers conduct supervision is by issuing a Request for Explanation of Data and/or Information (SP2DK) to taxpayers or an appeal letter which is one of the products of Approweb for derivative data generated based on data and/or information comparisons from internal or external sources. SP2DK is a check and recheck mechanism in the *self-assessment* tax system in Indonesia that provides space for taxpayers to clarify and review their tax obligations. When the SP2DK is not followed up by the taxpayer or there is no adequate response, the DGT may continue the process to the tax audit stage.

This tax audit is carried out to ensure the accuracy of information and to calculate the amount of tax that should be paid. This audit step shows the power possessed by the tax authority to force taxpayer compliance through the legal authority granted which stems from the existence of data and / or information generated from the application of information and communication technology, this is in line with the slippery slope theory, one of the causes of taxpayer compliance is the power of the tax authority. Based on the logic above, the research hypothesis developed is as follows:

H1: The application of information and communication technology has a positive effect on taxpayer compliance

Ability to pay on taxpayer compliance

Taxpayer ability to pay is defined as the level of ability of an individual or entity to pay taxes calculated based on their income or wealth. One of the factors that influence the level of tax compliance is the tax burden felt by taxpayers, which will be easier to fulfill if taxpayers have a good ability to pay, meaning that the higher the ability to pay, the greater the likelihood that taxpayers will comply with their tax obligations (Nugraheni & Purwanto, 2015).

The ability to pay related to liquidity also has an impact on taxpayers' decisions to comply with tax regulations. Taxpayers who have better liquid reserves, feel more financially secure so that they do not feel burdened by the tax obligations that must be fulfilled. They tend to be more compliant than taxpayers who have low liquidity, because financial instability is often the main reason for non-compliance in tax payments.

In Arini's research (2019), they examined the factors that influence taxpayer compliance, one of which is the ability to pay. This study found that the ability to pay has a significant impact on taxpayer compliance, where taxpayers who have higher incomes tend to be more compliant in fulfilling their tax obligations than taxpayers who have low incomes. This shows that income level is directly related to awareness and ability to fulfill tax obligations in a timely manner. This research is in line with the *ability to pay theory*, where the ability of taxpayers to pay taxes is influenced by their income level. Taxpayers who have higher incomes feel able to fulfill their tax obligations without feeling burdened, so they are more likely to comply (Arini, 2019).

Kim & Im (2017) also examined the effect of ability to pay on taxpayer compliance, particularly in the context of voluntary compliance. In their study, they found that taxpayers' ability to pay, as measured by income, wealth, and liquidity, has a positive and significant

relationship with tax compliance. This research suggests that taxpayers with better financial capacity tend to have a higher level of compliance as they feel more able to fulfill their tax obligations without having to sacrifice their basic needs.

Research by Kim & Im (2017) supports the concept that taxpayer compliance is strongly influenced by taxpayer financial stability, including liquidity and income. Taxpayers who have sufficient liquidity can easily pay taxes on time, while less liquid taxpayers tend to have difficulty in fulfilling their obligations.

Based on the findings of both studies, ability to pay plays an important role in influencing tax compliance. Theoretically, in accordance with the *ability to pay theory*, when taxpayers have higher financial capability, they will be better able to pay taxes, thereby increasing their compliance. Taxpayers with low income or liquidity tend to be more reluctant or less able to comply with tax obligations as the tax burden may be perceived as heavier in their financial context.

Based on the findings of the research Arini (2019) and Kim & Im (2017), as well as support from the ability to pay theory, the following hypothesis can be formulated:

H2: Ability to pay has a positive effect on taxpayer compliance.

Application of Information and Communication Technology, Ability to Pay and Taxpayer Compliance

Taxpayer compliance is one of the important aspects in maintaining the sustainability of a country's tax system. In the digital era, the application of ICT has become a strategic tool used by DGT to improve taxpayer compliance. The application of ICT, such as e-filing, e-billing, e-reg, e-faktur and an integrated tax information system, aims to generate accurate data and information that can assist DGT in monitoring and enforcing taxpayer compliance. However, the effectiveness of ICT in encouraging taxpayer compliance is not only determined by how sophisticated the technology is, but also influenced by other external factors, one of which is the taxpayer's ability to pay.

The ability to pay affects the behavior of taxpayers in carrying out their obligations. According to research by Arini (2019), taxpayers who have a good ability to pay tend to be more compliant because they feel able to fulfill tax obligations without feeling burdened. Conversely, taxpayers with low ability to pay may delay or avoid tax obligations because they feel unable to fulfill these payments. Therefore, in the context of ICT implementation, ability to pay may moderate how effective the technology is in improving taxpayer compliance.

