FACTORS OF COMPLIANCE, NEGOTIATION, MORAL, PROFIT MANAGEMENT, FISCAL POLICY IN EXECUTING TAX OBLIGATIONS
(Case research on MSME processing industry in Mojokerto)

Hartono¹, Nersiwad² Fachrudy Asj’ari³,
Department of Management, Universitas Islam Majapahit, Mojokerto ¹,²,
Department of Management, Universitas PGRI Adi Buana, Surabaya³
Email: hartono.eka@gmail.com¹, nersiwad@gmail.com², fachrudy@gmail.com³

Abstract: This research aims to analyze how the behavior of MSME taxpayers in carrying out their tax obligations. The research population is MSME taxpayers domiciled in Mojokerto. The sample of this research involved 42 respondents using the purposive sampling method, questionnaire as an instrument, and processed using SEM approach Warp PLS 6.0. The results show that taxpayer compliance behavior, taxpayers' willingness to negotiate, and provision of financial statements based on earnings management positively impact tax obligations as measured by the amount of voluntary tax compliance. Still, the tax morale of taxpayers has a negative impact on tax obligations incurred, calculated based on the value of voluntary tax compliance, taxpayer compliance behavior, the willingness of taxpayers to negotiate, provision of financial reports based on earnings management mediating the perception that MSME fiscal policy has a positive impact on tax obligations as measured by the value of voluntary tax compliance. In contrast, the tax morale of taxpayers is mediated by the perception of MSME's fiscal policy having a negative impact on voluntary tax compliance. Recently, it found that obedient taxpayers in carrying out their tax obligations are influenced by the behavior of taxpayers, not because of regulations. Behavior is seen from economic conditions, finances using a fiscal policy approach for MSMEs, and a conceptual system based on a developing view of the tax policy.

Keywords: Taxpayer Behavior, Tax Obligations, and Voluntary Tax Compliance.

1. Introduction
The implementation of fiscal policy for MSMEs (Small and Medium enterprises) should follow the dynamics of the economy. The decreasing revenue growth rate from the tax sector encourages the government to extend taxation by exploring the potential for income tax from MSME businesses. Tax revenue originating from the MSME sector has an immense enough opportunity, but obtaining it requires understanding how taxpayers behave in carrying out their tax obligations. Direktorat Pajak becomes an institution whose duty is to collect revenue to guarantee and manage a sovereign and a firm country. It will increase acceptance of basing the level of taxpayer's behavior in the running voluntary tax compliance and upholding fair law enforcement. The services that provide modern technology-based facilities facilitate the fulfillment of tax obligations. In addition, it is supported by tax officials with
integrity, professionalism, and competence who provide compensation based on a good performance management system to ensure revenue collection based on high voluntary tax compliance.

The implementing model on the behavior of MSME taxpayers in carrying out the tax obligations is based on the theory of planned behavior in which individual behavior to comply with tax obligations based on the taxpayer's intentions. It consists of personal beliefs about the behavior results and evaluation of the influences that will shape the attitude and followed or carried out in fulfilling their tax obligations.

Tax obligations for MSMEs are based on the PPh policy framework as mentioned in PP 46/2013, which has been amended by PP 23/2018, where the policies have taken are the provision of convenience, simplifying the calculation of PPh and the final cost burden of 0.5% of business circulation. The reports finance uses records for MSMEs whose business turnover is 4.8 billion.

2. Literature review and hypotheses development
2.1 Taxpayer Compliance and Behavior
Taxpayer compliance in carrying out its obligations is a problem complex behavior that requires methods and data sources to conduct investigations, apply sanctions, and severe audits can backfire, creating bribery or more significant corruption so that taxpayers' behavior becomes non-compliant with regulations, increasing taxpayer compliance, or reducing evasion. Tax payment requires an understanding of taxpayer compliance behavior (Pope, 2008)

According to the regulation of the Minister of Finance No. 544/KMK.04/2000. It states that "Tax compliance is the act of a taxpayer in fulfilling his tax obligations by the provisions of the legislation and tax implementation regulations in force in a country."

2.2 Factors that affect the level of Compliance.
Mardiasmo (2013; 72-76) several factors can affect the level of taxpayer compliance, including:

Understanding of the Self-Assessment system. There are several tax collection systems, namely:

a. An official assessment system is a condition or procedure where tax collection on the amount owed is determined by the fiscus (government).
b. A self-assessment system is a tax collection system in which the taxpayer's tax amount is calculated.
c. Withholding system: A tax collection/withholding system in which the amount of tax owed/to be paid is determined by a third party.

The self-assessment system applied to taxation in Indonesia gives complete trust to taxpayers to report, calculate and pay their tax payables that must be paid. This method will be effective if the taxpayer has high tax awareness, honesty, and discipline in implementing the applicable tax laws.

Service quality.
The dimension of service quality is a performance process to assist other parties according to established procedures or policies. It requires a sensitive attitude in decision making and good interpersonal relationships to create job satisfaction in its services and success (Boediono, 2003 in NiLuh, 2006). The nature of public services is as follows:
a. Improving the quality and productivity of the implementation of tasks and government agencies in public services.

b. Organizing a more efficient and effective system and service management to carry out public services more effectively.

c. Encouraging the growth of creativity, initiative, and community participation as a whole for the development of clean governance to improve prosperity.

Good quality services must provide four keys namely security, comfort, smoothness, and legal certainty. Service quality can be measured by the ability to provide satisfactory service, provide services with responsiveness, ability, courtesy, and trustworthy attitude possessed by tax officials. In addition, it is also easy to carry out good communication relationships, understand the needs of taxpayers, the availability of physical facilities, including adequate communication facilities and capable employees in their duties (Ni Luh, 2006).

