

EFFECTS OF DIGITAL TRANSFORMATION, TAX POLICY, COMPANY CHARACTERISTICS AND PERCEPTIONS OF TAX SYSTEM EFFECTIVENESS ON BUSINESS ENTITY TAX COMPLIANCE BEFORE AND DURING THE COVID-19 PANDEMIC MODERATED BY TAX SOCIALIZATION

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Abstract

This study aims to analyze whether digital transformation, tax policy, company characteristics and perceptions of weaknesses in the tax system have an influence on business entity tax compliance and whether tax socialization will strengthen the relationship between the independent variables and the dependent variable. The method used in this research is a causal study. This research was conducted on every Business Entity or every individual involved in tax administration in business entities. The data used is primary data and the data collection technique used is a questionnaire. Pre-pandemic results of tax policy have a positive effect on tax compliance and tax socialization can strengthen the relationship between tax policy and business entity taxpayer compliance. Results during the digital transformation pandemic, tax policy. The perception of the effectiveness of the tax system has a positive effect on tax compliance and tax socialization can strengthen the relationship between tax policy and business entity taxpayer compliance. The implication of this research is that if the socialization of taxation is not carried out clearly and routinely, the tax obligations carried out by business entities will not run well, it will affect the compliance of business entity taxpayers in carrying out tax obligations.

Introduction

The COVID-19 pandemic that has hit the whole world can be an economic challenge, and Indonesia is no exception. The impact of this pandemic can disrupt the government and harm the Indonesian people. Thus, the government has swiftly issued various policies. One of the policies issued is related to taxation. In Indonesia, taxes are made one of a number of sources of revenue that are larger than state revenues through other sectors. This is of course made a special matter for the government to always increase state revenue through the tax sector (Siahaan, 2022).

Tax revenue in Indonesia has a large contribution to the State Revenue and Expenditure Budget (APBN), this is of course affected by the COVID-19 pandemic. According to (Suparni&Sianturi, 2011) the tax sector is one of the state revenues that participates the most in supporting development and national financing and realizing the independence of a country. The role of taxes is very large for the state, the government seeks to increase revenue from the tax sector. Revenue from the tax sector that has the potential for the Indonesian state one of which comes from Business Entities. Corporate tax payments in recent years have become the basis for income tax (PPH) revenues. Along with the economic recovery, the tax authorities are starting to look for business sectors that have the potential to make a large contribution in the following year (National Kontan, 2021). This can be influenced by Tax Compliance (Tax Compliance). Tax Compliance can be seen in the ratio of submission of Annual SPT, in 2018 the Compliance Ratio reached 71.10%, one of which consisted of corporate taxpayers of 58.86% with the realization of Annual SPTs of 854,354 and registered taxpayers of 1,451,512 SPTs. Tax. Whereas in 2019 the compliance ratio increased to 73.06% with one of them being corporate taxpayers, namely to 65.47% from the previous year. Realization of Corporate Annual SPTs of 963,814 and registered taxpayers who are required to submit SPTs of 1,472,217 (DirektoratJendralPajak, 2019).

In 2020 Indonesia experienced the COVID-19 Pandemic. The COVID-19 pandemic has had an impact on taxpayer compliance. Taxpayer Compliance Level decreased during the COVID-19 pandemic, the number of Annual Tax Returns (SPT) submissions from corporate taxpayers decreased. In the 2020 annual report, the Directorate General of Taxes (DGT) outlined the number of registered taxpayers who required corporate SPTs as much as 1,482,500 and the annual corporate income tax return decreased to 891,877 with a corporate taxpayer compliance ratio of 60.16% (Directorate General of Taxes, 2020). Meanwhile, the ratio of formal taxpayer compliance in submitting annual notification letters (SPT) in 2021 reaches 84% at the end of 2021. Of the total reports, the target for reporting the Annual SPT has been reached (DDTC, 2022). This is a positive result, in order to realize taxpayer compliance during the COVID-19 pandemic, it is necessary to know the factors that affect the level of business entity taxpayer compliance during the COVID-19 Pandemic.

