

The Effect of SAK EMKM-Based Accounting Implementation, Accounting Knowledge, Education Level, and Revenue on MSME Taxpayer Compliance in Reporting its Tax Obligations during the COVID-19 Pandemic

Ida Kristiana*, Nurkatik, Nurcahyono Nurcahyono

Accounting Department, Universitas Muhammadiyah Semarang, Indonesia

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Abstract This study aimed to analyze the effect of SAK EMKM-based accounting implementation, accounting knowledge, education level, and revenue on MSME Taxpayer Compliance in reporting its tax obligations during the COVID-19 pandemic. The population of this study was the MSMEs registered in the Department of Cooperatives and SMEs of Semarang City. The sample was taken by using simple random sampling with survey technique. A set of questionnaires were distributed to 100 respondents which mainly focused on SMEs around Tembalang. The data was then analyzed by using multiple linear regression with the assistant of SPSS software. This study showed that SAK EMKM-based accounting implementation, education level, and revenue variable positively affect MSME Taxpayer's Compliance in reporting its tax obligations during the COVID-19 pandemic. Meanwhile, the education level variable did not significantly affect MSME Taxpayer's Compliance in reporting its tax obligations.

Keywords SAK EMKM-Based Accounting, Accounting Knowledge, Education Level, Revenue, Tax

Obligations, COVID-19 Pandemic

1. Introduction

The world of business in Indonesia significantly developed, thanks to the existence of MSMEs which grow and dominate the Indonesian business sector, especially before the COVID-19 pandemic. The development of MSMEs should be protected by the government so that they could compete with other bigger businesses because MSME is one of the assets of the national income from the tax revenue. However, the fast development of MSME is not followed by MSME taxpayer compliance in reporting its tax obligations so that it doesn't contribute a lot to the national income. Herbert C. Kelman [1] defines compliance as a behavior to fulfil the request from the authority, despite the disagreement toward the request.

The success in obtaining tax revenue from MSME is

determined by some correlated points, such as the ability of MSME in managing its business finances. The ability of MSME in managing its business financial requires accounting knowledge includes the implementation of Financial Accounting Standards for Micro, Small & Medium Entities (SAK EMKM)-based accounting. Indonesian Financial Accounting Standard Board (DSAK IAI) in 2009 composed and ratified the standards adopted from International Financial Reporting Standard for Small Medium Enterprises (IFRS for SME). It is a Financial Accounting Standards for Entities without Public Accountability (SAK-ETAP) [18]. Nevertheless, since the legalization till present, the businessmen did not optimally implement SAK-ETAP. It is caused by the lack of knowledge and information which lead to less motivation to implement accounting standard-based financial statement [2].

Some previous research used various theoretical perspectives to analyze taxpayer compliance, either entity or individual taxpayer by using some variables such as accounting knowledge, education level, and the receivable turnover. Sumianto & Kurniawan [3] believe that accounting knowledge positively affected taxpayer's compliance. It was different from the research finding done by [4, 5, 6] which concluded that accounting knowledge did not affect taxpayer's compliance. Besides, taxpayer's compliance is also affected by other factors such as education level. Kamaliah et al. [6], stated that education level positively affects the MSME taxpayer's compliance level. On the other hand, according to [7, 8], there was no significant effect of education level on taxpayer's compliance.

The other factor which affects taxpayer's compliance is sales revenue. Yuliyana et al. [4], stated that sales revenue affected the MSME taxpayer compliance. Besides, according to [9], sales revenue didn't affect the MSME taxpayer's compliance.

The previous studies tested and analyzed the effect of implementing SAK-EMKM based accounting, accounting knowledge, education level, and revenue on MSME Taxpayer Compliance in reporting its tax obligations in the normal condition. Meanwhile, this study includes the COVID-19 pandemic era as an extraordinary era.

The research question of this study was whether SAK EMKM-based accounting implementation affects MSME Taxpayer Compliance in reporting its tax obligations during the COVID-19 pandemic Whether accounting knowledge affects MSME Taxpayer Compliance in reporting its tax obligations during the COVID-19 pandemic whether education level affects MSME Taxpayer Compliance in reporting its tax obligations during the COVID-19 pandemic and whether sales revenue affects MSME Taxpayer Compliance in reporting its tax obligations during the COVID-19 pandemic.

