The Impact of Moderate Risk Preferences on Taxpayer Compliance

Muhamad Yamin Noch[1]
Mohamad Ridwan Rumasukun[2]
Victor Pattiasina[3]

[1-3]Faculty of Economics and Business, Yapis University Papua
Email Correspondence: victorpattiasina6@gmail.com

ABSTRACT: The purpose of this study was to analyze the effect of Accrual-Based GAS Implementation, Apparatus Competence and the Role of Internal Audit on the Quality of Local Government Financial Statements with good governance as a moderating variable. This type of research is causal research. The population in this study were auditors who worked at the Financial and Development Supervisory Agency (BPKP) Representative of Papua Province, totaling 91 auditors. The method for determining the sample was by using the census method. All members of the population were used as a research sample. They were 74 auditors who acted as respondents. The data in this study are primary data with data collection techniques using a questionnaire. Hypothesis testing uses Multiple Regression Analysis and residual test for moderating variables with the help of the SPSS program. The results of this study prove that the implementation of Accrual-Based GAS has an effect on the quality of local government financial reports, apparatus competence has no effect on the quality of local government financial reports, the role of internal audit does not affect the quality of local government financial reports, good governance as a moderating variable can moderate the relationship between accrual-based GAS implementation

Introduction

Indonesia, as a developing country, consistently completes progress in all fields. To achieve this achievement, efforts are made to understand the public interest through tax collection to carry out financial development. Taxes are people's demands by the state that depend on coercive laws and debts that must be paid immediately (Ilhamsyah, 2016). The course of a country can also be determined by whether its residents comply with current tax regulations. Taxes are a source of income for the state, which has a role in financing development in the country. According to law no, tax collection is mandatory from the community to the state 28 of 2007 concerning General provisions and applicable Tax Procedures. "Taxes are people's contributions to the state treasury based on the law (which can be enforced) by not receiving reciprocal services (contra-achievements) which are directly obtained and which are used to pay for general state expenditures" (Mardiasmo, 2016).

The improvement of the nation will be continued in a more advanced way. In the current time of the

Corona Virus Pandemic, which makes conditions dubious due to financial instability, the public authorities for this situation come up with the idea of combining several laws and guidelines into one other type of legislation that is authoritatively focused—perfecting guidelines and defeating guidelines that can hinder strategy or what is commonly referred to as omnibus law.

This is reflected in the State Revenue and Expenditure Budget (APBN), which shows state revenues from the tax sector are more dominant and continue to increase consistently. The following table writes the realization of tax revenue.

Table 1

Realization of State Revenue in the 2015 APBN

(In Billions of Rupiah)

Year	Tax revenue
2015	1.240.418
2016	1.284.970
2017	1.343.529
2018	1.548.485
2019	1.546.141
2020	1.404.507
2021	1.444.541

(Source : bps.go.id,2021)

Viewed from Table 1, it can be seen that the realization of state revenue assessment is huge in its capacity as a source of financing and improvement of the state. Assets from collection revenues that have been collected into the APBN will then be allocated to finance various public interests through structuring public workers and products needed by the regions, such as welfare, schools, assembly, and agriculture. So it tends to be reasonable that taxpayer compliance plays an important role as the basis for the country's balance sheet, where this nation's resilience depends on how much obligation can be collected. The outbreak of the Corona-19 virus, which affected monetary conditions, made the target for the realization of state revenues inoperable and should be optimized.

While at the beginning of the pandemic year, to be precise, in 2019, the decline to 1,546,141 was lower than in 2018, which was 1,548,485 until 2020, the recognition that underlies the cost revenue decreased. Next, it increased to 1,404,507 lower than the previous year. The reduction was due to the permitting of tax relief assistance as stated in the Jayapura Regent's decision number 188.4/151/2020. This exempted hotels, cafes and entertainment taxes, groundwater taxes from April to June 2020 (Source: Bapeda, Papua News)

As stated in the 2020 Quarter I State Budget, and a decrease occurred in 37% of the tax revenue target from the first Rp. 176 billion to Rp. 110.8 billion. PAD 2020, (Special Coordination Meeting on Regional Revenue, Wednesday 12/08/2020)

The problems above have several impacts that can affect taxpayer compliance. One of the signs that affect state revenue from local tax collection is that it is less than ideal and cannot achieve the planned goals. Mandatory compliance is the behaviour of citizens who follow all their spending commitments and use every privilege concerning the relevant tax regulations. Pravasanti and Pratiwi, (2021).