Tax compliance can be defined as a behavior in which taxpayers fulfill all tax obligations and exercise their tax rights (Waluyo, 2020). According to Safitri (2003) in (Oliviandy, et. al, 2021) taxpayer compliance is defined as a situation where the taxpayer fulfills all tax obligations and exercises his tax rights, taxpayer compliance is a climate of compliance and awareness of fulfilling tax obligations, expressed in circumstances where Taxpayers fill out tax forms completely and clearly and understand all tax laws and regulations. There are several factors that can influence Business Entity Tax Compliance, namely digital transformation, tax policy, company characteristics, perceptions of the effectiveness of the tax system and tax socialization.

Digital Transformation is a term used in academics to refer to organizational change influenced by digital technology. Digital transformation occurs due to changes driven by technological developments in organizations and the environment (Widnyani, Astitiani, &Putri, 2021). Research conducted by Dao and Hang (2021) states that Digital Transformation has an effect on tax compliance.

According to (Wahyuni, et. al, 2020) Tax Policy is a rule issued by the government regarding the field of taxation. With the existence of policies that favor the taxpayer, it is expected to increase taxpayer compliance in carrying out tax obligations. Research conducted by Wahyuni et al. (2022) stated that tax policy has an effect on tax compliance. This is in line with research conducted by (Astari, et. al, 2022).

Company characteristics are a characteristic or inherent characteristic of a business entity which can be viewed from various aspects, including the type of business or industry, level of liquidity, level of profitability, company size, investment decisions and so on (Listiyowati, et. al, 2021) in (Selvirani&Nofryanti, 2022). Research conducted by Dao and Hang (2021) states that company characteristics affect tax compliance.

A good perception will have a positive influence on an event he observes. The better the perception of the effectiveness of the taxation system, the higher the taxpayer compliance in paying taxes. In this era of globalization, accessing the internet is very easy. So that various offers of facilities that make it easier for taxpayers to pay taxes will lead to good perceptions and compliance to pay taxes will increase (Afríteni et al., 2020). Research conducted by Afríteni et al. (2020) stated that a favorable perception of the effectiveness of the taxation system has no effect on taxpayer compliance. This is not in line with Olivandy et al. (2021) which states that perceptions of the effectiveness of the taxation system have a negative effect on taxpayer compliance.

Tax socialization is a way that comes from tax conductors in conveying information about rules and matters related to taxes so that personal and corporate taxpayers comply (Boediono et al., 2019) in (Yulianti, 2022). According to Yulianti (2022) the socialization regarding taxes is aimed at making payments, taxpayers already know how to make payments in accordance with existing regulations. Awareness of being obedient to taxes will increase with the provision of this socialization. Tax socialization can also strengthen the relationship between digital transformation, tax policies, company characteristics and perceptions of the effectiveness of the tax system on tax compliance.

This study examines business entities, especially individuals involved in tax administration in these business entities. This research period began before and during the COVID-19 pandemic. Due to the COVID-19 pandemic having an impact on business entity tax compliance. The purpose of this study is to test and analyze: (1) does digital transformation affect tax compliance; (2) does tax policy affect tax compliance; (3) whether the characteristics of the company affect tax compliance; (4) does the perception of the effectiveness of the tax system affect tax compliance; (5) will tax socialization strengthen the relationship between digital transformation and tax compliance; (6) whether tax socialization will strengthen the relationship between tax policy and tax compliance; (7) whether tax socialization will strengthen the relationship between company characteristics and tax compliance; (8) whether tax socialization will strengthen the relationship between perceptions of the effectiveness of the tax system and tax compliance. The significance of this research is to understand the relationship between digital transformation, tax policy, company characteristics, perceptions of the effectiveness of the tax system on tax compliance with tax socialization as a moderating variable.

The novelty of this study is to add the variable perception of the effectiveness of the tax system and the moderating variable, namely tax socialization. The sample used is business entity taxpayers with the time of research, namely before and during the COVID-19 Pandemic. The theoretical contribution is that this research is expected to add to academic literature and provide information to researchers and academics related to tax compliance before and during the COVID-19 Pandemic. The practical contribution in this study is expected to provide information on what factors business entities can do to improve tax compliance in companies or business entities.

A. Attribution Theory

Attribution Theory is a theory developed by Fritz Heider in 1958. This theory explains that a person's behavior is determined by a combination of internal forces, namely factors originating from oneself and external forces, namely factors originating outside a person's self and external forces, namely factors originating from oneself and external forces, namely factors originating from outside one's self. The internal side includes nature, character and attitude. The external side can be seen from the pressure that forces someone to do something (Heider, 1958). Attribution theory can be used as a relevant basic theory to be able to explain various factors that can affect taxpayer compliance which is related to the attitude of a taxpayer to provide his own assessment of the tax itself (Dewi and Susanto, 2021).