2. Literature Review and Hypothesis

Compliance Theory

According to [11], compliance is related to obedience to the authority of law. The compliance to the existed law was published by Milgran in 1963 which was one of the psychological experiments in the 20th century. From the research, it was found that compliance did not start from the idea to adapt to the law, but the need to fulfil the public expectation or response to the existing social demands.

Someone might have many beliefs about behavior. However, only a few beliefs affect someone's behavior in a certain situation. Those few beliefs dominantly affect individual behavior [12]. Compliance fulfils someone else order which also means that it refers to the behavior developed from a response to a direct request from someone else.

The relevance of this theory to the MSME taxpayer compliance is that the compliance could be affected by internal or external factors. The external factors include the received information, the reward to the given attention, coercion, reward, pressure or punishment, and expectation from someone else. Besides, the internal factors which come from oneself include personality, belief, expertise, religiosity, and self-control.

The Definition of Tax

Based on the law of tax number 16, year 2008, tax is the obligatory debited contribution from an individual or entity to the nation based on the law of the Republic of Indonesia which is not directly manifested but used for the nation's need regarding the public welfare. Despite the importance of tax, many taxpayers neglect the necessity of paying tax. There are some definitions of tax stated by experts, such as the definition from Prof. Dr. Rochmat Soemitro, SH., which stated that tax is the public contribution to the state treasury based on the regulation which could be forced and is used to finance general government spending.

A similar conclusion also drawn by Prof. Dr. P.J.A Andriani is that if tax is the public contribution to the state treasury which is debited (and can be forced) from the taxpayer based on the existed regulations without any counter achievement, it could be directly pointed and used for the general spending related to the governmental spending.

Taxpayer Compliance

Zulkarnain [26], stated that compliance means the tendency to be disciplined and obey the regulation. On the other hand, compliance means submission, obedience, and faithfulness to the regulation or theory. In this way,

taxpayer compliance is defined as the obedience and faithfulness of the taxpayer in implementing the right and duty related to the taxation according to the existed regulations.

The other definition stated by [27] is that taxpayer compliance is the willingness of the taxpayer to fulfill its tax liability based on the regulation without any inspection, investigation, or warning and the threat of legal and administrative punishment.

Financial Accounting Standards for Micro, Small and Medium Entities (SAK EMKM)

According to Putra [17], Micro, Small, and Medium Entities (MSME) are proven to continuously support and improve national economic growth. The important role of MSME should be supported by all components to develop and present the advanced, independent, and modern MSME including the complete access to banking financial service sectors.

Indonesian Financial Accounting Standard Board of Institute of Indonesia Chartered Accountants (DSAK IAI) [18] composed and ratified the standards of Financial Accounting Standards for Micro, Small & Medium Entities (SAK EMKM) to help MSME in fulfilling the needs of financial statements. The publication of SAK EMKM is a form of support from Indonesia Chartered Accountants as an accounting profession organization to improve transparency and accountability of the financial reporting entities, and support the growth of Indonesian MSME.

The Scope of SAK EMKM

Financial Accounting Standards for Micro, Small & Medium Entities (SAK EMKM) are designed to be used by MSME and any entity without significant public accountability. As defined in the Financial Accounting Standards for Entities without Public Accountability (SAK-ETAP), it fulfils the definition and criteria of Micro, Small & Medium Entities as regulated in Indonesian law, at least two consecutive years.

The Definition of MSME

Based on law number 20, year 2008 about micro, small & medium entities, MSME is defined as:

- (1) Micro Entity is a productive entity owned by an individual or group as regulated in the regulation above.
- (2) A small entity is an independent productive economy entity managed by an individual or organization which is not a branch of any other enterprise, not directly or indirectly owned, mastered, or led by medium or big entities, also meet the criteria of a small entity as mentioned in the regulation.

- (3) A small entity is an independent productive economy entity managed by an individual or organization which is not a branch of any other enterprise, not directly or indirectly owned, mastered, or led by small or big entities of which total annual revenue meet the standard in the regulation

Accounting Knowledge

Based on [5], knowledge is a clear perception about anything resembled as fact, truth, or duty, information, and lesson preserved and continued by the civilization. Based on [19, 20], accounting is a financial data processing or recording, classifying, summarizing, reporting, and analyzing financial data of any organization or enterprise. The information obtained from the accounting process is needed for the effective planning, monitoring, decision making by the management, organization accountability for the investor, creditor, government institution, public organization, etc.