DGT's implementation of ICT aims to improve taxpayer compliance through the provision of accurate data and information. Taxation systems integrated with digital technology, such as e-filing and e-billing, allow DGT to collect, verify, and monitor tax data in real-time. In a study conducted by Humaidi & Putri (2024), it was found that the use of e-filing makes it easier for DGT to obtain accurate data related to tax reporting, which can assist in the audit process and enforcement of tax regulations. In addition, the data generated through the application of ICT allows DGT to increase effectiveness in monitoring non-compliant taxpayers.

However, although ICT gives DGT the power to monitor and enforce taxpayer compliance, the effect of the application of this technology will not be evenly distributed among all taxpayers. The taxpayer's ability to pay factor is key in moderating the effect of technology on compliance. Research by Kim & Im (2017) shows that ability to pay, as measured by liquidity and income, plays an important role in encouraging tax compliance, especially when the tax process is facilitated by technology. Taxpayers with good financial capability tend to utilize technology such as *e-filing* or *e-billing* more easily because they have the resources to manage their tax

obligations on time. On the other hand, taxpayers with low ability to pay may not be able to fully utilize the application of ICT, so that the effect of technology on compliance becomes less effective. Based on the description above, the hypothesis that can be formulated is as follows:

H3: Ability to pay moderates the effect of the application of Information and Communication Technology on taxpayer compliance

Methods

This research is empirical and uses a quantitative approach to test hypotheses based on existing theories. Primary data was collected through questionnaires distributed to taxpayers in Semarang City. The main focus of the research is to analyze the effect of information and communication technology (ICT) utilization on taxpayer compliance, with the ability to pay as a moderating variable.

The population of this study includes all taxpayers registered in Semarang City. The research sample was taken using *accidental sampling* technique, namely the selection of respondents based on ease of access and certain criteria (Fadilah & Sapari, 2020). The main criteria for respondents are individual or corporate taxpayers registered at the Semarang City Tax Service Office (KPP). The number of samples is based on Jatmiko's recommendation (Nugraheni, 2019), which is a minimum of 30 to 500 respondents, and considers multivariate analysis which requires a sample size of at least 10 times the number of independent variables.

The research was conducted in the administrative areas of tax offices in Semarang City. The questionnaire was distributed online using Google Form, with distribution facilitated by the Account Representative at the relevant tax office. The research lasted for two months, including proposal preparation, questionnaire distribution, data collection, data analysis, and research report preparation.

Data was collected using a closed questionnaire-based survey sent via WhatsApp to taxpayers. The questions in the questionnaire were designed to measure the variables of ICT utilization, ability to pay, and taxpayer compliance. This technique allows respondents to answer according to the options provided, so that the data obtained is more focused and relevant.

Data analysis was conducted using quantitative methods, with the help of the SmartPLS 4.0 application. Hypothesis testing was conducted using Moderated Regression Analysis (MRA) to evaluate the direct effect of ICT utilization on taxpayer compliance, as well as the interaction effect between ability to pay and ICT as a moderating variable. Prior to the main analysis, a classical assumption test was conducted to ensure the validity of the model

Results and Discussion

Table 3. Demographic Profile of Respondents

Description	Total	Percentage
Gender		
Male	75	60%
Female	49	40%
Age		
20 to 29 years	19	15%
30 to 39 years	65	52%
40 to 50 years	36	29%
> 50 years	4	3%
Last Education		

Elementary to high school	37	30%
D1 to D3	16	13%
S1	61	49%
S2 to S3	10	8%
Type of Business / Occupation		
Trade	82	66%
Industry	1	1%
Services	7	6%
Employee	13	10%
More	21	17%
Age of Business/Employment		
< 5 years	36	29%
6 to 9 years	25	20%
10 to 15 years	31	25%
> 15 years	32	26%
Income		
< Rp. 2,000,000	15	12%
Rp. 2,000,000 to Rp. 5,000,000	54	43%
Rp. 6,000,000 to Rp.10,000,000	23	19%
Rp. 11,000,000 to 15,000,000	17	14%
Rp. 16,000,000 to 19,000,000	12	10%
> IDR 20,000,000	3	2%

Source: Processed data (2024)

