



## Does E-Commerce Effect on Total Tax Paid through Taxpayer's Compliance?

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### Abstract

*This study aimed to examine the effect of e-commerce on the amount of taxes paid by the taxpayer compliance as an intervening variable. Analysis using Structural Equation Modeling with Partial Least Square approach. The sample was 109 perpetrators of e-commerce which is a member of IDEA (E-Commerce Association of Indonesia). Hypothesis testing was done by using the bootstrap resampling method, with the help of Smart Software Partial Least Square. Data validity was tested with outer loadings and goodness of fit was tested with the composite reliability and cross loadings. Hypothesis test statistic t was seen from resulting inner weight. The research proved that the E-commerce and taxpayer's compliance had a significant effect on the amount of taxes paid by the taxpayer. E-commerce had a significant effect on taxpayer's compliance. E-commerce had a significant effect the amount of taxes paid by the taxpayer through the intermediary of taxpayer's compliance.*

#### Keywords:

E - Commerce  
Total tax paid  
Taxpayer  
Compliance  
Awareness  
Indonesia.

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M41; H25; E62; H62.

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## 1. Introduction

Tax is the most important part of a country's economic pulse. With tax collection, the state can prosper the people, carry out development and can finance the household of the country itself, but the constraint so far is that taxes are still relied upon for state revenues with the most percentage. In Indonesia, every year the State Budget is almost 70% supported by taxes, and the rest is from non-tax state revenues.

Value Added Tax and Income Tax are the largest sources of domestic tax revenues collected by the state. There are many types of taxes, including Income Tax, Value Added Tax (VAT), Sales Tax on Luxury Goods, Customs Meter, Land and Building Tax, Acquisition of Land and Building Rights. Tax has several functions. The first of which is the budgetary function (*budgetair*) used to finance state expenditures, such as running national development, open employment, paying civil servants salaries, routine expenditures are also all financed from tax revenues. The second is the regulating function (regulated). Tax policies taken by the government can be used to regulate economic growth. The third is the function of stability. In the presence of this tax, it means the government has the funds and can run policies related to price stability so as to control the rate of inflation. The fourth is the income redistribution function. The development carried out in various fields and evenly distributed can create jobs so that it can provide income for the community.

Tax revenue which is in accordance with the target can be achieved if the Taxpayer is willing to fulfill its tax obligations. The Law Number 28 of 2007 concerning General Provisions and Tax Procedures, states that the Taxpayer is an individual or entity, including taxpayers, tax cutters, and tax collectors who have the right and obligation of taxation in accordance with the provisions of the taxation legislation. This year, Indonesia is targeting the source of state treasury revenue from this 2016 tax, at 84.9% (source: [www.swa.co.id](http://www.swa.co.id), publication February 5, 2016).

The tax revenue is collected from local taxes and central taxes. Central taxes contribute more than local taxes because the central tax is all types of taxes that the collection agency is the central government so that later collected tax funds will go into the state coffers directly. Tax center itself can be obtained from income tax of both individual and corporate taxpayers. According to DGT data in 2015, the number of potential individual taxpayers in Indonesia is more than 75 million people and the number of companies operating in Indonesia is as many as 20 million companies.

The above data shows that only 18% of individual taxpayers have Tax Payer Identity Number and only 39.2% of Tax Payer Identity Number owners report Tax Statement, whereas corporate taxpayers who report Tax Statement are only 11% of the number of corporations that must report Tax Statement. This shows that there are still many individual and corporate taxpayers that do not report Tax Statement. Taxpayers who have reported the Tax Statement do not necessarily report the total tax paid in accordance with the income or turnover that they get.