Level of Education

Based on The Great Dictionary of the Indonesian Language of the Language Center (KBBI), education is a process of transforming someone or somebody's attitude and behavior to be more mature through a set of learning and training efforts, process, method, and teaching. According to [21], education is a conscious and planned effort to create a learning environment and process. Student actively develops their potency to build spiritual-religious strength, self-control, personality, intelligence, noble morality, and the skill required by itself, society, nation, and state.

National education is meant to develop skill and build character. The dignified nation civilization can enrich the life of a nation, develop learners' potency to be faithful and devoted to God Almighty, have noble, healthy, educated, competent, creative, and independent, also be a democratic and responsible citizen. Formal education in Indonesia consists of elementary education, secondary education, and higher education.

Sales Revenue

Yuliyana et al. [4], sales revenue is a total income obtained from the sales of a good or service in a certain period. According to [22], sales revenue is the accumulation of selling activities of a product, good, or service which is continuously and comprehensively counted within an accounting process in a certain period. Based on the definitions above, it could be concluded that sales revenue is the total amount of the sales of a good or service in a certain period, and is counted based on their value and volume.

The Development of Hypothesis

Based on the description above, the hypothesis could be developed as follow:

The effect of SAK EMKM-based Accounting Implementation on MSME Taxpayer Compliance in Reporting its Tax Obligations during the COVID-19 Pandemic

To grant access to fulfil taxation obligation, the government revised the regulation about MSME, which is Government Regulation Number 46 Year 2013 to Government Regulation Number 23 Year 2018. The new regulation brought relief to MSME, as it lowered the tax rate. However, MSMEs were still in problem related to the limitation on composing financial reports [23]. Every activity should be recorded in a financial report which well represents the business activities during an accounting period. The real condition showed that many MSMEs could not implement a sufficient accounting system. Based on the explanation above, the proposed hypothesis is

H1: The implementation of SAK EMKM-based accounting positively affects MSME Taxpayer Compliance in reporting its tax obligations during the COVID-19 pandemic.

The Effect of Accounting Knowledge on MSME Taxpayer Compliance in Reporting Their Tax Obligations during the COVID 19 Pandemic

Accounting knowledge is one of the important parts of tax compliance. Understanding the correct tax recording enables the business actor to calculate the income and expense of the enterprise so that the income could be drawn and tax obligation could be correctly paid. [15]. As concluded in the previous study by [3], accounting knowledge positively affects taxpayer compliance. Based on the explanation above, the proposed hypothesis is:

H2: Accounting Knowledge positively affects MSME Taxpayer Compliance in reporting its tax obligations

during the COVID-19 pandemic.

The Effect of Education Level on MSME Taxpayer Compliance in Reporting Their Tax Obligations during the COVID-19 Pandemic

Education is a process of transforming someone's or somebody's attitude and behavior to be more mature through a set of learning and training efforts. The higher taxpayer education level, the higher its awareness, and vice versa [8]. Based on research conducted by [6], education level showed a significant positive effect on the MSME taxpayer compliance. Therefore, the proposed hypothesis was:

H3: Education Level positively affects MSME Taxpayer Compliance in reporting its tax obligations during the COVID-19 pandemic.

The Influence of Revenue on MSME Taxpayer Compliance in Reporting Their Tax Obligations during the COVID-19 Pandemic

Sales revenue is the accumulation of selling activities of a product, good, or service which is continuously and comprehensively counted within an accounting process in a certain period. Most taxpayers feel that it is easier and people are more aware of paying tax when the sales revenue is high or reaches certain criteria, compared to when the sales revenue was low [9]. Based on research by [4], the circulation of income affects MSME taxpayer compliance. From the explanation above, the proposed hypothesis was:

H4: Sales Revenue positively affects MSME Taxpayer Compliance in reporting its tax obligations during the COVID-19 pandemic.