B. Tax Compliance

Compliance has been defined according to rules, such as specifications, policies, standards or law (Dao and Hang, 2022). Tax compliance is mandatory for many entities such as tax administration agencies, taxpayers, other related organizations and individuals specified in tax law documents (Wut et al., 2012; Halim et al., 2018) in (Dao and Hang, 2022).

C. Digital Transformation

Hadiono and Santi (2020), explain digital transformation can be interpreted as a process of utilizing existing digital technologies such as virtualization technology, mobile computing, cloud computing, integration of all systems in the organization and so on. There are also those who interpret it as the impact obtained from the use of a combination of digital innovations that results in changes to the structure, values, processes, positions or ecosystems within the organization and the environment outside the organization. There are different concepts for digital transformation, a concept that was born in the current era and has become popular recently (Richardson et al., 2015; Moreno et al., 2017) in (Dao and Hang, 2022). It describes the application of technology to all aspects of business. If the application of technology in practical activities, these activities will change the way companies operate, improve collaboration efficiency, optimize performance and provide value to customers (Kothari et al., 20119; Liu and Cao, 2007) in (Dao and Hang, 2022). Based on the research results of Dao and Hang (2022) states that digital transformation has an impact on corporate tax compliance. Based on this description, the hypothesis can be formulated as follows.

H1 : Digital Transformation has a positive effect on Tax Compliance

D. Tax Policy

Policies in taxation made by the government must be based on laws and regulations (Wahyuni et al., 2020). Meanwhile, according to (Rosdiana and Irianto, 2011) in (Wahyuni et al., 2020) tax policy represents the government's commitment to improve the welfare of its people, encourage the development of the business world and the achievement of other government programs. Stable tax policies will create the foundation for socially responsible businesses that comply with taxes and fulfill their obligations. Existing administrative procedures will make it easier for companies to comply with taxes (Hanlon and Heitzman, 2010; Hsieh, 2021; Tee et al., 2017) in (Dao and Hang, 2022). Based on the research results of Wahyuni et al. (2020) states that tax policy has an effect on corporate taxpayer compliance, this is in line with research by Dao and Hang (2022) which states that tax policy has an influence on corporate tax compliance. Based on this description, the hypothesis can be formulated as follows:

H2 : Tax Policy has a positive effect on Tax Compliance

E. Company Characteristics

The characteristics of business interests have in common, that is, different types of business ownership will determine the responsibility and scope of tax compliance varies between businesses (Dharma and Violitas, 2018; Sadjiarto et al., 2020) in (Dao and Hang, 2022). One of the internal factors in the company, including the organizational structure

and financial capacity can also have a significant impact. Based on the research results of Dao and Hang (2022) stated that company characteristics have an influence on corporate tax compliance. Company characteristic factors are mentioned in developed and developing countries when studying the tax compliance model of companies (Delgado et al., 2018) in (Dao and Hang, 2022). The study has considered different socio-economic conditions or lines of business. However, the characteristics of business interests have something in common, namely that different types of business ownership will determine the responsibilities and scope of tax compliance that vary between businesses (Dharma and Violitas, 2018; Sadjarto et al., 2020) in (Dao and Hang, 2022). Based on the research results of Dao and Hang (2022) stated that company characteristics have an influence on corporate tax compliance. Based on this description, the hypothesis can be formulated as follows:

H3 : Company characteristics have a positive effect on tax compliance

F. Perceptions of Tax System Effectiveness

Robbins (1996) in Olivandy et al. (2021) explains that perception is a process of individual activity to provide judgments, impressions, opinions, organize, understand, interpret what allows circumstances, events that can give the impression of positive or negative behavior. Based on attribution theory, the perception of the effectiveness of the taxation system is one of the internal factors that can influence a person to make decisions on tax compliance behavior. The higher the perception of the effectiveness of the tax system, the higher the taxpayer compliance (Olivandy et al., 2021). Perceptions of the effectiveness of the taxation system are the views or impressions felt by taxpayers of the taxation system either through reporting or payment. An effective tax system will facilitate taxpayers in carrying out their tax obligations. Positive perceptions can encourage taxpayers to be more willing to report and pay their taxes and negative perceptions will have the opposite effect (Prasetyana and Febriani, 2022). Based on the results of Olivandy et al. (2021) stated that the perceived effectiveness of the tax system has a negative effect on tax compliance. The results of research conducted by Prasetyana and Febriani (2022) show that perceptions of the effectiveness of the tax system have a positive influence on tax compliance. Based on this description, the hypothesis can be formulated as follows:

H4 : Perception of Tax System Effectiveness has a positive effect on Tax Compliance

G. Tax Socialization

Based on the attribution theory, it is stated that tax socialization is an external cause because it is carried out by tax officers who can influence the perception of taxpayers in carrying out actions to carry out their tax obligations. The more often tax officials socialize the importance of compliance to pay taxes, the taxpayer will know and understand their rights and obligations related to taxation (Dewi and Susanti, 2021).

1. Tax Socialization as Moderator of Digital Transformation on Tax Compliance

Socialization of taxation which is an important role of the government, especially the Director General of Taxes to become a means of information, knowledge and understanding of taxes to taxpayers. Tax socialization is a belief for taxpayers to motivate tax-abiding behavior (Listiyowati et al., 2021). Based on Hafiz and Saryadi (2018) in Yulianti (2022) that tax socialization affects the understanding of taxpayers. Therefore tax socialization has an influence on tax compliance. With good tax socialization in terms of digital transformation in the field of taxation, taxpayer compliance can be increased. Based on this description, the hypothesis can be formulated as follows:

H5 : Tax Socialization Strengthens Digital Transformation of Tax Compliance

2. Tax Socialization as Moderation of Tax Policy on Tax Compliance

Policies in taxation made by the government must be based on statutory regulations (Rahayu, 2010) in (Wahyuni et al., 2020). Related to the phenomenon and tax targets, the government periodically issues policies in the framework of taxation. Thus tax socialization is needed by taxpayers regarding the current tax administration and procedures in accordance with existing regulations or laws. If the taxpayer participates in tax socialization, regarding tax policy, the taxpayer knows and understands the applicable rules or procedures so that the taxpayer is more obedient in carrying out his tax obligations. Based on this description, the hypothesis can be formulated as follows:

H6 : Tax Socialization strengthens Tax Policy on Tax Compliance

3. Tax Socialization as Moderation of Company Characteristics of Tax Compliance

The characteristics of a company have an influence on tax compliance. According to Fadrianto et al. (2020) company characteristics are inherent characteristics or characteristics in a business entity which can be seen from various aspects. The tax treatment of each company may vary, according to the existing characteristics, one example is a company that has just started operating and one that has been operating for a long time has different treatment, therefore it is necessary to socialize taxation carried out by the KPP and the local DGT to be able to increase corporate tax compliance the business itself. Based on this description, the hypothesis can be formulated as follows:

H7 : Tax Socialization Strengthens Company Characteristics of Tax Compliance

4. Tax Socialization as Moderating Perceptions of the Effectiveness of the Tax System on Tax Compliance

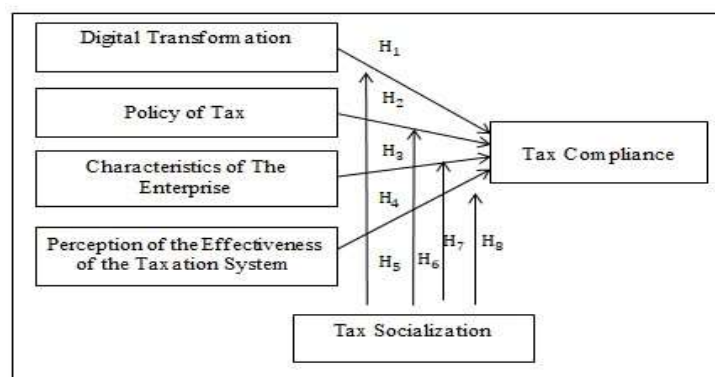
With socialization regarding the taxation system such as reporting via e-SPT, how to use DGT Online then tax regulations can be accessed through applications to taxpayers can increase the perception of good effectiveness for taxpayers. The better the perception of the effectiveness of the tax system, the higher the taxpayer compliance in carrying out their tax obligations. In the current era of globalization, taxpayers can access the internet very easily, thus if the socialization of taxation related to the system is carried out properly, it will increase the perception of the effectiveness of the tax system. Based on this description, the hypothesis can be formulated as follows:

H8 : Tax Socialization strengthens the Perception of the Effectiveness of the Tax System on Tax Compliance

H. Conceptual Framework

His study uses 1 (one) dependent variable, 4 (four) independent variables and 1 (one) moderating variable. The following research framework can be seen below:

Conceptual Framework



Method

This research is a type of causal study research that discusses causal relationships between independent and dependent variables as well as moderating variables that strengthen or weaken the relationship between variables. This study has the main objective of knowing the effect of digital transformation, tax policy, company characteristics and perceptions of the effectiveness of the tax system on tax compliance with tax socialization as a moderating variable. This research was conducted on every Business Entity or every individual involved in tax administration in business entities. The data used in this research is primary data. In collecting this primary data, the data collection technique used is a questionnaire. The sampling technique used is convenience sampling. The sampling technique chosen was based on the convenience of the researcher in obtaining data (Sekaran, Uma Bougie, 2017).

In this study the dependent variable is tax compliance. Tax compliance according to the Organization for Economic Co-operation and Development (OECD) in Palupi and Putri (2021) can be defined as the level of taxpayers to fulfill or not fulfill obligations in tax regulations, such as disclosing their income, submitting SPT and paying tax owed on time. This dependent variable is measured using a questionnaire that refers to the Dao and Hang (2021) questionnaire with 3 (three) positive statements which will then be measured using a Likert scale.

The indicator used to measure digital transformation is the existence of digital transformation which can either increase or encourage compliance from the business entity taxpayers themselves. This dependent variable is measured using a questionnaire that refers to the Dao and Hang (2021) questionnaire with 4 (four) positive statements and will then be measured using a Likert scale.

The indicators used to measure tax policy include easy administrative procedures, stability of laws and regulations and prevention of actions and sanctions through tax software. This tax policy is measured using a questionnaire that refers to the (Dao, L. T., & Hang, 2022) questionnaire with 4 (four) positive statements which will then be measured using a Likert scale.

The indicators used to measure it are tax regulations that can be accessed easily and tax reporting becomes more effective. The perception of the effectiveness of the tax system is measured using a questionnaire that refers to the (Prasetyana&Febriani, 2022) questionnaire with 3 (three) positive statements which will then be measured using a Likert scale.

The indicators used to measure are regularly participating in tax socialization carried out by the KPP, the tax socialization carried out has been effective and on target as well as direct or indirect socialization to carry out tax obligations. This tax socialization is measured by using a questionnaire which refers to Syaputra's questionnaire (2019) with 5 (five) positive statements which will then be measured using a Likert scale.

The method used in this research is multiple linear regression analysis with 1 (one) dependent variable, 4 (four) independent variables and 1 (one) moderating variable. This study has the following regression model equation:

$$TC = \alpha + \beta_1 DT + \beta_2 PT + \beta_3 CE + \beta_4 PE + \beta_5 DT_TS + \beta_6 PT_TS + \beta_7 CE_TS + \beta_8 PE_TS + \varepsilon \dots\dots(1)$$

Information :

TC : Tax Compliance

α : Regression Constant

β : Coefficient of Regression Direction

DT : Digital Transformation

PT : Policy of Tax

CE : Characteristics of The Enterprise

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PE : Perception of the Effectiveness of the Taxation System

TS : Tax Socialization

E : Error

Results and Discussion

A. Population and sampling

Respondent samples were taken based on certain criteria, respondents worked and were involved in tax administration at their jobs. Thus, respondents can contribute in terms of taxation. This is intended so that respondents can really represent the company and have sufficient ability to answer the questionnaire statements. Of the 150 questionnaires distributed, 9 did not return and 141 were used as samples according to the predetermined sample size, 9 samples could not be used because the respondents were not involved in tax administration in their work.