Income level.
The taxpayer's income as a tax object in income tax is closely related to the amount of tax payable. Besides that, the income level will also affect taxpayer compliance in collecting taxes on time and fulfilling tax obligations closely associated with the amount of income. Considered in tax collection is the level of income.

The taxpayer's perception of the tax sanctions
Tax sanctions are given to taxpayers to be aware of and comply with tax obligations. Tax sanctions in the tax law are administrative sanctions (can be in the form of fines and interest) and criminal sanctions. The existence of tax sanctions is expected to increase taxpayer compliance.

H1: Taxpayer compliance behavior has a positive and significant effect on obligations taxation (Voluntary tax compliance).

2.3 Avoidance and Evasion of Taxes
The cause of avoidance and tax evasion includes the tax rates that are too high, the law that is not appropriate, the punishment did not leave a deterrent effect, and real injustice. Tax evasion and evasion will increase (Devano and Rahayu, 2006). Tax evasion is illegal manipulation of the tax system to evade taxes by waiving the tax legislation intended to avoid paying taxes.

2.4 Adherence to social norms
According to Taylor (2006:266), Compliance is fulfilling the requests of others, which means that when actions are carried out based on the wishes of others or what others want. Social groups formed by a group of individuals must have rules. This research aims to make individuals who carry out their roles in the group structured and the activities created can run well and smoothly. The social norms set by the group must be obeyed by every individual who is part of the social group.

Federich (in Umami, 2010:26) compliance with social norms is compliance with tax authorities occurs when the regulations are legitimized referring to the context of social norms and group values. There are three forms of behavior, namely:

a. Conformity is a type of obedience behavior that social conditions that affect attitudes and behavior according to existing social norms.
b. Acceptance (Compliance). The tendency of people to want something is influenced by communication that comes from people who have extensive knowledge or from trusted people so that the actions taken are under their wishes. These social norms exist in social groups.

c. Obedience. It's a behavior in surrendering oneself entirely to those in authority, not in increasing anger or aggression, but rather in relationships with those in authority.

H2: The tendency of negotiation has a positive and significant effect on obligations taxation (voluntary tax compliance)

2.5. Moral Concepts and Tax Compliance Behavior.
Moral taxation (Tax morale) can be defined as an intrinsic motivation to comply with and pay taxes to contribute voluntarily to the provision of public goods (Torgler & Schneider, 2004). Tax morale is a critical determinant that can explain why people are honest in tax matters. Meanwhile, tax compliance can be defined as a condition in which the taxpayer fulfills all tax obligations and carries out his taxation rights; there are two kinds of compliance, namely formal Compliance and material compliance. Legal Compliance is a condition where the taxpayer fulfills his tax obligations formally following the standard provisions of the tax law. Material compliance is a condition where the taxpayer substantively meets all material provisions of taxation, namely, under the content and spirit of the tax law (Nurmantu, 2000).

H3: Tax morale has a positive and significant effect on tax obligations (voluntary tax compliance)

2.6. Profit management
One company size often used to make business decisions is the profit generated by earnings management companies. According to Asyik (2000:23), it is fulfilled with three techniques: changing accounting methods that are different from the previous approach to increase or decrease the profit figure (Hartono, 2015). Management influences financial statements by playing judgment (policy) on accounting estimates. It provides an opportunity for management to involve subjectivity in preparing estimates, shifting the period of costs or revenues (often called the manipulation of operational decisions). For example: accelerating or postponing research and development expenditures until the next accounting period, accelerating or postponing spending on promotions until the next period, cooperating with vendors to expedite or delay sending invoices until the next accounting period, and selling investing in securities to manipulate the rate of profit and regulate when to sell unused fixed assets.

2.7. Perception relationship with behavior in the provision of financial statements.
Indrawijaya (2010) there are three main elements in perception, cognition, the learning process, and the problem-solving process or the process of selecting behavior. The stimuli received will affect individual perceptions, followed by a learning process that connects past experiences with the present. In the learning process, the individual will get various possible actions to be taken so that the consequences will make the individual re-learn or get a new stimulus. Perception is a person's observation using a cognitive component influenced by...
personal factors such as knowledge possessed, observing habits, interest or desire to behave, individual or group interests, and experiences gained by social and cultural factors. One company size that is often used as the basis for making business decisions is the profit generated by the company (Hartono, 2021). Earnings management is defined according to Widyaningdyah (2001: 92) dividing into two, earning management in terms of only relating to the selection of accounting methods. Earning management in this narrow sense is defined as the behavior of managers to "play" with the discretionary accruals component in determining the amount of profit. Earning management is a manager's action to increase (reduce) the profit earned.

H4: Earnings management has a positive and significant effect on tax obligations (value tax compliance)

2.8 The Relationship between Perceptions of the Effectiveness of the Taxation System and MSME Taxpayer Compliance

Perception can be expressed as a process of organizing, interpreting the stimulus by an organization or individual so that it is a meaningful and integrated activity within the individual. While effectiveness has the meaning of a measurement that states how far the target (quality, quantity, and time) has been achieved (Nila and Pancawati, 2011). In research, Muliari and Ery (2011) show that a good perception of the effectiveness of the taxation system has a positive effect on willingness to pay taxes. A good perception will have a positive influence on an event that is observed. The better the perception of the effectiveness of the taxation system, the higher the willingness of taxpayers to pay taxes. Based on this, a good perception affects taxpayer compliance.

H5: Perception of Fiscal Policy has a positive and significant effect on liabilities taxation (voluntary tax compliance)

2.9 Theory of planned behavior

According to Azwar (2013:9), Psychology views human behavior as a reaction that can be simple or complex, whereby there are forms of intrinsic behavior used to maintain life in nature. The interesting thing about humans is that when a stimulus occurs, that can cause more than one different response, and several other stimulants can cause the same response. Behavior is a function of individual and environmental characteristics. Individual characteristics consist of various variables such as motives, values, personality traits, and attitudes that interact with each other and interact with factors that influence behavior.