Theoretical Framework

Based on the explanation above, the theoretical framework developed in this study is described in the following figure:

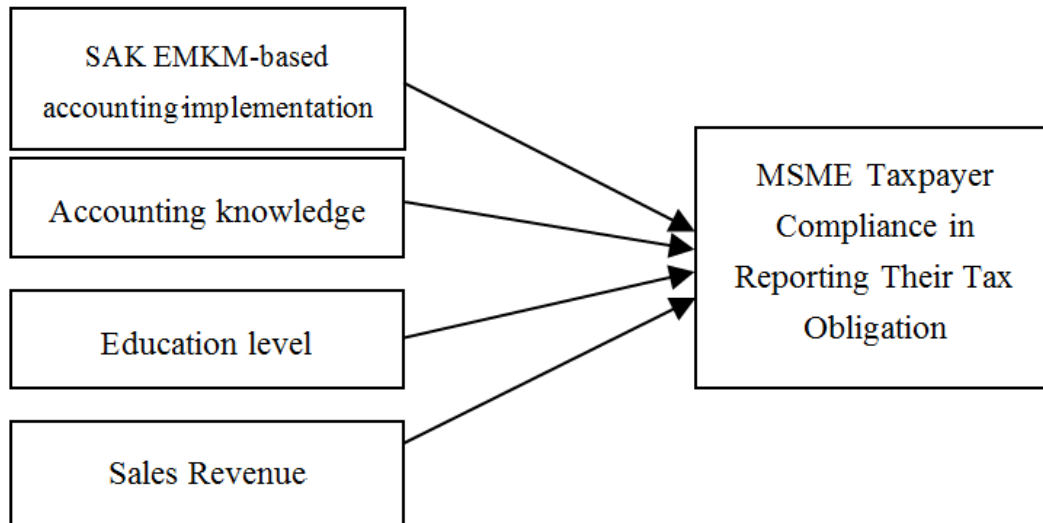


Figure 1. Theoretical framework

Research Methods and Design

In this study, a simple random sampling method was used to take the research sample. This study was conducted in Semarang. The population of this study was all of the MSME taxpayers registered in the Department of Cooperatives and SMEs of Semarang City with a total of 1664 MSMEs. The respondents were 100 MSME business owners around Tembalang of Semarang.

Based on Sugiyono [28], a sample is a part of the number and characteristic of the population. If the population is too big, the researcher could take only a small representative part of the population. The number of samples of the research could be taken by using the Slovin formula below.

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

Description:

n = sample size

N = population size

e = margin of error at the percentage of 10%

Based on the formula above, the number of samples in this research is

$$n = \frac{1.664}{1 + 1.664 \left(\left[\frac{10}{100} \right]^2 \right)}$$

$$n = \frac{1.664}{16.65}$$

$$n = 99.93 \text{ (rounded to 100)}$$

Therefore, the sample of this study was 100 MSMEs.

The data used in this study was quantitative data which was obtained from the primary source or directly from the respondents. A survey was used as the technique for collecting the data in a form of a questionnaire which focused on MSME owners around Tembalang of Semarang.

Before analyzing the data, validity and reliability test were firstly carried to test the validity of the questionnaire by using a product-moment correlation test. Meanwhile, the reliability test was used to measure the indicator of each variable or the construct by using Cronbach Alpha.

The second, classic assumption test was conducted in a form of a normality test, multicollinearity test, and heteroscedastic test. Normality test was done to test if the residual variable in a regression model had normal distribution [29]. The next, multicollinearity test was carried to find out the correlation between the independent variables in the regression model. The last was a heteroscedastic test to find out the variance difference of the residual from one observation to another observation in the regression model.

The third test was a descriptive statistic test, which was done to describe the object of the study through sample or population without any further analysis and conclusion drawing. The fourth was the test which was done to assess the hypothesis by making use of the T statistical test (partial test) and determination coefficient test (R^2).

T Statistical test was used to find out the effect of an independent variable in individually explain about the variation of the dependent variable. The low R^2 value showed the limited ability of the independent variable in explaining the dependent variable. If the R^2 value is close to 1, it means the independent variable gives almost all the needed information to predict the variation of the dependent variable.

Operational Definition of Variables and the Measurement

SAK EMKM-based Accounting Implementation

This variable was measured by using the following indicators: (1) MSME made a balance sheet, (2) MSME made an income statement, (3) MSME made a statement of changes in capital, and (4) MSME made a statement of cash flow and financial statement. The measurement of SAK EMKM-based Accounting Implementation employed 5 points Likert Scale: Point 1 for Totally Disagree (TD), point 2 for Disagree (D), point 3 for

neutral (N), point 4 for agree (A) and point 5 for Totally Agree (TA).

Accounting Knowledge

This variable was measured by using the following indicators. (1) The knowledge of business owners about accounting, (2) Knowledge about ledger, and (3) Knowledge about the components of financial statement. The measurement of accounting knowledge employed 5 points Likert Scale: Point 1 for Totally Disagree (TD), point 2 for Disagree (D), point 3 for neutral (N), point 4 for agree (A) and point 5 for Totally Agree (TA).