The second factor that affects taxpayer compliance is understanding taxation, where taxpayers understand and understand the procedures for paying taxes and calculating taxpayers' taxes. Understand or strive to review every statutory arrangement and duty guide, complete tax paperwork effectively, pay outstanding fees on time. In the friendly learning hypothesis, taxpayers can learn by paying attention to regulations on fees so that it becomes more straightforward. The expansion of

taxpayers' understanding of tax regulations must continue to be carried out with related taxation socialization. This is supported by research (Yunia et al., 2021)/(Jihin et al., 2021)/(Wulandari, 2020)/(Ananda et al., 2015)/(Rahmawati, 2018), which states that understanding tax guidelines has a positive effect on taxpayer compliance, but this is in contrast to research conducted (Purba and Simbolon, 2019) which states that understanding taxpayer compliance guidelines has no impact on mandatory compliance tax.

The third factor that can affect taxpayer compliance is implementing the modernization system of tax administration. Modernization of tax administration using e-framework-based innovations, one of which is e-enlistment, a citizen was registering consistent e-SPT to save notifications. This is stated in Firda's research (2021) which is supported by research from (Hutagaol and Ginting, 2020)/(Jaya 2019), which says that e-charge is the utilization of data frame improvements and innovations, E-charge is an advanced fee, mandatory Taxpayers must report every taxation so that there are fixed costs.

Furthermore, the factors that can affect taxation are risk preferences. Risk preferences are opportunities that taxpayers can consider and make the main objectives of the different options accessible. Risk preference is a factor of several interrelated speculations with the dynamics and consistency of taxpayers. If taxpayer compliance and preferences have a strong relationship, assuming citizens have low consistency, it is precarious. Pravasanti and Pratiwi (2021) this is in contrast to research from (Tambun and Witriyanto, 2016) which states that risk preferences cannot affect taxpayer compliance.

Literature Review and Research Hypothesis Development

The conceptual model of the study of the impact of risk preference moderation on taxpayer compliance at KPP Pratama Jayapura is as follows.
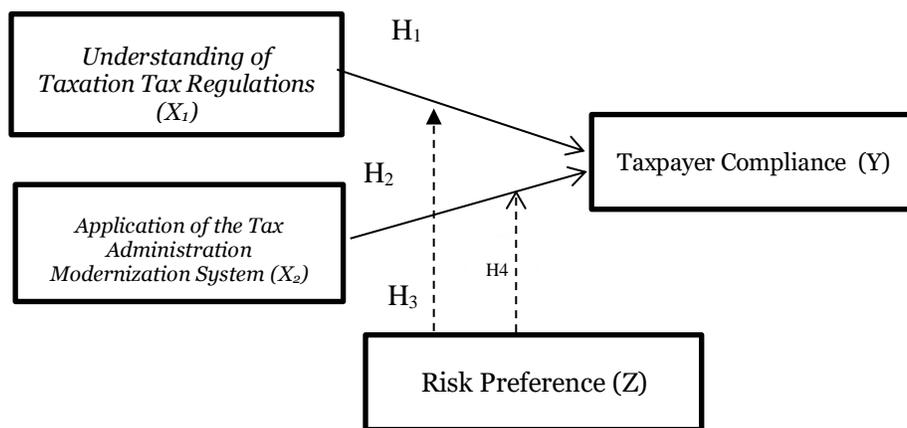

Figure 1
Empirical Model

The Effect of Tax Understanding on Taxpayer Compliance

The definition of a citizen is a condition in which citizens know, understand and carry out content management effectively and intentionally. The higher the level of concern for citizens, the better the arrangement and implementation of task commitments to build capacity to cover costs. Citizen understanding is the mentality of citizens who understand and will complete their commitment to cover expenses and have disclosed all their salaries without being hidden according to proper guidelines. (Yunia et al., 2021) This review shows that tax understanding has a significant constructive outcome on taxpayer compliance.