The Theory of Planned Behavior (TPB) explains that non-compliance behavior is strongly influenced by attitudes, subjective norms, and perceived behavioral control variables. The behavior caused by the individual arises because of the intention to behave.

According to Ajzen (2006), "Theory of Planned Behavior (TPB) explains that the behavior determined by the individual arises because there is an interest in behaving. Three behavioral factors have an intention to behave including Behavioral beliefs are individual beliefs about the results of behavior and evaluation of these results. Normative beliefs are beliefs about the normative expectations of others and motivation to fulfill these expectations, Control beliefs are beliefs about the existence of things -Things that support or hinder the behavior from being displayed and their perception of how strong the things that support and hinder their behavior (perceived power)."
H6: Taxpayer compliance behavior positively and significantly impacts tax obligations (voluntary tax compliance) mediated by fiscal policy.

H7: The tendency to negotiate impact positive and significant impact on tax obligations (voluntary tax compliance) mediated by fiscal policy.

H8: Tax morale has a positive and significant impact on tax obligations (voluntary tax compliance) mediated by fiscal policy.

H9: Earnings Management has a positive and significant influence on tax obligations (voluntary tax compliance) mediated by fiscal policy.

3. Research Method

3.1 Pollution and sample

Research target population: individual or corporate taxpayers (PT, CV, Firm, and Cooperative) in Mojokerto whose gross turnover in one year does not exceed Rp. 4,800,000,000, the company was founded before 2012 and in tax reporting does not use books but in the form of recording. The number of samples or sample sizes set in this research amounted to 52 respondents; the target respondents were leaders or deputy leaders of MSME companies in the processing industry in Mojokerto. From 42 data, the form of business entity CV is 38%, PT 27%, Personal Company 16%, cooperation 12%, and other 7%.

3.2 Measurement of variables

The variables used to follow the concept, while the dimensions, indicators, items, and Likert scale with the category of strongly agree (SS) are given a score of 5, the agree category (ST) was assigned a score of 4, the neutral type (N) was given a score of 3, the disagree category (TS) was given a score of 2, and the category of strongly disagree (STS) was assigned a score of 1. Sugiono (2010) is a reference in preparing tools to obtain data using statement data. The research variables include; 1. based on Alm et al. (1991) and Minister of Finance 792/PMK/03/2007, taxpayer compliance behavior measured using SPT submission accuracy, filling completeness, the correctness of calculations, quality of service, understanding of regulations, awareness of paying punctuality and perception of sanctions. 2 the tendency to negotiate refers to Devano and Rahayu, (2006) Taylor (2006:266) is measured by understanding the rules, calculating procedures, paying obligations and willingness to negotiate in paying taxes. 3 Tax Morals according to Torgler & Schneider (2004). Dan Nurmantu, (2000). Belief in the legal system, pride, national pride, religiosity, avoidance, financial condition, and economic condition. 4 Asyik(2000:23) Marlina (014), Taking a Bath, Income Minimization, Income Maximization, Income Smoothing, Timing Revenue and Expenses recognition. 5 Perceptions of fiscal policy Nila and Pancawati, (2011) Muliari and Ery (2011) measured by simplification of filling, calculating, depositing tax returns and rates and voluntary tax compliance Ajzen (2006) Fiscal Policy Agency,(2017). PP23/7/2018 Voluntary will comply with paying, increasing revenue, bookkeeping ability.

3.3 Data analysis.

This research uses SEM PLS and is processed with Wrap PLS version 6.0 to evaluate the research model, carried out through two stages, namely the outer model and inner model tests. The external model test determines the correlation value of latent variables, cross-loadings, validity and reliability of variables, and R Square (R 2). In contrast, the inner model determines the path coefficient value, the internal T-statistic model, and the total effect value.
which shows the level of variation of the independent variable changes to the dependent variable (Hartono and Abdillah, 2009). Reliability can be measured by looking at the Cronbach's Alpha and Composite Reliability. An indicator can be reliable if it meets the Cronbach's alpha value of 0.5 and composite reliability 0.7, while a good AVE is required to have a value greater than 0.50.

In this research analysis using SEM (structural equation modelling). According to Ferdinand (2002:6), structural equation modeling (SEM) is a set of techniques that allow a statistical testing a series of relationships that are relatively "complicated" simultaneously. The complicated relationships that can be established between one or more of the dependent variable with one or more independent variables. Sampling techniques using accidental with a sample number of 110 people.

Table 1

| Variable | Composite reliability | Cronbach’s alpha | AVE   | Information  |
|----------|-----------------------|------------------|-------|--------------|
| PrKWP    | 0.901                 | 0.868            | 0.559 | Valid & Reliabel |
| KB       | 0.846                 | 0.780            | 0.578 | Valid & Reliabel |
| MP       | 0.897                 | 0.864            | 0.561 | Valid & Reliabel |
| ML       | 0.963                 | 0.951            | 0.838 | Valid & Reliabel |
| KF       | 0.892                 | 0.861            | 0.590 | Valid & Reliabel |
| VTC      | 0.881                 | 0.828            | 0.601 | Valid & Reliabel |

Source: Primary Data 2020 processed by warp PLS version 6.0

Table 1 shows that the composite reliability value of the six latent variables is more than 0.7 while the Cronbach’s alpha value of all variables is more than 0.5, so it can be concluded that each indicator variable is reliable or reliable in measuring the latent variable, and is supported with all constructs showing an AVE value greater than 0.50 so that it meets the requirements under the specified minimum AVE value limit of 0.50.

3.4 Evaluation of the Structural Model (Inner Model)

In assessing the structural model (inner model) using PLS, it can use the percentage of variance described by looking at the R-squares value for endogenous latent variables as the predictive power of the structural model. Solimun (2017) recommends that before interpreting the test results, the model should have a Goodness of fit (GoF), which is intended as an index and measure of the goodness of the relationship between latent variables (inner model) related to its assumptions.

