



Tax Knowledge and Understanding in Individual Taxpayer Compliance: A Literature Review and Case Study at KPP Pratama Kebon Jeruk Satu

Fadjar Hibbatul Izzat^{1*}, Ana Farida Sahara², Yananto Mihadi Putra³

^{1,3} Universitas Mercu Buana, Jakarta, Indonesia

² KPP Pratama Jakarta Kebon Jeruk Satu, Jakarta, Indonesia

(*) Corresponden Author: fadjarhibbatul31504@gmail.com

Article Info:

Abstract

Keywords:

Tax Knowledge;
Tax Understanding;
Taxpayer Compliance;
Self-Assessment;
Non-Taxable Income (PTKP);

This study aims to analyze the influence of tax knowledge and understanding on individual taxpayer compliance through a literature review and a case study at the Primary Tax Office (KPP) Jakarta Kebon Jeruk Satu. The literature review indicates that the majority of previous research concludes that tax knowledge and understanding have a positive impact on taxpayer compliance. The case study reveals that individual taxpayers with more than one employer often experience tax underpayment due to the repeated application of Non-Taxable Income (PTKP) by each employer. This phenomenon leads many taxpayers to feel that they are not responsible for the resulting tax shortfall and therefore choose not to submit their annual tax return. These findings suggest that low compliance levels are driven by a lack of understanding and awareness of the self-assessment system and prevailing tax regulations. Therefore, enhancing tax education and outreach to improve knowledge and understanding among taxpayers and employers is crucial to increase compliance and national tax revenue.

Article History:

Received : 07-12-2024

Revised : 05-01-2025

Accepted : 19-01-2025

Article DOI :

<https://doi.org/10.70550/sebi.v2i1.238>

How to cite : Izzat, F. H., Sahara, A. F., & Putra, Y. M. (2025). Tax Knowledge and Understanding in Individual Taxpayer Compliance: Literature Review and Case Study of the Kebon Jeruk Satu Tax Office. *Social and Economic Bulletin*, 2(1), 40-49. <https://doi.org/10.70550/sebi.v2i1.238>



This work is licensed under a [Creative Commons Attribution-ShareAlike 4.0 International License](https://creativecommons.org/licenses/by-sa/4.0/). Any further distribution of this work must maintain attribution to the author(s) and the title of the work, journal citation and DOI.

Published under licence by Bacadulu.net Publisher.

INTRODUCTION

Taxes are mandatory contributions to the state owed by individual or corporate taxpayers, enforced by law, and without direct compensation. The funds collected from taxes are allocated to finance various state expenditures aimed at improving public welfare (Amanda et al., 2023; Listya & Limajatini, 2022). In Indonesia, the tax sector serves as the primary source of state revenue, contributing approximately 70–80% of total state revenue during the period 2019–2024 to meet the needs of the State Budget (APBN)

(BPS, 2024; 2025). The significant role of taxes in the APBN encourages the government, particularly the Directorate General of Taxes (DGT), to continuously enhance tax revenue through improvements in internal institutional quality as well as external efforts such as tax socialization programs aimed at increasing tax knowledge, which ultimately lead to higher taxpayer compliance.

Nevertheless, empirical conditions indicate that tax revenue in Indonesia has not yet reached its optimal level. For instance, the DGT report (2024) shows that individual taxpayer compliance has not achieved a 100% rate; moreover, compliance among non-employee individual taxpayers has remained below 70% over the past five years. One crucial factor in achieving optimal tax revenue is taxpayers' awareness in properly and correctly fulfilling their tax obligations (Amanda et al., 2023). Taxpayer compliance is defined as an attitude of obedience and adherence in carrying out tax provisions, including paying taxes and submitting tax returns (SPT) in accordance with applicable regulations (Amanda et al., 2023; Sulastiningsih et al., 2023)

Indonesia adopts a self-assessment system, which grants full responsibility to taxpayers to independently fulfill their tax obligations, starting from registration, calculation, and payment to the reporting of taxes payable in accordance with prevailing laws (Amanda et al., 2023; Yulianti & Satyawati, 2021). This system requires active participation and a solid understanding of tax regulations on the part of taxpayers (Amanda et al., 2023; Satyawati, 2021). Therefore, tax knowledge and understanding are essential. The higher the level of tax knowledge possessed by taxpayers, the easier it is for them to comprehend tax regulations and fulfill their tax obligations (Amanda et al., 2023; Sulastiningsih et al., 2023). A lack of tax knowledge may hinder the proper fulfillment of tax obligations, making tax socialization programs necessary to improve public understanding (Amanda et al., 2023; Listya & Limajatini, 2022). With adequate understanding of the self-assessment system and tax regulations, taxpayer compliance is expected to reach an optimal level.