Education Level

The education level variable was measured from the indicator of the last educational background taken by the business owner. The measurement of this variable used an ordinal scale of 1 for SD (elementary school); 2 for SMP (junior high school); 3 for SMA (Senior High School), 4 for D3 (Diploma), and 5 for S1 (Undergraduate).

Sales Revenue

This indicator was measured by using the indicator of taxpayer knowledge about MSME taxation based on the annual sales revenue. The measurement of revenue variable used ordinal scale of 1 for annual revenue between IDR 5,000,000 - IDR 10,000,000, 2 for annual revenue between IDR 11,000,000 - IDR 20,000,000, IDR 3 for annual revenue between 21,000,000 - IDR 30,000,000, 4 for annual revenue between IDR 31,000,000 – IDR 50,000,000, and 5 for annual revenue more than IDR 50,000,000.

Taxpayer Compliance

This variable was measured by using the following indicators: (1) The compliance of tax is a form of participation to the national development, (2) The awareness of tax payment delay and deduction is a big loss for the country, and (3) Taxpayer compliance is regulated in the legal law and could be forced. The

measurement of taxpayer compliance employed 5 points Likert Scale : Point 1 for Totally Disagree (TD), point 2 for Disagree (D), point 3 for neutral (N), point 4 for agree (A) and point 5 for Totally Agree (TA).

3. Methods in Data Analysis

It was a multiple linear regression with path analysis to analyze the variables. It is a regression with one dependent variable and more than one independent variable. Below is the equation model of linear regression in this study.

$$Y = \alpha + \beta_1X_1 + \beta_2X_2 + \beta_3X_3+ \beta_4X_4 + e$$

Where α = constant, β = coefficient of variable, Y = MSME taxpayer compliance, X_1 = SAK EMKM-based Accounting Implementation, X_2 = Accounting Knowledge, X_3 = level of education, X_4 = revenue e = Error

4. Results and Discussion

The population of this study was fall the MSME taxpayers registered in The Department of Cooperatives and SMEs of Semarang City with a total of 1664 MSMEs. The respondents were 100 MSME business owners around Tembalang of Semarang. 100 questionnaires with some indicators were distributed to be analyzed. Based on the survey by using a questionnaire, the obtained respondents' data is described in the tables below.

Table 1. Frequency distribution by education level

		Frequency	Percentage	Valid Percentage	Cumulative Percentage
Valid	SD	3	3.0	3.0	3.0
	SMP	8	8.0	8.0	11.0
	SMA	56	56.0	56.0	67.0
	D3	11	11.0	11.0	78.0
	S1	22	22.0	22.0	100.0
	Total	100	100.0	100.0	

Source: primary data, processed 2021

Table 2. Frequency distribution by Revenue

(In Million)		Frequency	Percent	Valid Percentage	Cumulative Percentage
Valid	5 - 10	44	44.0	44.0	44.0
	11 - 20	22	22.0	22.0	66.0
	21 - 30	15	15.0	15.0	81.0
	31 - 50	13	13.0	13.0	94.0
	> 50	6	6.0	6.0	100.0
Total		100	100.0	100.0	

Source: primary data, processed 2021

Table 3. The Validity Test of The Implementation of SAK EMKM-based Accounting

No	<i>Pearson Correlation</i>	r table	Description
1	0.918	0.1966	Valid
2	0.929	0.1966	Valid
3	0.876	0.1966	Valid
4	0.947	0.1966	Valid
5	0.865	0.1966	Valid

Source: primary data, processed 2021

Table 4. The Validity Test of Accounting Knowledge Variables

No	<i>Pearson Correlation</i>	r table	Description
1	0.680	0.1966	Valid
2	0.622	0.1966	Valid
3	0.726	0.1966	Valid
4	0.712	0.1966	Valid
5	0.632	0.1966	Valid

Source: primary data, processed 2021

Table 5. The Validity Test of MSME Taxpayer Compliance in Reporting the Tax Obligation

No	<i>Pearson Correlation</i>	r table	Description
1	0.573	0.1966	Valid
2	0.546	0.1966	Valid
3	0.669	0.1966	Valid
4	0.654	0.1966	Valid
5	0.700	0.1966	Valid