In the context of PLS-SEM, the Fil model size in Warp PLS 6.0 there are ten measures of model suitability, namely Average Path Coefficient (APC), Average R-Square (ARS), Average adjusted R-Square (AARS), Average block variance inflation factor (AVIF), average full collinearity VIF (AFVIF), Tenenhaus GoF (GoF), Simpson's paradox ratio (SPR), R-Square contribution Ratio (RSCR), Statistical suppression ratio (SSR), and Nonlinear bivariate causality direction ratio (NLBCDR). The rule of thumb for evaluating model fit and quality indices in Warp PLS 6.0 is presented in Table 2.

Table 2

| No | Model Fit and Quality Indication | Result | Value Accepted | Ideal Value | Conclusion     |
|----|----------------------------------|--------|----------------|-------------|----------------|
| 1  | Average path coefficient (APC)   | 0.335  | P<0.002        | APC Significant |
| 2  | Average R-squared (ARS)         | 0.818  | P<0.001        | ARS Significant |
Table 2 shows the suitability of the resulting model is at the ideal value so that the model can be accepted. Therefore this research model is declared a good model because it can represent the data.

4. Research Results
The results of testing the structural model (inner model) can be seen in the R-square (R2) on each endogenous variable. Fiscal policy and voluntary tax compliance, R-square (R2) is used to measure the level of variation in endogenous variables explained by several variables that influence (Hartono and Abdillah, 2009). The higher R2 means, the better the prediction model proposed. The results of the research show the value of R2 is 0.74.

Figure 1.
Research Results Model
Table 3
Path Coefficient Test Results on Inner Model

| Relations between variables                                      | Coefficient | Deviation | P   | Result                |
|-----------------------------------------------------------------|-------------|-----------|-----|-----------------------|
| Mandatory Compliance Behavior → Voluntary Tax Compliance        | 0.28        | 0.06      | <0.01 | Significant Positive Effect |
| Willingness to negotiate → Voluntary Tax Compliance             | 0.29        | 0.06      | <0.01 | Significant Positive Effect |
| Tax Moral → Voluntary Tax Compliance                            | -0.05       | 0.06      | 0.035 | Insignificant Negative Effect |
| Profit management → Voluntary Tax Compliance                    | 0.24        | 0.06      | <0.03 | Significant Positive Effect |
| Fiscal Policy → Voluntary Tax Compliance                        | 0.65        | 0.06      | <0.01 | Significant Positive Effect |
| Taxpayer compliance → Fiscal policy                             | 0.19        | 0.05      | <0.08 | Significant Positive Effect |
| Willingness to Negotiate → Fiscal policy                        | 0.32        | 0.17      | <0.01 | Significant Positive Effect |
| Fiscal Policy → Fiscal policy                                   | 0.13        | 0.05      | 0.020 | Significant Positive Effect |
| Profit Management → Fiscal policy                               | 0.86        | 0.73      | <0.01 | Significant Positive Effect |

Source: Primary data processed, 2020

Table 3 and Figure 1 describe the relationship between variables which is explained as follows: Taxpayer compliance behavior, taxpayers' desire to negotiate, provision of financial reports based on earnings management, and fiscal policy on tax obligations (voluntary tax compliance) has a coefficient with a positive direction, significant to tax obligations (voluntary tax compliance), meaning that there is a relationship between taxpayer compliance behavior, taxpayer willingness to negotiate, earnings management and fiscal policy on tax obligations (voluntary tax compliance), while tax morale to tax obligations (Voluntary Tax Compliance) has a coefficient with a negative direction, it is not significant to tax obligations (value tax compliance) and there is little relationship between tax morale to voluntary tax compliance.

Taxpayer compliance behavior, taxpayers' desire to negotiate, tax morale, and the obligation to organize finances through earnings management on the perception of fiscal policy have a coefficient with a positive direction, significant to fiscal policy. It means that there is a relationship between taxpayer compliance behavior, taxpayers' desire to negotiate, tax morale, and earnings management on fiscal policy.

4.1 Test Results of Mediation Variables.
The mediation test method can be by looking at the indirect path test. Table 4 shows the coefficients and P-values for assessing the mediating effect.

Table 4
Hypothesis Testing Results for Mediation Test

| No | Relationship between variables | Path coefficient | P-value | Description |
|----|---------------------------------|------------------|---------|-------------|
|    | 2-Segment Mediation Variable Test |                  |         |             |
The results of testing the mediating variable of fiscal policy in the relationship between taxpayer compliance, willingness to negotiate, tax morale, earnings management on voluntary tax compliance, P-value < 0.05 indicate a mediating variable.

4.2 Hypothesis Test Results from the effect of mediation.

There are nine hypotheses in this research, five hypotheses of direct influence, four hypotheses seeing indirect effects, and one hypothesis seeing the effect of mediating variables.

| Independent variable | Mediation Variable | Dependent variable | Indirect path coefficient | P-value | Description |
|-----------------------|--------------------|--------------------|---------------------------|---------|-------------|
| 1 Taxpayer Compliance Behavior | Fiscal Policy Perception | Voluntary tax compliance | 0.05 | 0.02 | Mediation |
| 2 Willingness to negotiate | Fiscal Policy Perception | Voluntary tax compliance | 0.11 | <0.01 | Mediation |
| 3 Tax Moral | Fiscal Policy Perception | Voluntary tax compliance | 0.03 | 0.03 | Mediation |
| 4 Profit management | Fiscal Policy Perception | Voluntary tax compliance | 0.25 | <0.01 | Mediation |

The results of the analysis of the effect of taxpayer compliance behavior on voluntary tax compliance are positive and significant. These results indicate that if taxpayer compliance...
behavior is improved, which includes increasing the accuracy of submitting SPT made by taxpayers because of the sanctions that must be paid in the event of a delay. However, there is a need for the government's role, especially for taxpayers whose reporting uses e-filing and e-SPT. Support the research of Ma'ratussholihah et al. (2013), looked at taxpayer compliance through knowledge of taxation, service quality of tax authorities and tax rates, knowledge of taxation, quality of tax services, and tax rates together with have a significant effect on taxpayer compliance.