KPP Pratama Jakarta Kebon Jeruk Satu was selected as the research site based on official reports indicating that the level of individual taxpayer compliance remains very low, as illustrated in the graph below (KPP Pratama Jakarta Kebon Jeruk Satu 2025).

Figure 1. Individual Taxpayer Compliance at KPP Pratama Jakarta Kebon Jeruk Satu



Source: KPP Pratama Jakarta Kebon Jeruk Satu (2025)

The graph shows that the proportion of individual taxpayers submitting their annual tax returns (SPT) at KPP Pratama Jakarta Kebon Jeruk Satu has remained below 50% over the past five years. This condition constitutes one of the main reasons why KPP Pratama Jakarta Kebon Jeruk Satu was deemed an appropriate location for this study.

In addition, during the implementation of RENJANI 2025 at KPP Pratama Jakarta Kebon Jeruk Satu, a phenomenon was observed in which individual taxpayers possessing more than one withholding tax slip expressed dissatisfaction when filing their annual tax returns due to being classified as underpaid after consolidating income data from all withholding slips. Cases of tax underpayment vary widely: some taxpayers are aware in advance that they will experience underpayment based on prior years' experience; others are confused as to why an underpayment occurs; some feel that the error lies with their employer rather than themselves; and others perceive the reporting process as overly complicated. These perceptions often lead taxpayers to believe that the state imposes a burdensome system requiring them to independently calculate, pay, and report taxes, which in some cases results in failure to submit tax returns due to the obligation to settle the underpayment.

Tax underpayment among individual taxpayers is often caused by the multiple application of the Non-Taxable Income threshold (PTKP). Individual taxpayers holding more than one job frequently fail to coordinate their employment status, resulting in each employer calculating tax liabilities independently and applying the PTKP separately on each withholding slip.

Based on these issues, this study aims to examine the effect of tax knowledge and understanding on individual taxpayer compliance, using KPP Pratama Jakarta Kebon Jeruk Satu as the primary case study.

LITERATURE REVIEW

Taxpayer Compliance

In general, tax compliance reflects the moral attitude of taxpayers in voluntarily and timely fulfilling their tax obligations in accordance with applicable regulations (Satyawati 2021). Compliance is defined as a condition in which individuals adhere to all prevailing legal provisions. In the context of taxation, taxpayer compliance reflects obedience in fulfilling tax obligations without violating established tax regulations (Listya & Limajatini 2022).

Tax Knowledge

Tax knowledge reflects taxpayers' ability to understand tax provisions, including applicable tax rates in accordance with statutory regulations, as well as their understanding of the benefits of taxation for society (Sulastiningsih et al. 2023). Tax knowledge refers to an understanding of the basic concepts of tax regulations and the types of taxes applicable in Indonesia, including tax objects and subjects, calculation and recording of tax payable, tax rates, as well as tax payment and reporting procedures (Satyawati 2021).

Tax knowledge not only encompasses conceptual understanding based on statutory regulations such as Tax Laws, Minister of Finance decrees, circular letters, and official decisions but also requires technical competence in calculating the amount of tax payable (Supriyati, 2011).

Tax Understanding

Mardiasmo (2011) states that taxpayer understanding includes knowledge of the tax collection system and tax regulations in Indonesia. A low level of tax understanding has

the potential to reduce taxpayer compliance, whereas a high level of understanding increases awareness of the legal consequences of negligence in fulfilling tax obligations.

Tax Socialization

Tax socialization is one of the efforts undertaken by the Directorate General of Taxes to enhance public understanding and knowledge by disseminating accurate and relevant information, so that taxpayers acquire adequate understanding of their tax rights and obligations.