Business in Indonesia is developing and will develop more but the amount of tax realization obtained is still far from the target tax that has been determined. It starts from conventional business to online business or known as E-Commerce. The development of E-Commerce business in Indonesia is very fast in the last 5 years. According to research results initiated by the Indonesian E-commerce Association (IDEA), Google Indonesia and TNS (Taylor Nelson Sofres) show that E-commerce business in Indonesia in 2013 reached US \$ 8 billion (Rp 94.5 trillion) and in 2016 it is expected to rise to three times as much as US \$ 25 billion (Rp 295 trillion). According to the Directorate General of Taxes, the number of e-commerce merchants is approximately 1600 e-commerce, and only 1000 are newly identified and 600 have not been identified by the Directorate General of Taxes. Of the thousand participator of E-commerce, only 620 already have NPWP. According to the ministry of communication and information, the value of e-commerce transactions in 2014 amounted to US \$ 12 billion (Rp 150 trillion). The estimate is based on the increasing number of internet users that reached 82 million people or about 30% of the total population in Indonesia. This can be caused by the low compliance of the Indonesian people as Tax Payers in paying taxes and reporting the SPT in accordance with applicable regulations.

Rahayu (2010) defines tax compliance as a condition in which the Taxpayer fulfills all tax obligations and exercises its taxation rights. Tax compliance is the fulfillment of taxation obligations undertaken by an individual or corporation as a taxpayer in order to contribute to the current development which is expected in its fulfillment to be voluntary.

The awareness and compliance of Taxpayers needs to be fostered continuously for the realization of a willingness in fulfilling the obligation to pay tax in accordance with applicable provisions. Every taxpayer is required to pay his tax in accordance with the applicable provisions. After the taxpayer performs the obligation to pay taxes, the Taxpayer shall report the tax calculation at the end of the tax year by filling and reporting the Annual Tax Return clearly and completely to the Tax Office and not exceeding the time limit specified. Taxpayer Obligation to fulfill the tax obligation really needs the awareness of the Taxpayer. Fostering awareness about the obligation to pay taxes for some people is not easy, or it can be said that some people tend to elude tax (Muliari, 2011). Many things and reasons affect the Taxpayer in fulfilling the obligation to pay taxes. There are many reasons why the level of public awareness to pay taxes is still low, among others are cultural and historical causes, lack of information from the government to the people, the leak in tax collection and the atmosphere of individuals who have no money, lazy, and no direct rewards from the government (Wahyuni, 2013).

Of the total Indonesian population of 250 million, only 28 million are registered Taxpayers or have Tax Payer Identity Number. Of the 28 million taxpayers, there are still many taxpayers who report the tax not in accordance with the amount that should be reported. Implementation of the collection system in Indonesia which is based on the self-assessment system makes the calculation, reporting and payment of taxpayer obligations not in accordance with the way it should be. This is due to the low awareness of the taxpayer. In 2015 the Government has also made efforts to raise awareness of taxpayers with each taxpayer has 1 AR on the right Tax Office Service where the taxpayer is registered. This is in accordance with previous research (Restu, 2014) which states that taxpayer awareness has a positive and significant impact on the obligation to pay personal taxes, whereas according to research (Wahyuni, 2013), the awareness of Tax Payers has no effect on the obligation to pay personal taxes. Differences in results obtained from previous research make the author interested to examine the "Effect of E-Commerce on the Total Tax Paid through Taxpayer's Compliance".

## **2. Review Literature and Hypotheses**

### *2.1. Attribution Theory*

Attribution Theory is proposed to develop an explanation that the difference of our judgment on the individual depends on the meaning of the attribution we give to a particular behavior. Basically, attribution theory states that when individuals observe a person's behavior, they try to determine whether it is generated internally or externally. The behavior caused by internal factors is a behavior that is believed to be under the personal control of the individual itself, whereas the behavior caused by external factors is behavior that is

influenced from the outside, i.e. the behavior of a person is seen as a result of the pressure of the situation or the environment.

Attribution theory groups two things that can distort the meaning of attribution. First, the fundamental attributional error which is the tendency to underestimate the influence of external factors rather than internal factors. Second, the prejudice of a person that tends to link success because of internal factors, whereas the failure is related to external factors. Attribution theory is related to the attitudes of the taxpayer. The awareness of the taxpayer is the influence of one's internal factors that makes a person take a decision. The attitude of taxpayers who are aware of the obligations of taxation and implementation of self-assessment system affects taxpayers in fulfilling the tax obligations. In other words, the attitude of the taxpayer in fulfilling the obligation to pay tax depends on the behavior or decision of the taxpayer.