H$_1$: The effect of tax understanding on taxpayer compliance

The Effect of the Implementation of the Tax Administration Modernization System on Mandatory Compliance

Modernization of tasks by utilizing existing e-framework-based innovations, such as e-charging, e-SPT, e-filling and e-invoicing, is relied on to develop further an administrative system that is more successfully upheld by the implementation of a code of ethics for representatives of the Directorate General of Expenditures to carry out supervision of worker behaviour in fulfilling its obligations and obligations. The reasons for refreshing the framework and extending the electronic framework or e-framework are relied on to establish cost consistency, such as increasing public confidence in responsible organizations, using high valuation authority, and increasing the ability and feasibility to achieve cost revenue target. Meanwhile, the motivation behind data innovation in tax collection itself is to save time, simplify, and be precise. (Jaya, 2019) which shows that the implementation of the tax administration modernization system has a significant effect on taxpayer compliance.

H$_2$:The Effect of the Implementation of the Tax Administration Modernization System on Mandatory Compliance

Risk Preference Moderates Tax Understanding on Taxpayer Compliance

Residents who do not know about tariff rules are a significant obstacle because Indonesia adheres to a self-evaluation framework for tariff selection that provides an opportunity to develop, save and report on overall cost commitments. Understanding tax laws is an essential and potential factor for public authorities to build expense revenue to meet tax assessments. As pointed out by (Debby Widyantari et al., 2017), the level of understanding is a concentrated course to expand on the information that a person does not have, and how well they see accurately becomes a matter that we need to know. Citizens' understanding of the law and legal assessment guidelines is identified with tax collection in research (Debby Widyantari et al., 2017). The importance of citizens to understand tax regulations is also built on the social learning hypothesis proposed by Bandurra (1977)/(Pravasanti and Pratiwi, 2021), which shows that risk preferences moderate understanding of tax regulations.

H$_3$: Risk preference moderates understanding of tax regulations on taxpayer compliance

Risk Preference Moderates Implementation of Tax Administration Modernization System on Taxpayer Compliance

A citizen's choice can be influenced by his behaviour towards the danger he faces (Torgler, 2003). The individual hazard propensity is one of several dynamically identified hypotheses, including load consistency, such as the fulfilment assumption and prospect hypotheses. The prospect hypothesis provides a valid hypothetical rationale for directing hazard tendencies in the relationship between load consistency and understanding of task guidance. This hypothesis explains that when a citizen has a significant level of harm, he will want to influence the consistency of the citizen. In this way, when the consistency of the content has a strong relationship with the propensity of danger, the level of consistency of the residents will be below, which means that the residents have various high risks who want to reduce the level of consistency of the residents. (Tambun and Witriyanto, 2016) This review shows that risk preferences can strengthen the implementation of the modernization system on taxpayer compliance.

H$_4$: Risk Preference Moderates Implementation of Tax Administration Modernization System on Taxpayer Compliance.

Research Method

This type of research is explanatory research, a kind of exploration that is an informative examination. This review is seen to clarify the relationship between variables and their effects by testing hypotheses. (Sugiyono, 2017). The design in this research is quantitative research. This research is done by testing the right way, and the estimation depends on the current hypothesis. This examination model is a description of the research model using survey instruments. The review research strategy is to obtain information about the respondent's single opinion. The exploration area is directed at the Tax Service Office (KPP) Pratama Jayapura, located Jl. on Jl. Autonomous No. 3 Kotaraja Jayapura Regional Office of DGT Papua, West Papua, and Maluku). This study is directed to examine the effect of understanding tax regulations and applying the modernization system of tax administration on taxpayer compliance with risk preferences as a moderating variable at KPP Pratama Jayapura. The research time is from September to October 2021.

The population is a collection of all components that follow what analysts expect in making several decisions (Sugiyono, 2017). The population in this study is also the fundamental component identified with what the experts expect in making some conclusions (Sugiono, 2018). The population in this study is the number of individual citizens who are still effective, still actively carrying out their tax obligations and registered with the KPP Jayapura Primary. The number of taxpayers registered at KPP Pratama Jayapura is 311,534 SPT.