Self-Assessment System

Based on the General Provisions and Tax Procedures Law (KUP Law) No. 28 of 2007, Indonesia adopts a Self-Assessment System, which grants full responsibility to taxpayers to independently register, calculate, pay, and report taxes in accordance with applicable tax regulations.

The implementation of the Self-Assessment System implicitly requires taxpayers to possess sufficient understanding of tax regulations in order to properly and accurately fulfill their tax obligations.

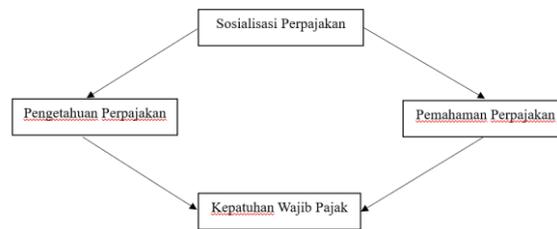
Conceptual Framework

In this study, tax socialization serves as a medium for the government to provide education on the self-assessment mechanism and the use of the Non-Taxable Income threshold (PTKP) for individual taxpayers, particularly those who work for more than one employer. Tax socialization is expected to reach multiple relevant parties, namely taxpayers and employers. Taxpayers are required to understand the self-assessment mechanism and the application of PTKP. When taxpayers possess adequate understanding, they will be more aware and willing to inform their employers that they have more than one source of employment, thereby enabling employers to perform accurate tax calculations.

For employers, tax socialization provides knowledge and understanding regarding the application of PTKP and tax calculations for taxpayers with multiple employments, which can reduce the potential occurrence of tax underpayment.

Through tax socialization conducted by the government via the Directorate General of Taxes (DGT), both taxpayers and employers are expected to gain tax knowledge, including an understanding of tax calculation concepts, the application and rates of PTKP, other relevant tax regulations, as well as taxpayers' rights and obligations. This knowledge is expected to lead to tax understanding, defined as the ability to apply tax knowledge in practice when calculating and reporting taxes. As a result, non-compliance among taxpayers experiencing underpayment due to multiple PTKP application can be reduced, leading to higher taxpayer compliance and ultimately increasing state revenue to support national needs. The conceptual framework of this study is illustrated in Figure X below:

Figure 2. Conceptual Framework



METHODS

The approach used in this study is a descriptive qualitative method. According to Sugiyono (2020), qualitative methods are also referred to as artistic methods because the data produced tend to describe in a realistic manner what is found in the field.

This study utilizes data obtained from a literature review through an examination of journals related to the influence of tax knowledge and tax understanding on taxpayer compliance. The articles reviewed were selected from publications within the last five years (2019–2024).

Review of Previous Studies

To examine the effect of tax knowledge and tax understanding on taxpayer compliance, previous studies are required as references to discuss the issues identified at KPP Pratama Kebon Jeruk Satu. The reviewed research articles are summarized in Table 1. Data Sources of Previous Studies, as follows:

Table 1. Research Data Sources

Title	Name	Year
The Effect of Tax Knowledge, the Self-Assessment System, E-Filing, Income Level, and Taxpayer Awareness on Taxpayer Compliance	Alifvia Amanda, I Made Sudiartana, Ni Putu Shinta Dewi	2023
The Effect of Tax Understanding, Tax Knowledge, Tax Service Quality, and Tax Sanctions on Individual Taxpayer Compliance	Naifah Roidah Zahrani, Titik Mildawati	2019
The Effect of Tax Knowledge and Tax Understanding, Tax Awareness, and Tax Sanctions on Individual Taxpayer Compliance at KPP Pratama Yogyakarta City	Sulastiningsih, Aldi Winata dan S. Riauwanto	2023
The Effect of Tax Knowledge, the Self-Assessment System, Tax Sanctions, the Implementation of e-SPT, and Nationalism on Taxpayer Compliance in Reporting Annual Tax Returns	Tirza Yulianti, Endang Satyawati	2021

RESULT AND DISCUSSION

Based on the results of the literature review, the majority of studies three out of four studies indicate that tax knowledge and taxpayer understanding have a positive effect on taxpayer compliance.