### 2.2. Total Tax Paid

The amount of paid tax is the amount of money that must be paid or deposited to the state. The amount of the paid tax is attached on the tax deposit receipt. Tax deposits can be done in various ways including:

- a. Pay your own tax payable
- b. Through cutting and collecting by other parties
- c. Through tax payments abroad
- d. VAT collection by the seller or by the party appointed by the government
- e. Other tax payments such as land and building tax, land and building acquisition fees, stamp duty.

For corporate taxpayers, the amount of paid tax is the amount of x gross circulation. Gross Circulation under Government Regulation No. 46 of 2013, is income or earnings or gross income from business, excluding:

1. Income from services in respect of free employment (especially for an individual taxpayer).
2. Income other than business or income outside business / other income.
3. Income from business subject to final Income Tax under the provisions of the Laws and Regulations in the field of taxation.
4. Income received or obtained from abroad.
5. Income that is excluded as income tax object that is not an income tax object.

Classification of corporate income tax rate according to gross income, including:

Table-1. Tax Rate Classification.

Gross Income / Gross Circulation (Rp)	Tax Rates
Less than Rp 4.8 Billion	1% x Gross Income (Gross Circulation)
More than Rp 4.8 Billion up to Rp 50 Billion	{0.25 - (0.6 Billion / Gross Earnings)} x PKP
More than Rp 50 Billion	25 % x PKP

Source: Act. No. 36 Year 2008 & Government Regulation no. 46 of 2013.

### 2.3. E-Commerce

#### 2.3.1. Definition of E-Commerce

Electronic commerce or known as E-commerce is a part of e-lifestyle that allows sale and purchase transactions conducted online from any angle (Hidayat, 2009). E-commerce is a process of doing business by using electronic technology that connects companies, consumers and society in the form of electronic transactions and sales of goods, services and information electronically (Munawar, 2009). E-commerce is the purchase, sale and marketing of goods and services through electronic systems such as television, radio and internet networks (Wong, 2010).

#### 2.3.2. Types of E-Commerce

E-commerce is divided into 4 types according to the nature of its use (Munawar, 2009):

1. Business to consumer E-commerce (B2C) involves the sale of products and services at retail to individual buyers: lazada.com, McDonald online message.
2. Business to business E-commerce (B2B) involves the sale of inter-company products and services: biznet Networks.com
3. Consumer to consumer E-commerce (C2C) involves consumers who sell directly to consumers: Olx.co.id, bukalapak.com
4. Consumer to business E-commerce (C2B): Request activity from customers by spreading their needs (project specifications offered, budget, and deadline) where later there will be some companies who volunteered to work on the project with the most interesting bid. An example is online pitching, or a freelancer service provider site: Sribu.com

#### 2.3.3. Ecommerce Components

According to Hidayat (2009) the standard components that must be possessed by E-commerce include:

1. Product: The number of types - types of products sold through the internet such as health products, sports, beauty, clothing, etc..
2. Place of selling the product (a place to sell): Place to sell means the internet. This means that e-commerce must have hosting and domains.
3. Ordering method: order can be placed via email, phone, sms, and others.
4. Payment method: Payment can be done by check, bank draft, credit card, internet payment, transfer, and cash.
5. Shipping method: Delivery can be done by package (expedition service), sales.
6. Customers service: Online form, email, FAQ, phone, chat, Whats App, and more.

#### *2.3.4. E-Commerce Models in Indonesia*

1. Online Marketplace. Sites provided by the Internet service providers for sellers to be able to sell the products through cyberspace. Example; Tokopedia, Bukalapak, Rakuten, DuniaVirtual.
2. Classified Ads. Activities of providing places and / time to display content, (text, graphics, explanatory and information videos) goods and / services for sellers to install advertisements directed to advertisers through sites provided by Classified Ads providers. Example; OLX, Commerce.
3. Daily Deals. Activities of providing a place of business activities in the form of daily deal sites as a place of sellers. This site sells goods and or services to the buyer by using voucher as a means of payment. Example; Groupon, Evoucher.
4. Online Retail. Activities of selling goods and or services conducted by Online Retail provider to the buyer of Online Retail site. Example; Studiostar7, Bhinneka, Gramedia.