The research strategy used in this study was a chance examination. Random sampling(accidental sampling) (Sugiono, 2018). The examples in this review are 100 citizens who do not stick to the examples determined using the Slovin equation.

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

Note

n = Number of Samples
N = Population
e = Standard error (limited accuracy of critical value 0.5)
Sample Calculation:

$$n = \frac{311.534}{1 + 311.534\,(0.5)^2}$$

$$= 1 + 311.534(0.5)^2$$

n = 98.389 = 100 individual (completed)

The dependent variable or the dependent variable is the type of variable influenced by the independent variable (Sugiyono, 2017). The dependent variable is the main focal point of the specialist. The motivation behind exploration is to understand and describe the dependent variable, clarify its impermanence, or anticipate it. In this review, the dependent variable is the untimely final review method.

Independent variables or independent variables affect or are the reason for changes or the emergence of the dependent variable (Sugiyono, 2017). In this review, the autonomous factors are Supervisory Measures, Audit Risk, and Materiality.

Moderating variables affect (strengthen and weaken) the relationship between the independent and dependent variables (Sugiyono, 2017). In moderation is Risk Preference.

Validity is an action that shows the degree of validity or legitimacy of an instrument, and an instrument is considered valid if it can quantify what needs to be measured or can reveal information from well-concentrated factors. The high and low validity of the instrument shows the extent to which the information collected does not deviate from the description of the variable in question (Arikunto, 2017). Meanwhile, according to (Sugiono 2017), the examination results are valid if there are similarities between the information collected and the information that happened to the item being studied.

The validity test uses construct validity which is carried out by using the correlation technique between the scores of the question items in a variable that is observed with the total score, using the product-moment correlation formula with a significance level of 5% of the critical value. The product-moment correlation formula is (Arikunto, 2017):

$$rxy = \frac{N(\sum xy) - (\sum x \sum y)}{\sqrt{[N\sum x^2 - (\sum x)^2][N\sum y^2 - (\sum y)^2]}}$$

Note
r = relationship coefficient
y = all question scores
x = statement item score
N = number of samples
Assuming the possible relationship results are below 0.05 (5%), it is considered valid and vice versa (Arikunto, 2002).
An instrument is reliable if it generally obtains similar results from the indications of unchanged estimates made on various occasions (Pattiasina et al., 2019). Cronbach's alpha can be used to measure the dependence of the test using a Likert scale. To test the immovable quality, Cronbach's Alpha equation is used (Sugiono, 2017), namely:

$$r_{11} = \left[\frac{k}{(k-1)}\right]\left[1 - \frac{\sum \sigma b^2}{\sigma^2 t}\right]$$

Note :

r_{11} = Instrument reliability
$\sum \sigma b^2$ = Number of Variants
k = The number of statement items
$\sigma^2 t$ = Total Variant

Ghozali (2018) explains that a construct is said to be reliable if it gives Cronbach's alpha value Based on a Standardized item > 0.70.
To answer the research problems adapted to the hypothesis, we were to test the hypothesis of this study using moderated regression analysis (Moderated Regression Analysis).
    a. Equation Model I

$$KWP = \alpha + \beta_1 PPP + PR + e$$

    b. Equation Model II

$$KWP = \alpha + \beta_1 PSMAP + PR + e$$

c. Equation Model III

$$KWP = \alpha + \beta_1 PPP*PR + \beta_2 PSMAP*PR + e$$

Note :

α	=	Constant
β	=	Regression Coefficient
KWP	=	Taxpayer Compliance
PPP	=	Understanding of Tax Regulations
PSMAP	=	Application of the Tax Administration Modernization System
PR	=	Risk Preference
PPP*PR	=	Interaction between Understanding Tax Regulations and Risk Preference
PSMAP*PR	=	Interaction between Implementation of Tax Administration Modernization System and Risk Preference
e	=	Error term (error rate in research)

Discussion and Research Results

The results of the collection of questionnaires that have been filled out by the respondents can be described at the distribution level and the rate of return (response rate) as follows.

Table 2

Distribution and Return of Questionnaires

No	Note	Number of Questionnaires
1	Distributed Questionnaire	110
2	Returning Questionnaire	100
Response Rate		90,1%

Source: Results of data processing 2021

Of the 110 target respondents, the researchers succeeded in distributing questionnaires to all respondents. The number of questionnaires distributed was 110 questionnaires. The questionnaires returned were 100 questionnaires, so the number of questionnaires processed was 100 or 90.1% of the total questionnaires distributed.