Table 2. Research Results

Name	Variable	Results
Alifvia Amanda, I Made Sudiartana, Ni Putu Shinta Dewi	Tax knowledge, self-assessment system, e-filing, income level, and taxpayer awareness.	The self-assessment system and e-filing have a positive effect on taxpayer compliance, while tax knowledge, income level, and taxpayer awareness do not have a significant effect on compliance.
Naifah Zahrani, Roidah Titik Mildawati	Tax understanding, tax knowledge, quality of tax services, and tax sanctions.	Tax understanding and tax knowledge increase taxpayer compliance, whereas the quality of tax services and tax sanctions do not have a significant effect due to low taxpayer awareness.
Sulastiningsih, Aldi Winata dan S. Riauwano	Tax knowledge and understanding, taxpayer awareness, and tax sanctions.	Tax knowledge, taxpayer awareness, and tax sanctions have a significant effect on taxpayer compliance, both partially and simultaneously.
Tirza Yulianti Endang Satyawati	Tax knowledge, tax socialization, and tax incentives.	All variables have a positive and significant effect on taxpayer compliance in the submission of annual tax returns.

The study conducted by Amanda et al. (2023) found that tax knowledge does not have a significant effect on individual taxpayer compliance. However, the results indicate that the self-assessment system has a positive effect on individual taxpayer compliance, as this system requires taxpayers to play an active role in independently calculating, paying, and reporting their taxes, thereby encouraging responsibility and compliance. Taxpayers are required to be honest, understand tax regulations, and be aware of the importance of taxes. Consequently, the better the implementation of the self-assessment system, the higher the level of taxpayer compliance.

Meanwhile, the study conducted by (Zahrani & Mildawati 2019) found that tax understanding has a positive effect on individual taxpayer compliance. Qualitatively, the higher the level of tax understanding, the easier it is for taxpayers to comprehend tax regulations and obligations, which in turn increases compliance. Without adequate tax understanding, taxpayers tend to face difficulties in fulfilling their tax obligations. These findings are consistent with the study by Nugroho (2012). In addition, tax knowledge also has a positive effect on individual taxpayer compliance. Taxpayers with sufficient tax knowledge better understand their rights, obligations, and tax consequences, making them more likely to comply. This knowledge helps taxpayers fulfill their obligations correctly and on time. These results are in line with the findings of Isawati (2016).

Furthermore, the study conducted by Sulastiningsih et al. (2023) revealed that tax knowledge and tax understanding have a positive effect on individual taxpayer compliance. The higher the level of understanding of tax regulations, the lower the likelihood that taxpayers will commit violations, thereby increasing compliance. Taxpayers who understand tax regulations tend to be more aware and responsible in fulfilling their tax obligations.

Similarly, the study by Satyawati (2021) found that tax knowledge has a positive effect on taxpayer compliance. Taxpayers who understand general tax provisions, tax procedures, as well as the functions and systems of taxation in Indonesia tend to be more accurate in calculating, paying, and reporting their taxes. This knowledge helps reduce errors in filing tax returns and encourages compliance. In addition, the self-assessment system also has a positive effect on taxpayer compliance. This system assigns full

responsibility to taxpayers to calculate and report their own taxes, which requires honesty and a proper understanding of tax regulations. With the implementation of this system, compliance increases as taxpayers become more active and aware in fulfilling their tax obligations.

Case Study of Kebon Jeruk Satu and Tax Planning

Cases involving individual taxpayers who have more than one employer result in the possession of more than one withholding tax slip. This phenomenon often leads to tax underpayment when taxpayers attempt to file their annual tax returns. This situation occurs because the Non-Taxable Income (PTKP), which should only be applied once per taxpayer per year, is in practice applied to each withholding slip issued by different employers. As a result, taxpayers often feel dissatisfied and decide not to file their annual tax returns, assuming that tax calculation and payment are the responsibility of the company or employer and not their own. However, some taxpayers still fulfill their obligations by paying the tax underpayment.

When taxpayers decide not to report or settle their tax underpayments, the state revenue that should have been collected cannot be fully realized. This occurs because taxpayers who should pay 100% of their tax liabilities end up paying less than 100% due to the repeated application of PTKP by each employer. In this context, the government needs to take several measures to increase state revenue, particularly by ensuring that taxpayers pay the full amount of their tax liabilities.