#### *2.4. Taxpayer Compliance*

Law Number 28 Year 2007 Concerning "General Provisions and Tax Procedures", states that the Taxpayer is an individual or corporation, including taxpayers, tax cutters, and tax collectors who have taxation rights and obligations in accordance with the provisions of taxation legislation. Tax compliance is a condition in which the taxpayer both individual and corporation fulfill all tax obligations and exercise taxation rights (Rahman, 2010).

To improve the compliance of the Taxpayer in fulfilling the tax obligations, the taxpayer must fulfill the obligation of the Taxpayer as a compliance climate and awareness of the fulfillment of tax obligations, which is reflected in the situation where the Taxpayer (1) Understand or try to understand all the provisions of the tax regulation ; (2) Fill out the tax form completely and clearly; (3) Calculate the amount of tax payable correctly, and (4) Pay the tax payable on time (Lingga, 2013).

#### *2.5. E-commerce on the Total Tax Paid*

The tax payment letter is validation proof that the taxpayer has done his duty as the taxpayer that is paying the tax in accordance with the tax debt or as stated in the tax assessment letter.

E-commerce is one of the tax subjects that has an obligation to pay taxes. The obligation to pay taxes must be made by all taxpayers without exception. With the development of e-commerce business in Indonesia, there should be improvement in the state revenue because the taxes received by the State is greater but in fact , within 5 years, the state revenue from taxes is still far below the target. It is possible that many taxpayers do not report their obligations and there are also taxpayers who have reported but the amount of paid-up tax is not in accordance with applicable tax provisions. Wahyunii (2011) on "Impact of E-Commerce and Tax Inspection on Tax Acceptance KPP Pratama Bandung", states that there is significant e-commerce influence on the state cash receipts from taxes. From the description above, the authors set the first hypothesis as:

H1: E-commerce has a significant effect on the amount of paid tax

#### *2.6. Compliance Taxpayers on the Total Tax Paid*

Compliance is not separated from the awareness and knowledge of taxpayers of taxes that must be paid. Looking at the Law Number 28 Year 2007 on "General Provisions and Tax Procedures", it is stated that Taxpayers who are individuals or bodies, including taxpayers, tax cutters, and tax collectors have the right and obligation of taxation in accordance with the provisions of regulations tax laws.

Research on "Influence of Taxpayer Compliance Rate of Agency on Increasing revenue of Income Tax with Tax Collection as Moderating Variable" by Suryanti (2013) states that there is significant influence between taxpayer compliance level and income tax. From the above description, it can be determined the the second hypothesis of this study is:

H2: Taxpayer compliance has significant effect on the total tax paid

#### *2.7. E-commerce on Taxpayer Compliance*

Taxpayer awareness is the attitude of taxpayers who have understood and willing to carry out its obligations to pay tax and has reported all its earnings without any concealment in accordance with the applicable provisions (Purnomo, 2012). Taxpayers who have a high level of awareness will then perform the

obligation to pay taxes. One of the efforts that DGT is aiming for is E-commerce. E-commerce organizations or e-commerce entrepreneurs in Indonesia at this time are very many. To provide legal certainty to the partaker of E-commerce for the application of taxation, DGT has issued a Circular Letter of the Directorate General of Taxation on the Affirmation of Taxation Provisions on E-Commerce Transaction, SE-62 / PJ / 2013 Number, dated December 27, 2013 ([www.DJP.org](http://www.DJP.org)) which explains that in principle, there is no new tax type in e-commerce, but it only applies the existing rules. In other words, business management through E-commerce gets the same tax treatment as ordinary trading. So in general the participators of E-commerce also have tax obligations either starting from the registration, calculation, payment or reporting that has been regulated in the rules and regulations of the DGT. Payment of taxes, in other words the amount of paid-in taxes that participator of E-commerce pay, does not escape the factor of compliance from the E-commerce doers as taxpayers who should perform their obligations as taxpayers. From the above description, the third hypothesis that can be established is:

H3: E-commerce has significant effect on taxpayer compliance.