The awareness for taxpayers to carry out their tax obligations to pay taxes owed on time and understand the imposition of tax sanctions fairly for those who violate it will increase voluntary tax compliance. In other words, as taxpayer compliance increases, voluntary tax compliance also increases. They were supported by Alm et al. (1992), Harinurdin's (2009) Model of tax compliance using moral factors, social dynamics, and tax culture. The results show that the perception of behavioral control does not have a significant direct effect on taxpayer compliance. The perception of behavioral control has a significant positive impact. At the same time, Susmiatun and Kusmiyanto (2014) examine compliance by looking at knowledge of taxation, firmness of tax sanctions, and tax justice, showing taxability, firmness of sanctions, and tax justice affect MSME taxpayer compliance simultaneously.

The Effect of Tendency to Negotiate on Tax Obligations Voluntary (Voluntary Tax Compliance).

Negotiation is a structured and planned communication process where two or more people with different goals communicate to reach an agreement that can benefit all parties, resolve problems and find solutions to the difficulties encountered in the hope that all will help.

The results of the hypothesis show a positive and significant effect. It indicates that taxpayers tend to negotiate because taxpayers have tax rights and obligations under the tax collection system adopted, namely the self-assessment system. Taxpayers are given the authority, trust, and responsibility to calculate, calculate, and self-report taxes to be paid. Taxpayers sometimes need to negotiate to reduce tax payables due to miscalculation, calculating, depositing, and reporting their taxes. So it can be concluded that there is a tendency for taxpayers to be still negotiable, meaning that MSME taxpayers do not understand the procedure for calculating the tax payable.

As supported by Jayanto (2011) sees taxpayer non-compliance through attitudes, subjective and moral norms affect taxpayer compliance intentions. The results show that non-compliance with taxes has no effect on the purpose of non-compliance with taxpayers. In contrast, subjective criteria significantly impact the non-compliance of taxpayers in this research.

The Influence of Tax Morals on Voluntary Tax Obligations (Voluntary Tax Compliance).

The results of the hypothesis show a negative and insignificant effect, and this has an understanding that if tax morale is increased, it will reduce voluntary tax compliance receipts. Tax morale is an intrinsic motivation to comply and pay taxes and explain why taxpayers are honest in tax matters. In contrast, tax compliance is a situation where the Taxpayer fulfills his tax obligations formally under the formal rules of the tax law. If the Taxpayer believes in the existing legal system, the Taxpayer's confidence can be increased because the Taxpayer's trust affects the Taxpayer's motivation to commit and comply with the regulations.
Trust in the legal system and taxation will show the relationship between the state and its citizens. If individuals perceive that the state can be trusted, the level of trust of taxpayers will increase so that it will also increase compliance with tax regulations. Let's look at the aspect of national pride. National pride affects the behavior of individuals in groups, organizations, and communities. Feelings of pride make taxpayers behave cooperatively, further increasing intrinsic motivation to pay taxes if taxpayers believe that tax evasion is an act of tax evasion. It is a common thing that the tax morale will be down. It shows that if the Taxpayer's enthusiasm is good, he will comply with tax regulations, but what happens is that the excitement of the Taxpayer does not grow from individual intrinsic motivation but coercion by the tax authorities in the form of tax penalties.

The results of this research are supported by Cahyonowati (2011), examining taxation morals and compliance. The results show that social and demographics do not affect tax morale. At the same time, the deterrence factors are only tax penalties that have a negative and significant effect on tax morale. In contrast, taxation morals positively impact and are substantial to tax compliance. The level of taxpayer religiosity affects a person's breaking the rules (the degree of rule-breaking). So that religiosity can limit individual intentions to evade taxes, as Torgler and Schneider (2004) used a measure of the frequency of individuals going to church, in Australia taxpayers, Those who go to church often show a higher moral tax than those who rarely go to church. In Indonesia, religiosity is an exciting thing to research because of the diversity of religions compared to Australia.

Further research conducted by Hidayat and Nugroho (2016) examined the Empirical Research of the Theory of Planned Behavior and the Effect of Moral Obligations on individual tax disobedience behavior. Observed: The influence of attitude on behavioral intentions, the influence of subjective norms on behavioral purposes, the influence of moral obligations on behavioral intentions, the impact of perceived behavioral control on behavioral intentions, the influence of behavioral intentions to behavior. The results showed: 1. The effect of attitude on the intention to behave is negative and insignificant. 2. The influence of subjective norms on the will to act is positive and insignificant. 3. The effect of moral obligation on the intention to behave is positive and significant. 4. The impact of Behavioral control on behavioral intentions is negative and insignificant. 5. The effect of behavioral intention on behavior is positive and significant.

The Effect of Earnings Management on Voluntary Tax Liabilities (Voluntary Tax Compliance).

The results of the hypothesis show a positive and significant effect. The provision of financial statements through earnings management arises because of the weakness of accounting regulations. Earnings management is a deliberate effort to minimize fluctuations in earnings considered normal for the company. It is part of the company's management efforts to reduce abnormal variations in profit. The level permitted by accounting principles still uses generally accepted or recognized accounting methods or procedures. This action arises because of differences in interests between companies as taxpayers and the government as tax collectors, thus encouraging taxpayers to minimize their tax obligations.