Effective tax planning should be optimized by the government, especially for taxpayers who earn income from more than one employer. As described earlier, such taxpayers tend to be reluctant to pay their tax underpayments because they believe that tax calculation and payment are not their responsibility. This situation results in losses for the state, as unpaid tax underpayments reduce actual tax revenue. To increase state revenue, the government must improve public tax knowledge and understanding regarding the use of PTKP, particularly for taxpayers with multiple sources of income, through socialization programs targeting both taxpayers and employers.

Based on the literature review, taxpayer compliance is influenced by tax knowledge and tax understanding. Therefore, the government should enhance taxpayers' knowledge regarding the application of PTKP and improve employers' understanding of PTKP usage in tax withholding calculations. In addition, the government should provide implementable solutions for employers in calculating tax liabilities for taxpayers with multiple sources of income. Improving tax knowledge and understanding is crucial, given that Indonesia currently applies the self-assessment system in tax reporting. The government should intensify socialization efforts regarding the self-assessment system and the correct use of PTKP through social media and other communication channels.

Knowledge of PTKP usage can increase taxpayer compliance because taxpayers who understand that PTKP may only be applied once per year will inform each employer that they have more than one job. This information will ultimately affect tax calculations, provided that employers understand the technical aspects of tax calculations for taxpayers with multiple employers. Employers must also have a proper understanding of tax calculation methods for such cases, as the calculation system differs for taxpayers with multiple sources of income, as well as an understanding of any new solutions introduced by the government for taxpayers with more than one employer.

Case Study of Kebon Jeruk Satu and Tax Accounting

Individual taxpayers who have more than one employer usually receive more than one withholding tax slip, depending on each company. The following is an example of a tax calculation for an individual taxpayer who earns income from more than one employer.

Table 3. Calculation of Underpaid Tax

Description	Employer		Taxpayer
	PT A	PT B	IBU A
Gross Income	100,000,000.00	300,000,000.00	400,000,000.00
Reduction in Income	8,000,000.00	10,000,000.00	18,000,000.00
Net Income	92,000,000.00	290,000,000.00	382,000,000.00
PTKP	54,000,000.00	54,000,000.00	54,000,000.00
Taxable Income	38,000,000.00	236,000,000.00	328,000,000.00
	PPh		
Tax Rate 5%	1,900,000.00	3,000,000.00	3,000,000.00
Tax Rate 15%		26,400,000.00	28,500,000.00
Tax Rate 25%			19,500,000.00
Income tax withheld	1,900,000.00	29,400,000.00	
Income tax payable for that tax year			51,000,000.00
Income tax has been paid through deductions			31,300,000.00
Income tax must be paid by the taxpayer			19,700,000.00

Source: KPP Pratama Kebon Jeruk Satu

Based on the calculation, it can be seen that Mrs. A earns income from Company A and Company B, with each company separately withholding personal income tax on her income. This situation results in a tax underpayment of IDR 19,700,000, with total income tax payable amounting to IDR 51,000,000, while the income tax withheld by the employers totals IDR 31,300,000.

This tax underpayment occurs due to the application of Non-Taxable Income (PTKP) by each employer, even though an individual taxpayer is only entitled to apply PTKP once per year. As a result, taxpayers who encounter this situation for the first time often feel dissatisfied and refuse to pay the tax underpayment, believing that the responsibility for tax calculation and payment lies with their employers rather than themselves. However, some taxpayers who understand the tax calculation mechanism accept the obligation and are willing to pay the outstanding tax amount.

CONCLUSION

Based on the results of the literature review and case study analysis, it can be concluded that tax knowledge and tax understanding have a positive influence on individual taxpayer compliance. The majority of previous studies indicate that the higher the level of taxpayers' knowledge and understanding of tax regulations, the greater their tendency to comply with tax obligations. Although one study found that tax knowledge does not have a significant effect, it emphasized that the self-assessment system plays a

crucial role in encouraging compliance, as it requires active participation from taxpayers in calculating, paying, and reporting their taxes.