Table 1
Descriptive Statistics

	N	Min	Max	Mean	Std. Deviation
DT	141	12	20	15,38	1,722
PT	141	14	19	16,06	1,594
CE	141	11	20	15,95	2,099
PE	141	8	15	12,02	2,416
TC	141	9	15	13,36	1,631
TS	141	18	25	21,84	2,282

Based on Table 1, it can be concluded that each variable has a total of 141 respondents (N). Digital Transformation (DT) The average answer of the 4 (four) statements answered by 141 respondents was 15.38, so the average respondent's answer was 3.85, which means that the average respondent answered neutral. Tax Policy (PT) The average answer of the 4 (four) statements answered by 141 respondents was 16.06, so that the average respondent answered was 4.01, which means that the average respondent answered that they agreed. Company Characteristics (CE) The average answer of the 4 (four) statements answered by 141 respondents was 15.95, so the average respondent's answer was 3.98, which means that the average respondent answered neutral. Perceptions of the Effectiveness of the Tax System (PE) The average answer of the 3 (three) statements answered by 141 respondents was 12.02, so the average respondent answered was 4.00, which means that the average respondent answered that they agreed. Tax Compliance (TC) The average answer of the 3 (three) statements answered by 141 respondents was 13.36, so that the average respondent answered was 4.45, which means that the average respondent answered that they agreed. Tax Socialization (TS) The average answer of the 5 (five) statements answered by 141 respondents was 21.84, so the average respondent answered was 4.36 which means that the average respondent answered that they agreed.

Table 2
Descriptive Statistics

	N	Min	Max	Mean	Std. Deviation
DT	141	12	20	14,91	1,698
PT	141	14	20	16,10	1,662
CE	141	12	20	16,70	1,988
PE	141	8	15	11,97	2,063
TC	141	9	15	13,36	1,631
TS	141	18	25	21,74	2,245

Based on Table 2, it can be concluded that each variable has a total of 141 respondents (N). Digital Transformation (DT) The average answer of the 4 (four) statements answered by 141 respondents was 14.91, so the average respondent's answer was 3.72, which means that the average respondent answered neutral. Tax Policy (PT) The average answer of the 4 (four) statements answered by 141 respondents was 16.10, so that the average respondent answered was 4.02, which means that the average respondent answered that they agreed. Company Characteristics (CE) The average (mean) answer of the 4 (four) statements answered by 141 respondents was 16.70, so that the average respondent answered was 4.17, which means that the average respondent answered that they agreed. Perceptions of the Effectiveness of the Tax System (PE) The average answer of the 3 (three) statements answered by 141 respondents was 11.97, so the average respondent's answer was 3.99, which means that the average respondent answered neutral. Tax Compliance (TC) The average answer of the 3 (three) statements answered by 141 respondents was 13.36, so that the average respondent answered was 4.45, which means that the average respondent answered that they agreed. Tax Socialization (TS) The average answer of the 5 (five) statements answered by 141 respondents was 21.74, so the average respondent answered was 4.34 which means that the average respondent answered that they agreed.

B. Validity test

Testing was carried out using Pearson Correlation, where a variable can be said to be valid if its significance level is below 0.05. The story of significance can be seen in the sig (2tailed) section. Based on the results of the validity test before the Pandemic and during the Pandemic, it can be seen that the variables digital transformation, tax policy, company characteristics, perceptions of the effectiveness of the tax system, tax socialization, and tax compliance have a sig (2-tailed) of 0.000 so it can be concluded that the statements in each variable are valid because the significance level is more than 0.05.

C. Reliability Test

Table 3
Reliability Test Results

Variabel	Before the Pandemic	During the Pandemic	Information
	<i>Cronbach's Alpha Based on Standardized Items</i>		
Digital Transformation	0,728	0,704	Reliable
Tax Policy	0,761	0,767	Reliable
Company Characteristics	0,861	0,831	Reliable
Perceptions of Tax System Effectiveness	0,913	0,877	Reliable

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Tax Socialization	0,835	0,826	Reliable
Tax Compliance	0,872	0,872	Reliable

It can be concluded in Table 3 that all the variables used in this study are said to be reliable for the variables before the pandemic and during the pandemic because they have a Cronbach's Alpha value > 0.70.