This Theory was in line with Marlina's (2014) research examining the effect of earnings management and tax sanctions on tax compliance. Management decisions to minimize or maximize profits are measured by: Taking a bath, income depreciation, and income smoothing. The results show that earnings management affects tax compliance, and tax
sanctions will impact tax compliance. In line with Peter's (2003) research, earnings management will affect the increase in MSME Tax Compliance.

**Effect of Fiscal Policy on Voluntary Tax Liability (Voluntary Tax Compliance).**

The results of the hypothesis test have a positive and significant effect. The improvement of the tax system and changes in tax regulations will increase taxpayer compliance and voluntary tax compliance (Voluntary Tax Compliance). It can be achieved if the tax system, including tax policy and tax administration, can be appropriately managed. The use of revenue sourced from taxes is implemented through spending policies with good and appropriate government rules. To encourage the fulfillment of voluntary tax obligations (Voluntary Tax Compliance) and revenue contributions from MSMEs, the government issued the MSME fiscal policy on PP 46 of 2013, which has been amended by PP 23 of 2018. This budgetary policy was issued to simplify the collection and increase tax equity for MSMEs with less than 4.8 billion gross turnovers.

The results of the hypothesis are supported by research by Syafiqurrahman et al. (2017), examining the analysis of the influence of MSME fiscal policy on the government's efforts to improve the Indonesian economy through the MSME sector. The results show that fiscal policy positively affects MSME taxpayers' tax compliance. According to Nashrudin et al. (2014), fiscal policy positively affects taxpayers' voluntary compliance with an inevitable gross turnover. The results show that the perception of fiscal policy has a positive and significant effect on voluntary taxpayer compliance. It indicates that the better the Taxpayer's perception of the fiscal policy that has been set, the higher the level of Taxpayer voluntary compliance.

**The Effect of Taxpayer Compliance on Voluntary Tax Obligations (Voluntary Tax Compliance mediated by MSME fiscal policy).**

The hypothesis test results have a positive and significant effect because the government has tried to encourage the fulfillment of voluntary tax obligations of taxpayers (Voluntary Tax compliance) and encourage the contribution of State revenue from MSMEs. Income is final on payment received or earned. This regulation applies the presumptive regime model in taxation, which is a form of taxation approach where the perpetrators still have limited administrative and bookkeeping capabilities.

Supported by research by Nurpratiwi et al. (2015), taxpayers' perceptions of the MSME income tax fiscal policy regarding simplicity in the collection or the convenience principle indicate the agreement. In terms of reduced administrative burden or efficiency, the principle is agreed. Regarding accuracy in the group or the certainty, the principle indicates disagreement, and results indicate disagreement in fairness or equality.

The behavioral concept expressed by Duncan in Indrajaya (2010) is the basis for the relationship between perceptions of fiscal policy and voluntary compliance. Amalah's (2013) research results are the perception that tax administration reform has a significant and positive influence on taxpayer compliance.

**The Effect of Tendency to Negotiate on Tax Obligations Voluntary (Voluntary Tax Compliance) mediated by MSME fiscal policy.**

The results show a positive and significant effect between the willingness to negotiate with taxpayer compliance mediated by fiscal policy. It indicates that MSME business actors do not understand the fiscal policy and cannot distinguish between final and non-final income. Still,
taxpayers have a good perception of tax policy. By realizing that paying taxes is an obligation related to fiscal policy, most taxpayers realize that the new policy makes it easier and simpler to fulfill their tax obligations. Negotiations are carried out when there is an error in calculating to apply for the abolition of tax sanctions and postponement of payments.

In line with Syafiqurrahman et al. (2017), he assumes in his research analysis the effect of fiscal policy on the government's efforts to improve the Indonesian economy through the MSME Sector. The results show that fiscal policy has a positive impact on the sustainability of MSMEs and fiscal policy has a positive effect on government efforts to improve the economy through MSME taxpayer compliance. Likewise, Nashrudin et al. (2014) examined the perception of fiscal policy on voluntary taxpayer compliance (Voluntary Tax Compliance). The results of the research indicate that the perception of fiscal policy has a positive effect on voluntary compliance by taxpayers.

The Effect of Tax Morals on Voluntary Tax Obligations (Voluntary Tax Compliance) mediated by the fiscal policy of MSMEs.

The results of the research have a negative and significant effect, indicating that the morality of the Taxpayer strongly influences taxpayer compliance because paying taxes is a behavioral activity of the Taxpayer's condition itself. Moral aspects in the field of taxation include the ethical obligations of taxpayers in carrying out their tax obligations as good citizens and taxpayer awareness of the allocation of revenues by the government.

Taxpayer compliance behavior is where the Taxpayer fulfills all of his tax obligations and rights. At the same time, non-compliance is a condition where the Taxpayer does not fulfill his tax obligations, which is the basis for the cause of non-compliance, which can lead to avoidance of his tax obligations. Improve compliance, according to the research Hidayat and Nugroho (2016) researched empirical studies theory of planned behavior and the influence of the moral obligation on the behavior of the disobedience of personal income tax in differing undertaken by Cahyonowati (2011) examines the moral and tax compliance (tax compliance) by using social, demographic and deterrence factors, the results show that social society and demographics, do not effect on tax morale. Still, tax morale affects the level of tax compliance. Referring to the research above, the researcher sees non-compliance of taxpayers seen from the behavior of taxpayers

The Effect of Earnings Management on Voluntary Tax Liabilities (Voluntary Tax Compliance) mediated by the fiscal policy of MSMEs.

The results of the research show a positive and significant effect, and it shows that if earnings management is carried out regarding fiscal policy for MSMEs, it will increase tax obligations (Voluntary Tax Compliance). Earnings management for tax purposes often collides with increasing profit pressure. The desire of earnings management to minimize the amount of tax payable does not have to be less taxable than accounting profit. Still, the difference between tax profit and accounting profit can be minimized to avoid calculating overpaid taxes to reduce the possibility there is an inspection.