The validity test in this study uses a comparison between the product-moment person correlation index with a significant 5%. If the probability of the correlation result is less than 0.05, then the instrument is declared valid. On the other hand, if the correlation result is greater than 0.05, the instrument is declared invalid. The results of this test are summarized in the following table:

Table 3
Validity Test Results

Variable	Item	Pearson Correlation	Probability (Sig)	Note
	PPP1	0,647	0,000	Valid
	PPP2	0,709	0,000	Valid

Variable	Item	Pearson Correlation	Probability (Sig)	Note
Understanding of Tax Regulations (X_1)	PPP3	0,827	0,000	Valid
	PPP4	0,747	0,000	Valid
	PPP5	0,648	0,000	Valid
	PPP6	0,793	0,000	Valid
Application of the Tax Administration Modernization System (X_2)	PSMAP1	0,751	0,000	Valid
	PSMAP2	0,748	0,000	Valid
	PSMAP3	0,684	0,000	Valid
	PSMAP4	0,807	0,000	Valid
	PSMAP5	0,763	0,000	Valid
Risk Preference (Z)	PR1	0,807	0,000	Valid
	PR2	0,875	0,000	Valid
	PR3	0,877	0,000	Valid
	PR4	0,856	0,000	Valid
	PR5	0,875	0,000	Valid
	PR6	0,869	0,000	Valid
Taxpayer Compliance (Y)	KWP1	0,692	0,000	Valid
	KWP2	0,742	0,000	Valid
	KWP3	0,798	0,000	Valid
	KWP4	0,705	0,000	Valid
	KWP5	0,823	0,000	Valid
	KWP6	0,780	0,000	Valid
	KWP7	0,744	0,000	Valid

(Data source: Data Processing Results 2021)

The results of the validity test in the table above show that the probability level (sig) is less than 0.05, besides that the correlation coefficient between the statement items and the variables is more than 0.5. A reliability test was carried out to produce a consistent size of the statement. According to (Sugiono 2018), reliability is the degree of consistency or consistency of data in certain time intervals. Measurement of reliability was carried out by measuring only once with the SPSS 23.00 statistical test Cronbach Alpha based on standardized items. A constructor variable is said to be reliable if it gives an SPSS output value that the variable construct gives a Cronbach Alpha value based on standardized items > 0.70, which according to (Ghozali 2018), can be said to be reliable as presented in the following table.

Table 4
Reliability Test Results

Variable	Cronbach Alpha based on standardized items	Note
Understanding of tax regulations (X_1)	0,884	Reliable
P.S. Tax Administration Modernization (X_2)	0,881	Reliable
Risk Preference (Z)	0,951	Reliable
Taxpayer Compliance (Y)	0,911	Reliable

Source: data processed 2020

The test results above show that the Cronbach Alpha coefficient is based on standardized items > 0.70 for all variables, so it can be concluded that the variable data studied are reliable.

Testing the normal distribution of the research data is done by looking at the distribution of the data on a normal probability plot. The display of the normal probability plot test results for this research data is shown below.

Figure 2
Normality Test Results
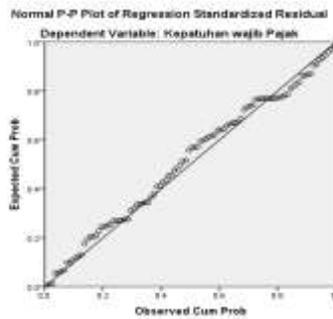
(Source: Data Processing 2021)

The normal probability plot graph in the Figure above shows that the data points spread around the diagonal line, and their distribution follows the direction of the diagonal line. Thus the distribution of the data can be said to be normally distributed. p-Kolmogrov-smirnov test >0.05 (Ghozali, 2018).