Table 4 Test Results

Variabel	Coefficients	Coefficients		Collinearity Statistics		
		B	Sig.	Tolerance	VIF	t
Constant		1,092	0,929			0,089
DT		1,008	0,140	0,007	149,763	1,484
PT		-1,720	0,036	0,005	184,242	-2,114
CE		0,816	0,136	0,007	142,760	1,501
PE		0,641	0,178	0,007	143,104	1,355
TS		0,108	0,848	0,006	178,458	0,193
DT*TS		-0,037	0,229	0,003	349,529	-1,208
PT*TS		0,086	0,023	0,002	605,357	2,301
CE*TS		-0,029	0,240	0,003	296,802	-1,181
PE*TS		-0,025	0,247	0,004	225,002	-1,162
Normality test	0,328					
F test	17,846					
Sig F	0,000					
Adjusted R ²	0,520					

Based on Table 4 above the Normality Test, it can be seen that the Kolmogrov Smirnov One-Sample value shows results with a significance level of 0.328 or greater than 0.05. This research model is declared normally distributed when the results of One-Sample Kolmogrov Smirnov calculations are greater than 0.05. The test results state that the regression model is normally distributed. Based on Table 5 above, the Multicollinearity Test, with the moderating variable.PT*TS, CE*TS and PE*TS.So that after there is a moderating variable, there are symptoms of collinearity. According to Gujarati (2009) in Syaputra (2019) Multicollinearity can be ignored when the R2 value is high and one of the regression coefficients is significant. Based on the method used, using moderation regression, this can be ignored and the regression may be continued.

Based on table 4 above, it can be seen that the regression equation is:

$$TC : 1.092 + 1.008DT + (1.720)PT + 0.816CE + 0.641PE + 0.108TS + (0.037)DT*TS + 0.086PT*TS + (0.029)CE*TS + (0.025)PE*TS..... (2)$$

Information :

TC : Tax Compliance

α : Regression Constant

β : Coefficient of Regression Direction

DT : Digital Transformation

PT : Policy of Tax

CE : Characteristics of The Enterprise

PE : Perception of the Effectiveness of the Taxation System

TS : Tax Socialization

Based on the pre-pandemic test results seen in Table 4, it can be concluded that the Adjusted R square in this study was 0.520 (52%), meaning that the Adjusted R square in this study was moderate. This coefficient of determination indicates that 52% of Corporate Taxpayer Compliance can be influenced by digital transformation (DT), tax policy (PT), company characteristics (CE), perceptions of the effectiveness of the tax system (PE) and tax socialization (TS). The results of the ANOVA test on the F statistical test amounted to 17.846 with a significance level of 0.000. F table is 1.95. The result is $17.846 > 1.95$, the result of the F test is the basis for determining which regression model is feasible to use while the significance level is to prove that all independent variables simultaneously have an influence on the dependent variable. The results of the t test can be concluded that the effect on tax compliance (TC) is only the variable Tax Policy (PT). As well as tax socialization (TS) can strengthen the relationship between tax policy on business entity taxpayer compliance, so that the tax socialization variable (TS) can be used as a moderating variable.

Table 5 Test Results

Variabel	Coefficients	Coefficients		Collinearity Statistics		
		B	Sig.	Tolerance	VIF	t
Constant		-10,708	0,432			-0,788
DT		1,369	0,028	0,008	119,924	2,216
PT		-1,501	0,027	0,007	135,742	-2,235
CE		0,424	0,448	0,007	133,655	0,761
PE		1,372	0,004	0,010	102,450	2,918
TS		0,599	0,347	0,005	220,583	0,945
DT*TS		-0,057	0,045	0,004	224,065	-2,024
PT*TS		0,077	0,013	0,003	395,407	2,524
CE*TS		-0,010	0,704	0,003	300,622	-0,381
PE*TS		-0,053	0,014	0,007	134,555	-2,483
Normality test	0,111					
F test	17,650					
Sig F	0,000					
Adjusted R ²	0,517					

Based on Table 5 above the normality test, it can be seen that the Kolmogrov Smirnov One-Sample value shows results with a significance level of 0.111 or greater than 0.05. This research model is declared normally distributed when the results of One-Sample KolmogrovSmirnov calculations are greater than 0.05. The test results state that the regression model is normally distributed. Based on Table 6 above, the multicollinearity test, with the moderating variable.PT*TS, CE*TS and PE*TS.So that after there is a moderating variable, there are symptoms of collinearity. According to Gujarati (2009) in Syaputra (2019) Multicollinearity can be ignored when the R2 value is high and one of the regression coefficients is significant. Based on the method used, using moderation regression, this can be ignored and the regression may be continued.