The results of the hypothesis are in line with research by Marlina (2014) examining the effect of earnings management and tax sanctions on tax compliance. The results of the research show that earnings management influences tax compliance. And tax sanctions affect tax compliance, which couldn't be separated from the behavior of the Taxpayer itself.
Theoretical and practical contributions:

Theoretical contributions.
Contribute and enrich the science of social management and psychology by using behavioral Theory. The more advanced society and the government, the higher the awareness of paying taxes but the more critical they are in addressing tax policy issues. For this reason, to increase voluntary compliance, the Theory of community social behavior can be used.

Practical Contribution:
Contributing to the government in efforts to improve changes in fiscal policy and the development of an administrative system of authority that a tax authority must possess must be proportional to the needs of available resources. The tax collected must be based on the law, so that there is legal certainty from both the tax officer as a tax collector and for the Taxpayer as a taxpayer.

Research Limitations.
The research did not involve MSMEs that kept the books in which tax obligations were calculated based on fiscal profit using the rates of Article 17 of the Taxation Law No. 36 of 2008. The policy did not see the role of the government as a provider of administrative implementers in applying the fiscal policy, did not consider the financial condition and facilities of the company. The Taxpayers, where the company's bad financial condition will indirectly lead to negative actions from the company's staff and employees. Including actions to commit taxpayers' disobedience, while company facilities will affect professional tax actions related to applicable tax regulations, data obtained using Questionnaire/written assistance did not use the interview method. The researcher did not know the respondent's reaction when filling out the questionnaire.

Suggestions for Advanced Researchers
Involving MSMEs whose gross turnover is IDR 4,800,000,000 but maintains books of account where tax obligations are calculated based on fiscal profit using the rates of Article 17 of the Taxation Law No. 36 of 2008. It is recommended that exploration of variables look at the role of the government as a provider of administrative implementers in applying the fiscal policy. As well as considering the financial variables and facilities of the Taxpayer's company, if the company's financial condition is bad, it will indirectly lead to negative actions from the company's staff and employees, including measures to disobey taxpayers.

Conclusion
The level of taxpayer compliance is getting better. It can encourage increased voluntary tax compliance if taxpayer compliance is improved, including increasing the accuracy of submitting SPT made by taxpayers because of the sanctions that must be paid in case of delays. Nevertheless, the role of the government is needed, especially for taxpayers who report using e-filing and e-SPT. Negotiation is a structured and planned communication process to reach an agreement that benefits all parties, resolve problems and find solutions to problems faced with the hope that all will benefit. Taxpayers are given authority, trust, and responsibility to calculate, calculate, and self-report taxes to be paid. Taxpayers sometimes need to negotiate to reduce their tax debt due to errors in calculating, calculating, depositing, and reporting their taxes.
Tax morale is an intrinsic motivation to comply with and pay taxes and can explain why taxpayers are honest in tax matters, while tax compliance is a condition where taxpayers fulfill their tax obligations formally. If taxpayers believe in the existing legal system, taxpayer confidence can be increased because taxpayers' trust affects the encouragement of taxpayers to commit and comply with regulations.

Earnings management arises because of the weakness of accounting regulations. Earnings management is a deliberate effort to minimize fluctuations in profits considered normal for the company. This is part of the company's management efforts to reduce abnormal variations in earnings within the levels permitted by accounting principles. This action arises because of differences in interests between companies as taxpayers and the government as tax collectors, thus encouraging taxpayers to minimize their tax obligations.

Fiscal policy for improving the taxation system and changes in tax regulations will improve taxpayer compliance. Voluntary tax compliance can be achieved if the tax system, which includes tax policy, tax administration, can be adequately managed. The use of revenue sourced from taxes is implemented through spending policies with good and appropriate government rules. To encourage the fulfillment of voluntary tax obligations (Voluntary Tax Compliance) and encourage the contribution of revenue from MSMEs, the government has issued an MSME fiscal policy from PP 46 of 2013. The policy has been amended by PP 23 of 2018. One of the reasons was simplifying collection, reporting, and improving tax justice for MSMEs with a gross turnover of less than 4.8 billion.

The desire to negotiate with taxpayer compliance mediated by fiscal policy shows that MSME business actors do not understand the fiscal policy and cannot distinguish between final and non-final income. Taxpayers have an excellent perception of tax policy by realizing that paying taxes is an obligation related to fiscal policy. Most taxpayers realize that the new policy makes it easier and simpler to fulfill their tax obligations. Negotiations are carried out when a calculation error occurs so that they apply for the abolition of tax sanctions and payment delays, tax sanctions for taxpayers' guarantees so as not to violate tax provisions, with the hope that the sanctions given must be clear and firm, do not recognize compromise, to provide a deterrent effect.