#### *2.8. E-Commerce on the amount of Taxes Paid by Taxpayer Compliance*

The taxpayers compliance should be able to mediate the effect of e-commerce on the amount of paid-in tax. This is possible because e-commerce will facilitate taxpayers to become obedient in making tax deposits online. Thus formed the fourth hypothesis, namely:

H4: E-commerce has significant effect on the total tax paid through taxpayer compliance.

### **3. Purpose and Research Benefits**

#### *3.1. Research Purposes*

In this study, the authors expect that the purpose obtained is to obtain evidence of the results to be tested. The purposes of this study are as follows:

1. To test and prove the Effect of E-Commerce on the Amount of Taxes paid.
2. To test and prove the Effect of Taxpayer Compliance on the amount of Taxes paid.
3. To test and prove the Effect of E-Commerce on Taxpayer Compliance.
4. To test and prove the Effect of E-Commerce on the Number of Paid Taxes through Taxpayer Compliance.

#### *3.2. Research Benefits (Contribution)*

This research is expected to provide benefits (contribution) as follows:

1. To provide deeper knowledge of taxation, especially regarding the effect of E-commerce on the total tax paid through taxpayer compliance.
2. For the government, in this case the Directorate General of Taxes, to become a guidance to be able to further increase the state's revenue with the achievement of tax revenue targets and seek solutions to improve taxpayer compliance in the field of E-Commerce.
3. For the participator of E-Commerce, to contribute on their awareness to obey the rules of taxation.

### **4. Research Methods**

#### *4.1. Reasons for Selection of Research Sites*

The location of this research is E-Commerce located in Jakarta area. The reasons for choosing this location are the nearness of research location to the researcher, the development of e-commerce business in Indonesia as well as the DGT's effort to boost tax revenue from the participator of E-commerce.

#### *4.2. Population and Sample*

Population is all the data of concern in the scope that has been determined and at a time that has been selected (Sugiyono, 2008). The population in this study is the E-Commerce business as much as 1600 respondents in Jakarta.

Sample is the representative of the population or part of the population to be studied which can represent the entire population. The sampling technique determined for this research is the non probability sampling technique. Non-Probability Sampling is a sampling technique that does not provide equal chances or opportunities for each element or member of the population to be selected as the sample. The Non-Probability Sampling technique used by the author in sampling in this study is more precisely using the purposive sampling technique. Purposive sampling is a technique of determining the sample with certain considerations (Sugiyono, 2008).

#### *4.3. Types and Sources of Data*

The type of data used in this study is the primary data. While the data source used in this study is the primary data source derived from the participator of E-commerce in Jakarta, and secondary data sources derived from the document.

#### *4.4. Method of Collecting Data*

Data collection in a study is a very important part because this stage can determine whether the results of a study will be good or bad. Methods of data collection are ways that researchers can use to collect data, (Arikunto, 2008). The method used in this research are:

1. Questionnaire method. Questionnaire is a list of questions given to others with the intention that the person who is given is willing to respond according to user requests (Arikunto, 2008). This study uses a closed questionnaire, where the questionnaire is presented in such a way that the respondents only need to give a check mark (√) on the appropriate column or place. This questionnaire is addressed to the respondents to disclose the data of E-commerce variables, taxpayer awareness and the total tax paid.
2. This documentation method is in the form of written data that can support the results of research. This method is used to obtain written data on the number of E-commerce actors registered in the DGT and the percentage of E-commerce participator who perform their tax obligations.

#### *4.5. Sampling Method*

Sampling is the process of selecting a sufficient number of elements from the population, so research on the sample and understanding of its nature or characteristics will be able to generalize these properties and characteristics in the population (Sugiyono, 2008). The researcher took the samples using purposive sampling technique, meaning sampling with certain criteria that is:

1. All E-commerce actors registered in the Directorate General of Taxes
2. All E-commerce actors identified by the DGT
3. All E-commerce actors who have NPWP
4. All E-commerce actors who are members of IdEA (Association of Indonesian Ecommerce)

#### *4.6. Variable Operationalization (Definition and Measurement)*

Variables used in this study consisted of independent variables, dependent variables, and intervening variables.