Based on table 5 above, it can be seen that the regression equation is:

$$TC : -10.708 + 1.369DT + (1.501)PT + 0.424CE+ 1.372PE + 0.599TS + (0.057)DT*TS+ 0.077PT*TS + (0.010)CE*TS + (0.053)PE*TS \dots\dots\dots (3)$$

Information :

TC : Tax Compliance

α : Regression Constant

β : Coefficient of Regression Direction

DT : Digital Transformation

PT : Policy of Tax

CE : Characteristics of The Enterprise

PE : Perception of the Effectiveness of the Taxation System

TS : Tax Socialization

Based on the test results during the pandemic seen in Table 5, the Adjusted R square in this study was lower than before the pandemic, which was 0.517 (51.70%), meaning that the Adjusted R square in this study was moderate. This coefficient of determination indicates that 51.70% of corporate taxpayer compliance can be influenced by digital transformation (DT), tax policy (PT), company characteristics (CE), perceptions of the effectiveness of the taxation system (PE) and tax socialization (TS). The results of the ANOVA test on the F statistical test amounted to 17.650 with a significance level of 0.000. F table is 1.95. $17.650 > 1.95$. The results of the F test are the basis for determining the regression model is feasible to use while the significance level is to prove that all independent variables simultaneously have an influence on the dependent variable. The results of the t test can be concluded that the variables that influence tax compliance (TC) are Digital Transformation (DT), Tax Policy (PT) and Perception of the effectiveness of the taxation system (PE). As well as tax socialization (TS) can strengthen the relationship between tax policy (PT) on business entity taxpayer compliance, so that the tax socialization variable (TS) can be used as a moderating variable.

Conclusion

This study aims to examine the effect of digital transformation, tax policy, company characteristics and perceptions of the effectiveness of the taxation system on business entity tax compliance before and during the COVID-19 pandemic moderated by Tax Socialization. The conclusions that can be obtained from the results of research before the pandemic (1) digital transformation, company characteristics, perceptions of the effectiveness of the tax system have no effect on corporate taxpayer compliance. (2) tax policy has a positive effect on corporate taxpayer compliance. (3) Tax socialization cannot strengthen the relationship between digital transformation, company characteristics and perceptions of the effectiveness of the tax system on corporate taxpayer compliance. (4) Tax socialization can strengthen the relationship between tax policy and corporate taxpayer compliance. Meanwhile, the conclusions that can be obtained from the results of research during the pandemic (1) digital transformation, tax policy, perceptions of the effectiveness of the taxation system have a positive effect on corporate taxpayer compliance. (2) The characteristics of the company have no effect on corporate taxpayer compliance. (3) Tax socialization cannot strengthen the relationship between digital transformation, company characteristics and perceptions of the effectiveness of the tax system on corporate taxpayer compliance. (6) Tax socialization can strengthen the relationship between tax policy and corporate taxpayer compliance.

A. Limitations

There are several limitations that occur in this study, namely (1) This research only uses research objects on business entity taxpayers, so this research cannot generalize all taxpayers. So that the research will be better if the scope of the research object is expanded. (2) The data obtained only from questionnaires where the respondent's answers are likely to be dishonest, so they do not get the desired answer in this study. (3) There is multicollinearity in this study, but it can be ignored if the R² value is high and one of the regression coefficients is significant.

B. Suggestions & Implications

Based on the conclusions and the existing limitations, there are several suggestions shown to parties related to research on factors that influence corporate taxpayer compliance, namely: (1) Researchers can then add research objects to individual taxpayers, so that they can make research results more general regarding the compliance of the next taxpayer. (2) Future researchers can use other independent variables so that they can form a research model that further explains tax payer compliance before and during the COVID-19 pandemic because the coefficient of determination in this study can still be increased by adding independent variables, such as tax administration services, implementation self assessment system, understanding of tax regulations and so on.

This research can be useful for the Tax Service Office in seeing the perspective of business entity taxpayers in conducting assessments on digital transformation, tax policy, then in terms of the tax system, tax socialization carried out on business entity taxpayer compliance before and during the COVID-19 pandemic 19 in carrying out its obligations. Then the tax service office itself can improve and carry out reviews related to effective and efficient tax socialization in terms of submitting tax policies, tax transformation and a more complete tax system through seminars, distribution of brochures and via the internet which can be accessed online because it makes it easier for taxpayers taxes and can be done anywhere by the taxpayer. The tax socialization that was carried out was also conveyed quickly to business entity taxpayers. The Tax Service Office can also rearrange through programs that will be carried out in order to build compliance with the business entity's own taxpayers in carrying out their tax obligations.

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