Table 3 shows the demographic profile of research respondents who are dominated by male taxpayers totaling 75 people or 60% of the 124 respondents, while female taxpayers are 49 people or 40% of the 124 respondents. Research respondents were dominated by taxpayers aged 30 to 39 years totaling 65 respondents or 52% of 124 respondents, taxpayers aged 40 to 49 years totaling 36 respondents or 29% of 124 respondents, taxpayers aged 20 to 29 years totaling 19 respondents or 15% of 124 respondents, taxpayers aged more than 50 years totaling 4 respondents or 3% of 124 respondents. Research respondents whose ability to pay SD s.d. SMA were 37 respondents or 30% of 124 respondents, taxpayers whose ability to pay D1 s.d D3 were 16 respondents or 13% of 124 respondents, taxpayers whose ability to pay S1 were 61 respondents or 49% of 124 respondents, and taxpayers whose ability to pay S2 s.d. S2 were 10 respondents or 8% of 124 respondents. Research respondents were dominated by taxpayers who had a length of business / work with a span of 1-5 years totaling 36 respondents or 29% of 124 respondents, taxpayers who had a length of business / work with a span of 6-9 years totaling 25 respondents or 20% of 124 respondents, taxpayers who had a length of business / work with a span of 11-15 years totaling 31 respondents or 25% of 124 respondents, taxpayers who had a business / work with a span of more than 15 years totaling 32 respondents or 26% of 124 respondents. Research respondents who have a business / work in the trade sector are 82 taxpayers or 66% of 124 respondents, taxpayers who have a business / work in the service sector are 7 people or 6% of 124 respondents, taxpayers who have a business / work in the industrial sector are 1 person or 1% of 124 respondents, taxpayers who have a business / work as employees / employees are 13 people or 10% of 124 employees and finally taxpayers who have a business / work other than those mentioned above are 21 people or 17% of 124 employees. Research respondents who have an income below Rp.2,000,000 per month are 15 people or 12% of 124 respondents, taxpayers who have an income of Rp.2,000,000.00 to Rp.5,000,000.00 per month are 54 people or 43% of 124 people, respondents who have an

income of Rp.6,000,000.00 to Rp.5,000,000.00 per month..000,000.00 s.d. 10,000,000.00 per month as many as 23 people or 19% of 124 respondents, taxpayers who have an income of Rp.11,000,000.00 s.d. Rp. 15,000,000.00 per month as many as 17 people or 14% of 124 people, taxpayers who have an income of Rp. 16,000,000 s.d. Rp.19,000,000.00 as many as 12 people or 10% of 124 people and taxpayers who have an income above Rp.20,000,000.00 as many as 3 people or 2%.

Table 4. Composite Reliability and AVE values

	Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)	Average variance extracted (AVE)
Taxpayer compliance	0,942	0,946	0,951	0,660
ICT Utilization	0,908	0,913	0,932	0,732
Ability to pay	0,907	0,915	0,931	0,729

Source: Processed data (2024)

The results of validity and reliability testing in the study show that all constructs have Cronbach's Alpha, Composite Reliability (rho_a and rho_c), and Average Variance Extracted (AVE) values that meet the criteria for good measurement. The Cronbach's Alpha value for all constructs (Taxpayer Compliance, ICT Utilization, and Ability to Pay) is more than 0.7, indicating high internal reliability. The Composite Reliability (rho_c) value for all constructs is also more than 0.9, indicating excellent internal consistency. In addition, the AVE values for all constructs are above 0.5, which means that each construct is able to explain more than 50% of the variance of its indicators. Thus, these results indicate that all variables in the model meet the criteria of convergent validity and reliability, so they can be used for hypothesis testing with a high level of confidence.

R² Model

R-Square or the coefficient of determination is an indicator used to measure the extent to which the independent variable is able to explain the dependent variable in the research model. The R-Square value ranges from 0 to 1, where a higher value indicates a better ability of the model to explain the variability of the dependent variable.

Table 5. R-Square value of the model

	R-square	Adjusted R-square
Taxpayer compliance	0,376	0,360

Source: Processed data (2024)

Based on the table above, it can be seen that the 2 variables of ICT and Ability to pay affect 37.6% of the variance in the value of taxpayer compliance. While the remaining other factors outside the model contribute to 62.4% of the variance in the value of taxpayer compliance.

Table 6. Hypothesis Testing

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (O/STDEV)	P values
Technology Utilization-> Taxpayer Compliance	0,354	0,365	0,096	3,695	0,000
Ability to Pay -> Taxpayer Compliance	0,328	0,332	0,116	2,830	0,005

Ability to Pay x Technology Utilization- > Taxpayer Compliance	0,180	0,176	0,088	2,050	0,040
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Source: Data Processed, 2024

The results show that ICT utilization has a significant positive effect on taxpayer compliance with an original sample (O) value of 0.354, T-statistics of 3.695 (>1.96), and a p-value of 0.000 (<0.05). This shows that the more optimal the utilization of technology, the higher the level of taxpayer compliance.

The ability to pay also shows a significant positive effect on WP compliance with an O-value of 0.328, T-statistics of 2.830 (>1.96), and a p-value of 0.005 (<0.05). This means that taxpayers with better ability to pay tend to be more compliant in fulfilling their tax obligations.