##### *1. Definition of Dependent Variables (Y)*

Dependent variable in this research is the Number of Paid Taxes, where the amount of paid-up tax means a value that must be contributed by a person (defined by regulation) which has been stated in the tax assessment letter. Indicators of the amount of the Paid Tax is: (a) The amount of gross turnover; (b) the amount of the paid tax; and (c) deposits made in accordance with actual circumstances (Mardiasmo, 2009).

##### *2. Definition of Intervening Variable (Z)*

Intervening variable that supports from independent variable and dependent variable is Taxpayer Compliance. Tax compliance is a condition in which the taxpayer both individual and entity fulfill all tax obligations and exercise taxation rights (Rahman, 2010). The taxpayer compliance indicators are (a) Understanding or seek to understand all provisions of the tax legislation; (b) Filling out the tax form completely and clearly; (c) Calculating the amount of tax payable correctly, and (d) Paying the tax payable on time (Lingga, 2013).

##### *3. Definition of E-Commerce Variables (X)*

E-commerce is a process of doing business by using electronic technology that connects between companies, consumers and society in the form of electronic transactions and sales of goods, services and information electronically (Munawar, 2009). E-Commerce Variable has 4 indicators, namely (a) Web design; (b) Reliability / Fulfillment; (c) Customer service; (d) Security or privacy (Wirdasari, 2009).

The variables are measured by using Likert scale. The obtained answers will be classified into the highest score of the Four and the lowest score of one for the answers which are Strongly Disagree (STS) = Score One, Disagree (TS) = Score Two, Agree (S) = Score Three, Strongly Agree (SS) = Score Four .

#### *4.7. Data Analysis Method*

1. In this study, the authors use several methods of data analysis, among others, are as follows: Data Recap, Researcher recaps data from research questionnaires that have been collected in accordance with research variables to be studied.
2. Data Validity Test, used to measure the validity or non-validity of the questionnaire. It is said to be valid if the question on the questionnaire is able to reveal something that will be measured by the questionnaire (Ghozali, 2011).
3. Data Reliability Test, showing the consistency and stability of a score of a measuring instrument. A questionnaire can be said to be reliable or reliable if one's answer to a question is consistent or stable over time. The reliability of a variable construct is said to be good if it has a Cronbach's Alpha value > 0.70.

4. Hypothesis Test, to determine the effect of each independent variable on the dependent variable. Using SPLS (Smart Partial Least Square), the hypothesis is accepted when the significant value of the result p value <0.05 or the statistic t value is more than 1.96.
5. Coefficient Determination, is the ability of all independent variables in explaining the dependent variable, as well as creates multiple regression equation useful to determine the magnitude of the effect on the dependent variable if the independent variables tested experience a change up or down viewed from adjusted R square.

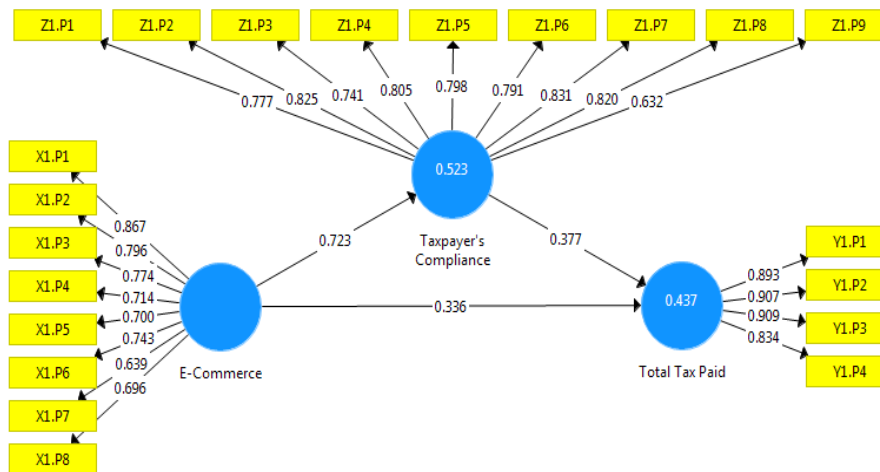
## 5. Results

### 5.1. Description of Research Data

The questionnaire prepared to be distributed was 350 questionnaires. But the E-commerce actors who declared willing to fill the questionnaire were only 278 participator of E-commerce. But eligible e-commerce players who have reported their taxes online are only 109. Of these there are 10 incomplete questionnaires answered or there are some unanswered and flawed questions / statements. So the total data that can be used is only 99 data.