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		100
Normal Parameters,b	Mean	.0000000
	Std. Deviation	2.98015153
Most Extreme Differences	Absolute	.105
	Positive	.105
	Negative	-.064
Test Statistic		.105
Asymp. Sig. (2-tailed)		.200c

Based on the table above, it can be seen that the results of the normality test with the Kolmogorov Smirnov test show the Asymp. Sig (2-tailed) value of 0.200. These results can be concluded that the sig. Greater than 0.05, then the data in this study can be said to be normal. Heteroscedasticity testing in this study was carried out by looking at the scatterplot chart image. The following are the results of the heteroscedasticity test, as shown in the scatterplot chart figure below.

Figure 3
Heteroscedasticity test results
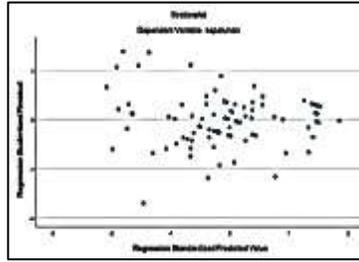
(source: 2021 data analysis)

This shows that there is no heteroscedasticity in this research model, so the model meets the rules to proceed to the next test.

The multicollinearity test of this study uses the value of the variance inflation factor (VIF) or the variance increase factor. If the value of VIF> 10, then there is no multicollinearity. The following are the results of multicollinearity testing as shown below:

Table 5
Multicollinearity Test

Variable	Collinearity Statistics	
	Tolerance	VIF
Understanding of Tax regulations (X1)	0,629	1,590
Modernization of Tax Administration (X2)	0,444	2,251
Risk Preference (Z)	0,479	2,013

Source: Data processed, 2021

The results of the test using regression analysis to test the understanding of tax regulations, the application of the modernization system of tax administration to taxpayer compliance with risk preferences as a moderating variable at the KPP Pratama Jayapura office in Papua Province, as shown in the table below.

Table 6
Hasil Analisis Regresi Berganda

Independent Variable	Taxpayer Compliance (Y)		
	Unstandardized Coefficients	t-count	Probability (sig)
Constant	16,756	6,377	0,000
Understanding of Tax regulations (X1)	0,031	0,293	0,770
Modernization of Tax Administration (X2)	0,594	4,010	0,000
PP*PR	-0,011	-0,416	0,678
PSMAP*PR	0,039	1,329	0,187
Adjust R Square		0,366	

Source: Data processed, 2021

The first hypothesis obtained in this study is the understanding of tax regulations on taxpayer compliance. Based on the table above, it is known that the t-count value is 0.293 with a significance of 0.770 greater than the p-value of 0.05, so that H0 is accepted, meaning the path coefficient is not significant. Thus, it can be concluded that understanding tax regulations has no significant effect on taxpayer compliance.

The variable understanding of tax regulations which has a significant positive value, does not have a significant effect on taxpayer compliance research conducted by Wulandari (2020) & Ananda et al.

(2015) show that understanding tax regulations has a positive effect on taxpayer compliance.

This hypothesis indicates that the higher the understanding of tax regulations, the more obedient the taxpayers of KPP Pratama Jayapura will be in fulfilling their tax obligations. The understanding itself is in the form of taxpayers knowing the function of the tax paid, taxpayers knowing that paying taxes is the obligation of every citizen, taxpayers knowing changes to applicable tax regulations, taxpayers understanding calculating taxes paid, taxpayers paying in accordance with the provisions applicable law, and if the taxpayer does not pay taxes, it will be subject to sanctions. These six aspects in the Understanding of Tax Regulations are one of the factors that determine the level of taxpayer compliance at KPP Pratama Jayapura in carrying out their tax obligations.

The second hypothesis obtained in this study is that the application of the modernization system of tax administration has no effect on taxpayer compliance. Based on the table above, it is known that the t-count value is 4.010, with a significance of 0.000, which is smaller than the p-value of 0.05, so that H0 is rejected, meaning the path coefficient is significant. Thus, it can be concluded that the implementation of the modernization system of tax administration has a significant positive effect on taxpayer compliance.