The results of the interaction between ability to pay and ICT utilization on taxpayer compliance show a significant positive moderating effect with an O-value of 0.180, T-statistics of 2.050 (>1.96), and p-value of 0.040 (<0.05). This indicates that ability to pay strengthens the positive effect of ICT utilization on taxpayer compliance. In other words, ICT utilization will have a greater impact on taxpayer compliance if taxpayers have sufficient ability to pay.

Overall, these results support the research hypothesis that ICT utilization and ability to pay, both directly and through their interaction, contribute significantly to improving taxpayer compliance.

Utilization of Information and Communication Technology on Taxpayer Compliance

The test results presented in table 6 show the effect of ICT utilization on taxpayer compliance (H1 is accepted). This is evidenced by the coefficient of ICT utilization on WP compliance of 0.000 and t-statistic of 3.695. With this t-statistic value, the p-value (0.000) <0.05 is obtained, which means that the conclusion can be drawn to reject H0. From this result, it is stated that at a confidence level of 95%, ICT utilization has a significant positive effect on taxpayer compliance. In addition, the *original sample of estimate* value is positive, namely 0.354. This result can be seen in table 4.7, from these results it can be concluded that the relationship between the two is unidirectional, meaning that the higher the level of ICT utilization, the level of tax compliance will increase. Thus, stating the first hypothesis (H1) is supported by the data, namely ICT utilization has a significant positive effect on tax compliance of individual taxpayers. The *slippery slope* theory can explain the relationship between ICT utilization and taxpayer tax compliance. The findings in this study indicate that the higher the utilization of ICT, the higher the level of tax compliance. The results of this study are in line with research conducted by (Immordino & Russo, 2018; Muturi & Kiarie, 2015; OO & Adegbe, 2020; Sentanu & Budiarta, 2019; Tambun & Riandini, 2022).

Ability to Pay on Taxpayer Compliance

The test results presented in table 4.7 show the effect of the ability to pay on taxpayer compliance (H2 accepted). This is evidenced by the coefficient of ability to pay on WP compliance of 0.328 and t-statistic of 2.830. With this t-statistic value, the p-value (0.005) <0.05 is obtained, which means that the conclusion can be drawn to reject H0. From this result, it is stated that at a confidence level of 95%, the ability to pay has a significant positive effect on taxpayer compliance. In addition, the original sample of estimate value is positive, namely 0.328. This result can be seen in table 6, from these results it can be concluded that the relationship between the two is unidirectional, meaning that the higher the level of ICT utilization, the level of tax compliance will increase. Thus, stating the first hypothesis (H2) is supported by the data, namely the ability to pay has a significant positive effect on taxpayer

compliance. The ability to pay theory can explain the relationship between ability to pay and taxpayer compliance. The findings in this study indicate that the higher the ability to pay taxpayers, the higher the level of taxpayer compliance. This is in line with research (Adu & Amponsah, 2020; Aryandini et al., 2016; Kim & Im, 2017), which states that financial conditions have a positive influence on taxpayer compliance.

Ability to Pay, ICT Utilization and Taxpayer Compliance

The results of testing the third hypothesis, namely the ability to pay, have a negative effect on the relationship between ICT utilization and taxpayer tax compliance significantly. The test results show a coefficient value of 0.180 t-statistic which is 2.050. With this t-statistic value, the p-value (0.040) <0.05 is obtained, which means that the conclusion can be drawn to reject H₀. From these results it is stated that at a confidence level of 95%, the ability to pay moderates the effect of the application of ICT utilization on taxpayer compliance. These results can be seen in table 6, from these results it can be concluded that the higher the level of ability to pay taxpayers tends to strengthen the relationship between ICT utilization and taxpayer compliance. Thus, stating the third hypothesis (H₃) is supported by the data, where the ability to pay affects the relationship between ICT utilization and taxpayer tax compliance. The ability to pay theory can explain the relationship between ability to pay and taxpayer compliance. The findings in this study indicate that ability to pay has a significant effect on the relationship between ICT utilization and taxpayer tax compliance.

Conclusion

This study concludes that the use of information and communication technology (ICT) has a positive and significant effect on taxpayer compliance. In addition, the ability to pay taxpayers is also proven to have a positive and significant effect on taxpayer compliance. Furthermore, the results of the analysis show that the ability to pay is able to moderate the relationship between ICT utilization and taxpayer compliance, although its effect is relatively smaller than the direct effect of each variable. This finding confirms the importance of optimizing the use of ICT in tax administration to improve taxpayer compliance, as well as the need to pay attention to the ability to pay taxpayers as a supporting factor that can strengthen the effectiveness of the use of technology in encouraging compliance. This provides practical implications for the Directorate General of Taxes in designing ICT-based policies that are responsive to taxpayers' economic capabilities.

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