The case study conducted at KPP Pratama Kebon Jeruk Satu shows that individual taxpayers who have more than one employer often experience tax underpayment due to the repeated application of Non-Taxable Income (PTKP) by each employer. This situation leads to a lack of understanding and misperceptions among taxpayers, who tend to assume that the responsibility for tax calculation and payment lies entirely with the employer. As a result, some taxpayers choose not to submit their annual tax returns or fail to settle their tax underpayments. Therefore, the government needs to enhance education and socialization efforts to improve taxpayers' knowledge and understanding of the self-assessment system and the proper use of PTKP, targeting both taxpayers and employers. Such educational initiatives are essential to prevent errors in tax withholding, increase taxpayer awareness and responsibility, and ultimately contribute to increased state revenue from the tax sector.

The findings of this study provide important implications for various stakeholders, particularly the government, tax authorities, taxpayers, and employers. The government and the Directorate General of Taxes should intensify educational and socialization programs related to the self-assessment system and the correct application of PTKP, especially for taxpayers with multiple sources of income. These efforts are crucial to improving tax compliance and minimizing the risk of tax underpayment resulting from misunderstandings of tax regulations.

For taxpayers, this study highlights the importance of personal responsibility in calculating and reporting taxes, even when tax withholding is conducted by employers. Meanwhile, employers also bear responsibility for understanding applicable tax regulations to ensure accurate tax withholding and reporting for their employees. Improving tax knowledge and understanding among all parties is expected to promote higher levels of tax compliance and optimize state revenue collection.

Despite providing valuable insights, this study has several limitations. First, the number of references used in the literature review is relatively limited and does not fully represent broader contexts, which restricts the generalizability of the findings across different regions or taxpayer conditions in Indonesia. Additionally, the case study approach focused solely on KPP Pratama Kebon Jeruk Satu, which may not reflect conditions in other tax offices. Variations in research findings also indicate differences in methods, indicators, and variables used across studies, posing challenges to result consistency. Furthermore, this study has not explored in depth other factors that may influence taxpayer compliance, such as moral attitudes, perceptions of tax fairness, or socio-economic factors, which may also play significant roles but were not comprehensively analyzed in this research.

REFERENCES

Amanda, Alifvia et al. 2023. "Pengaruh Pengetahuan Perpajakan, Self Assessment System, E-Filing, Tingkat Pendapatan Dan Kesadaran Wajib Pajak Terhadap Kepatuhan Wajib Pajak." *Kumpulan Hasil Riset Mahasiswa Akuntansi (KHARISMA)* 5(2):456–67.

KPP Pratama Jakarta Kebon Jeruk Satu. 2025. "Data Statistik Wajib Pajak Orang Pribadi

& Penerimaan Pajak.”

Listya, Tan-ia, & Limajatini. 2022. “Pengaruh Pengetahuan Pajak, Sosialisasi Pajak, Dan Insentif Pajak Terhadap Kepatuhan Wajib Pajak Penggiat UMKM Di Kecamatan Periuk.” *Prosiding: Ekonomi Dan Bisnis* 2(1):930–38.

Satyawati, Endang. 2021. “PENGARUH PENGETAHUAN PERPAJAKAN, *SELF-ASSESSMENT* SYSTEM, SANKSI PAJAK, PENERAPAN e-SPT DAN NASIONALISME TERHADAP KEPATUHAN WAJIB PAJAK DALAM MELAPORKAN SPT TAHUNAN.” *Jurnal Riset Akuntansi Dan Keuangan* 17(1):47. doi: 10.21460/jrak.2021.171.363.

Sugiyono. 2020. *Metodologi Penelitian Kuantitatif, Kualitatif Dan R & D*.

Sulastiningsih, Sulastiningsih et al. 2023. “Pengaruh Pengetahuan Dan Pemahaman Perpajakan, Kesadaran Pajak, Dan Sanksi Pajak Terhadap Kepatuhan Wajib Pajak Orang Pribadi Di Kpp Pratama Kota Yogyakarta.” *Kajian Bisnis Sekolah Tinggi Ilmu Ekonomi Widya Wiwaha* 31(1):1–14. doi: 10.32477/jkb.v31i1.493.

Zahrani, Naifah Roidah & Titik Mildawati. 2019. “Pengaruh Pemahaman Pajak, Pengetahuan Pajak, Kualitas Pelayanan Pajak Dan Sanksi Pajak Terhadap Kepatuhan Wajib Pajak Orang Pribadi.” *Jurnal Ilmu Dan Riset Akuntansi* 8(4):1–19.