Source: primary data, processed 2021

Table 6. Normality test results Using Kolmogorov–Smirnov

		Unstandardized Residual
N		100
Normal Parameters(a,b)		Mean
		.0000000
		Std. Deviation
		2.12743820
Most Extreme Differences		Absolute
		.055
		Positive
		.043
		Negative
		-.055
Kolmogorov-Smirnov Z		.549
Asymp. Sig. (2-tailed)		.924

Test distribution is Normal, b Calculated from Source: primary data, processed 2021

Table 7. Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
The Implementation of SAK EMKM-based Accounting	100	1	5	4.11	0.671
Accounting Knowledge	100	1	5	3.80	0.903
Education Level	100	1	5	3.41	1.016
Revenue	100	1	5	2.15	1.282
MSME Taxpayer Compliance in Reporting The Tax Obligation	100	1	5	3.87	0.872
Valid N (listwise)	100				

Source: primary data, processed 2021

The result of multiple linear regression is described in the following table.

Table 8. Multiple Linear Regression Analysis Results

Model	beta	Std. error	t	sig
constant	9.511	1.932	4.924	.000
The Implementation of SAK EMKM-based Accounting	.231	.079	2.910	.004
Accounting knowledge	.254	.083	3.074	.003
Education level	-.049	.219	-.225	.822
Sales Revenue	.206	.185	1.112	.269

Source: primary data, processed 2021

Below is the statistical equation found from the multiple linear regression research model in table 8.

$$Y = 9.511 + 0.231 X_1 + 0.254 X_2 - 0.49 X_3 + 0.206 X_4 + e$$

Based on the regression equation from table 8, it is shown that the constant value obtained is 9.511. It indicates that if there are no SAK EMKM-based Accounting implemented, accounting knowledge, education level, and sales revenue mean the MSME taxpayer compliance in reporting the tax obligation is 9.511. The coefficient of variable SAK EMKM-based Accounting implemented is 0.231. It means the increase in each unit would increase the MSME taxpayer compliance in reporting the tax obligation at 0.231.

The coefficient variable of accounting knowledge is 0.254. It means the increase in each unit of accounting knowledge would increase the MSME taxpayer compliance in reporting the tax obligation at 0.254.

The coefficient variable of education level is 0.49. It means the increase in each unit of education level would increase the MSME taxpayer compliance in reporting the tax obligation at 0.49.

The coefficient variable of sales revenue is 0.206. It

means the increase in each unit of sales revenue would increase the MSME taxpayer compliance in reporting the tax obligation at 0.206.

Hypothesis Testing Results

Based on the SPSS output above, it could be drawn that:

- a. The implementation of SAK EMKM-based Accounting variable is $0.004 < 0.05$ so that it could be said that the implementation of SAK EMKM-based Accounting positively affected the MSME taxpayer compliance in reporting the tax obligation
- b. The accounting knowledge variable is $0.003 < 0.05$ so that it could be said Accounting knowledge positively affected the MSME taxpayer compliance in reporting the tax obligation
- c. The education level variable is $0.822 < 0.05$ so that it could be said that education level did not affect the MSME taxpayer compliance in reporting the tax obligation
- d. Sales revenue variable is $0.269 < 0.05$ so that it could be said that revenue did not affect the MSME taxpayer compliance in reporting the tax obligation

Here is a further explanation about the effect of each independent variable on the dependent variable.

The SAK EMKM-based accounting implementation on MSME Taxpayer Compliance in Reporting Their Tax Obligations

Based on the table above, it could be known that the probability value of the significance of SAK EMKM-based accounting implementation is $0.004 < 0.05$. It means that the first hypothesis is accepted so that SAK EMKM-based accounting implementation partially affects the MSME taxpayer compliance in reporting their tax obligations.

Table 9. The result of the Statistical T-Test (Partial)

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	9.511	1.932		4.924	.000
	The implementation of SAK EMKM-based Accounting	.231	.079	.280	2.910	.004
	Accounting Knowledge	.254	.083	.299	3.074	.003
	Education Level	-.049	.219	-.020	-.225	.822
	Revenue	.206	.185	.105	1.112	.269

The Effect of Accounting Knowledge on MSME Taxpayer Compliance in Reporting Their Tax Obligations

Based on the table above, it could be known that the probability value of the significance of accounting knowledge is $0.003 < 0.05$. It means the second hypothesis is accepted so that accounting knowledge partially affects the MSME taxpayer compliance in reporting their tax obligations.