References
Ajzen, I.,2006. Constructing a TPB questionnaire: conceptual and Methodological Considerations. Organizational Behavior and Human Decision Processes. National Tax Journal Vol. 50, PP 27-45.
Alm, J, Bahl, Dan M.N Murray., 1991, Tax Structure and Tax Compliance, The Review of Economics and Statistics, National Tax Journal Vol.72, No.4. (Nov, 1990) pp603-613
Alm, J., B. R. Jackson and M. McKee, 1992, Estimating the Determinants of Taxpayer Compliance with Experimental Data, National Tax Journal, 45 (March), 107-114
Andreoni, J; Erard, Brian; and J.Feinstein, 1998, Tax Compliance. Journal of Economic Literature, Vol. 36, NO.2, pp.818-860
Atawodi ,O.W dan S.A Ojeka (2012).Relationship between Tax Policy,Growth of SMEs and the Nigeria Economy International journal of Business and Management, http://doi.org/10.5539/ijbm.v7n13p125.
Cohen,A dan Yardena.2004 Profesionalism and Organizational Citizenship Behavior,Journal of Managerial Psychology,ABI/INFORM Global,Vol 19,No 4 pp.386-405.
Devano, S dan S.K. Rahayu 2006 Perpajakan Konsep dan Teori dan Isu, Jakarta, Kencana
Fuadi, A.O dan Y. Mangoting 2013. Pengaruh kualitas pelayanan petugas pajak, sanksi perpajakan dan biaya kepatuhan pajak terhadap kepatuhan wajib pajak UMKM. Tax Accounting Review, Vol. 1 no 1.
Ghozali, I. 2011. Aplikasi Analisis Multivariate dengan Program IBM SPSS 21 ed 6. Semarang: Badan Penerbitan Universitas Diponegoro.
Hair, J.F. Jr. Black, W.C., B.J. Babin dan R.E Anderson 2010. Multivariate Data Analysis: A Global Perspective. 7th ed., New Jersey: Pearson Education Inc
Hartono. (2015). Analisa variabel Fundamental terhadap harga saham perusahaan go public di BEI.
Hartono, F. A. (2021). Anggaran Perusahaan. In Anggaran perusahaan (1st ed., p. 140). CV Literasi Nusantara Abadi.
Hartono, J dan W. Abdillah. 2009. Konsep dan Aplikasi PLS (Partial Least Square) Untuk Penelitian Empiris. BPFE, Yogyakarta.
Harinurdin, E 2009. Perilaku Kepatuhan Wajib Pajak Badan. Jurnal Bisnis dan Birokrasi. Ilmu Administrasi dan Organisasi Mei-Augustus 2009 Hal 96-104
Jackson, B.R dan V.C Milliron 1986 Tax Compliance Research: Findings, Problems, and prospects. Journal Of Accounting Literature
Jayanto, P.Y., 2011 faktor-faktor ketidak patuhan wajib pajak. Jurnal Dinamika Manajemen vol 2 no 1 Hal 48-61. Keputusan Menteri Keuangan No 544/KMK.04/2000 Tentang Kriteria Wajib Pajak Yang Dapat Di Berikan Pengembalian Pendahuluan Kelebihan Pembayaran Pajak Menteri Keuangan Republik Indonesia.
Kirchler, E. 2007 The Economic Psychology Of Tax Behavior. UK: Cambridge University Press.
Latan, H dan I Ghozali. 2017 Partial Least Squares Structurl Equation Modeling (PLS-Sem) Techniques Using Smartpls. Marketing Buletin, 24.
Marlina, T.S 2014 Pengaruh Manajemen Laba Dan Sanksi Perpajakan Terhadap Kepatuhan Perpajakan Survey wajib pajak Badan. Jurnal Akuntansi Fakultas Ekonomi Universitas Komputer Indonesia.
Mir’atussholihah, S Kumadji dan B. Ismono 2013 Pengaruh Pengetahuan Perpajakan Kualitas
Pelayanan Fiskus Dan Tarif Pajak terhadap Kepatuhan Wajib Pajak. PS perpajakan Administrasi Bisnis UB.
Muceku, H dan T. Balliu (2017)., The Albanian Taxpayers’ Perception of the Current Tax System and its Impact on Informal Economy, Tax Evasion and Tax Avoidance, Journal of Sosial Sciences MCSER Publishing, Rome-Italy
Mukasa, J 2011. Tax Knowledge, Perceived Tax Fairness And Tax Compliance In Uganda The Case Of Small And Medium Income Tax payers In Kampala Central Division, Dissertation, Makerere University, Uganda.
Mwangi, M & I, Nganga (2006) Taxation and SME’s sector Growth. Asian Journal of Business and Management Sciences, 2 (3). 1-7
Nashrudin A, Bashori & E.Mustikasari 2014 Pengaruh persepsi atas PP no 46 Tahun 2013 terhadap kepatuhan sukarela wajib pajak yang memiliki peredaran bruto tertentu pada KPP Mojokerto Rungkut, Simposium Nasional Akuntansi, Vol 17.
Prihantari, G.P.E.W dan N.L. Supadmi. 2015 Dampak Implementasi PP No 46 Tahun 2013 Ditinjau dari Perilaku Kepatuhan Pajak. E-jurnal Akuntansi Universitas Udayana. 12.2 hal 422-434.
Rahayu, S.K. 2010. *Perpajakan Indonesia-Konsep dan Aspek Formal*. Yogyakarta: Graha Ilmu.

Robbin, S.P. 2001. *Organizational Behavior: Concepts, Controversies and Applications*. Prentice Hall International, Inc. 12 edition.

Santoso, B. 2005 *Pengantar Ilmu Hukum Pajak*. Bandung: Eresco.

Setianingsih, T. Dan A. Ridwan 2015 Persepsi Wajib Pajak UMKM Terhadap Kecenderungan Negosiasi Kewajiban Membayar Pajak Terkait PP No 46 Tahun 2013. Prosiding Simposium Nasional Perpajakan 4.

Sugiyono. 2010. *Metodologi Penelitian Bisnis*. Bandung: Alfabeta.

Torgler, B. dan F. Schennei 2004. *Attitudes Towards Paying Taxes in Austria: An Empirical Analysis*. Kertas Kerja Yale Centre For International and Area Studies, Leither Program In Internasional And Comparative political Economy.

Thuronyi, V 1996. *Presumptive Taxation*. Tax Law Design and Drafting vol 1: International Monetary Fund.

Yoingco, A.Q 1997. *Texation in The Asia Pasific Region: A Salute to the years of Gerional cooperation in tax Administration and research*. Dalam studi Group in Asian Tax Administration & Research. Manila.

Zain, M. 2004. *Manajemen Perpajakan*. Salemba Empat, Jakarta.