In this study, it is stated that the modernization of the Tax Administration has a positive effect on taxpayer compliance. This shows that the Modernization of the Tax Administration has had an effect on Taxpayer Compliance at KPP Pratama Jayapura in 2021. The Modernization of Tax Administration variable, which has a significant positive value on Taxpayer Compliance, shows that this research is in line with several previous studies such as research conducted (Arifah et al., 2017) and (Hartiwi et al., 2020) (Detiyani, 2014), the results of this study indicate that the more modernization of tax administration, the more obedient the taxpayers of KPP Pratama Jayapura in fulfilling their tax obligations, which shows that the modernization of tax administration has a significant positive effect on taxpayer compliance and is in contrast to research conducted by (Jaya, 2019), (Pernamasari & Rahmawati, 2021) As stated that administrative modernization has no effect on taxpayer compliance.

The third hypothesis proposed in this study is that risk preferences are not able to moderate the relationship between understanding of tax regulations and taxpayer compliance. Thus, it can be concluded that risk preferences are not able to strengthen the relationship between understanding tax regulations and taxpayer compliance.

This shows that risk preference does not have a positive effect on the relationship between understanding of tax regulations and taxpayer compliance at KPP Pratama Jayapura in 2021. The results of this study indicate that taxpayer knowledge of KPP Pratama Jayapura is already very high so that taxpayers do not pay attention to risk preferences as a consideration to fulfil their tax obligations.

The fourth hypothesis proposed in this study is that risk preferences are able to moderate the application of the tax administration modernization system. Based on the table above, it is known that the Unstandardized B value is 0.039 <0.05 in a positive direction. So H0 is rejected, meaning that the path coefficient is significant. Thus, it can be concluded that risk preference moderates the relationship between the application of the modernization system of tax administration to taxpayer compliance.

This shows that risk preference affects the relationship between the modernization of tax administration and taxpayer compliance at KPP Pratama Jayapura in 2021. The results of this study indicate that the modernization of tax administration at KPP Jayapura can be well understood by taxpayers at KPP Jayapura. Therefore, good or bad risk preferences will affect the relationship of modernization of tax administration to taxpayer compliance. One aspect of the modernization of tax administration is the development of information technology where all aspects of reporting are online where this online is a new procedure, and there are several stages that must be understood by taxpayers so that for taxpayers, this is considered quite confusing for taxpayers in fulfilling their tax obligations.

Conclusions and suggestions

Based on the results of testing and research discussion, the following conclusions were obtained:

1. Understanding of Tax Regulations has no significant and positive effect on taxpayer compliance at the Pratama Jayapura Papua Tax Service Office (KPP Pratama Jayapura Papua) Papua Province
2. The Implementation of the Tax Administration Modernization System has a significant and significant effect on Taxpayer Compliance at the Jayapura Papua Tax Service Office (KPP Pratama Jayapura Papua) Papua Province.
3. Risk preference is not able to moderate the effect of Understanding Tax Regulations on Taxpayer Compliance at the Jayapura Papua Tax Service Office (KPP Pratama Jayapura Papua) Papua Province.
4. Risk preference moderates the effect of the Implementation of the Modernization System of Tax Administration on Taxpayer Compliance at the Jayapura Papua Tax Service Office (KPP Pratama Jayapura Papua) Papua Province

The limitations of this study are as follows:

1. This study uses a survey method through questionnaires by not conducting direct interviews. This causes the data obtained only through research instruments that are distributed to taxpayers in the Jayapura region, Papua Province so that misperceptions of questions or statements can occur.
2. The variables used in this study were to measure the effect of the understanding of tax regulations on the implementation of the modernization system of tax administration on taxpayer compliance and risk preference as a moderating variable where this research does not consider other variables that may affect taxpayer compliance.

Suggestions that researchers can give include:

1. The Pratama Jayapura Jayapura Tax Service Office in Papua Province needs to improve understanding of tax regulations by socializing the latest tax understanding regulations such as calculation methods, reporting tax payables, tax rates, applicable sanctions or fines so that it can increase the awareness of taxpayers to fulfil their tax obligations.
2. Further research is expected to expand the object of research and not only in KPP Pratama Jayapura Papua Province but can be carried out on other Provincial KPP Pratama.
3. Further research needs to add a direct interview method to each respondent in collecting data so as to avoid the possibility of respondents being not objective in filling out the questionnaire.
4. Further research can use other variables that can affect the occurrence of taxpayer compliance. For example, awareness, quality of tax service, tax sanctions or fines, tax rates, application of e-filling, and so on.

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