The Effect of Education Level on MSME Taxpayer Compliance in Reporting Their Tax Obligations

Based on the table above, it could be known that the probability value of the significance of the education level variable is $0.882 < 0.05$. It shows that the third hypothesis is rejected so that education level partially doesn't affect the MSME taxpayer compliance in reporting their tax obligations.

The Effect of Sales Revenue on MSME Taxpayer Compliance in Reporting Their Tax Obligations

Based on the table above, it could be known that the probability value of the significance of the sales revenue variable is $0.269 < 0.05$. It shows that the fourth hypothesis is rejected so that sales revenue partially doesn't affect the MSME taxpayer compliance in reporting their tax obligations.

The objective of this study was to analyze the effect of SAK EMKM-based accounting implementation, accounting knowledge, education level, and revenue on MSME Taxpayer Compliance in reporting its tax obligations during the COVID-19 pandemic in Semarang, particularly in Tembalang.

Based on the hypothesis testing, it was found that SAK EMKM-based accounting implementation positively affected MSME taxpayer compliance in reporting its tax obligation. It shows that the implementation of SAK EMKM-based bookkeeping positively affects MSME as it helps the business owner or manager to compose a simpler accounting statement.

It is in line with the research done by [24] that the implementation of MSME accounting positively affects taxpayer compliance. By the implementation of SAK EMKM-based accounting, a more structured, accurate, and correct financial statement could be created which helps a lot in calculating the payable tax.

Based on the hypothesis testing, it was known that the accounting knowledge positively affected MSME taxpayer compliance in reporting its tax obligation. Understanding the proper bookkeeping enables the business owner to measure the business income and expense level. Therefore, the business owner could figure the obtained revenue and calculate the payable tax correctly. It correlates the previous study by [3] if the

knowledge in accounting positively affects taxpayer compliance.

Based on the hypothesis testing, it was known that the education level did not affect MSME taxpayer compliance in reporting its tax obligation. It indicated that the education level doesn't guarantee taxpayers to be aware and obey the taxation regulation. This finding is in line with [25], which states that education level doesn't guarantee taxpayers to be aware and obey the taxation regulations.

Based on the hypothesis testing, it was known that revenue did not affect MSME taxpayer compliance in reporting its tax obligation. It indicated that most business owners would pay the tax once the sales revenue reaches the criteria set by the government. It correlates with the research by [9] which mentions that revenue did not affect the MSME taxpayer compliance. Sumianto & Kurniawan, [3] stated that the lack of compliance of taxpayers in paying the tax is the tendency of the taxpayer to unwillingly pay the large amount of tax so that they tend to hide their sales revenue.

Table 10. Result of Coefficient Determination Test (R^2)

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.530(a)	.281	.251	2.172

a Predictors: (Constant), Revenue, Education Level, SAK EMKM-based Accounting, Accounting Knowledge

b Dependent Variable: taxpayer compliance in reporting its tax obligation
Sources: Primary data, processed 2021

Based on the output above, the R square value from the regression model is 0.281. It shows that 28.1% of the dependent variables which are Revenue, Education Level, SAK EMKM-based Accounting, and Accounting Knowledge could describe the dependent variable of taxpayer compliance in reporting its tax obligation. Sarwono (2006) in Burhanuddin (2012) gave some criteria in interpreting the correlation between variables as follow:

- 0: No correlation between variables
- $>0 - 0.25$: very low correlation
- $>0.25 - 0.5$: low correlation
- $>0.5 - 0.75$: strong correlation
- $>0.75 - 0.99$: very strong correlation

It is also strengthened by Sahid Raharjo (2019) who stated that for research with cross-section survey (primary) data, or data obtained from a large number of respondents at the same time, the obtained R^2 value = 0.2 or 0.3 is considered as good.

5. Conclusions

The finding from this study gave beneficial information for Tax Service Office, especially in Semarang. Generally, the implementation of SAK EMKM-based accounting and accounting knowledge positively affects the MSME

taxpayer compliance in reporting its taxation obligation. It means that the socialization of SAK EMKM-based accounting should be improved to help a taxpayer in composing its financial statement.

The other finding from this study is that accounting knowledge positively affects the MSME taxpayer compliance in reporting its taxation obligation. It indicates that improvement and optimization of education and training are required for MSME owners or managers.

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