### 5.2. Test Validity with Outer Loadings

Outer loadings (measurement models) or convergent validity is used to test the unidimensionality of each construct. According to Chin (1998) if the value of the loading factor indicator is greater or equal to 0.5, it can be said to be valid. Based on the result of validity test, all the values of the loading factor indicator for E-Commerce variable, the Total Tax Paid and the Taxpayer Compliance are > 0,5 which means that all the indicator variables are declared valid.



Picture-1. Outer Model Result.

Source: Smart PLS Data, 2018.

Table-2. Outer Model Result.

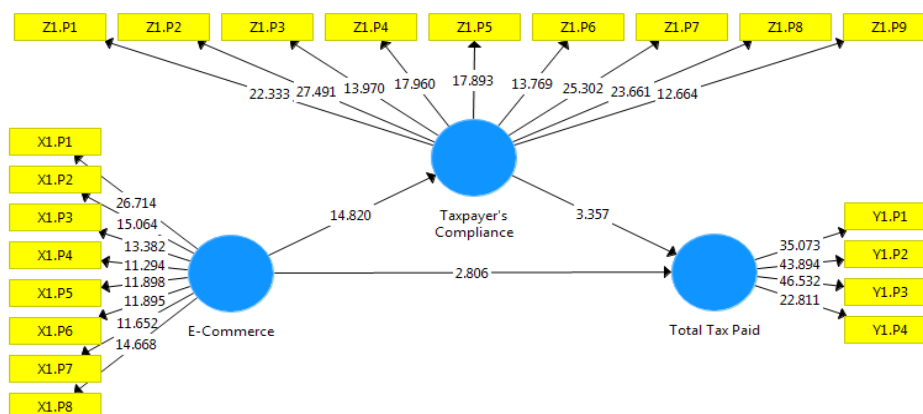
	Composite reliability	R <sup>2</sup>	AVE	Cronbach's Alpha
E-commerce	0,884		0,554	0,884
Taxpayer's Compliance	0,920	0,523	0,612	0,920
Total Tax Paid	0.909	0,437	0,786	0,909

Source: Smart PLS Data, 2018.

The next test is the Reliability Test by looking at the composite reliability value of the indicator block that measures the construct. If the result of composite reliability is above 0.7, then this is a satisfactory result. Looking at the above Composite Reliability results, the test results of all variables are above 0.7. Then it can be concluded that the E-Commerce data variables, the total tax paid and Taxpayer Compliance are reliable and can be used to test the hypothesis. To strengthen this test reliability, Cronbach's Alpha and Average Variance Extracted (AVE) tests will be conducted. The criteria for Cronbach's Alpha are above 0.6 and AVE is above 0.5. As can be seen in the table above that all variables meet Cronbach's Alpha criteria. For AVE, all constructs can meet this criteria. The R square value of the Taxpayer Compliance construct is 0,523 while the value of the Number of Paid Taxes is 0,435. The higher the R square value, the greater the ability of the independent variable in explaining the dependent variable so that the structural problem becomes better. Judging from the result of R square produced shows that E-commerce is able to explain the variable of Paid Tax amounted to 43,5% and the rest explained by variable outside of other model.

5.3. Hypothesis Testing

Hypothesis testing in this study uses inner weights (structural model) processed with Partial Least Square (PLS). The following are results of the proof of the hypothesis obtained:



Picture-2. Research Model Output.

Source: Smart PLS Data, 2018.

Table-3. Inner Model Result.

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T – Statistic ( O/STDEV )	P Values
E-commerce → Amount of Paid Tax	0.336	0.349	0.123	2.723	0.007
Compliance → Amount of Paid Tax	0.377	0.362	0.116	3.248	0.001
e-commerce → Compliance	0.723	0.734	0.049	14.792	0.000
e-commerce → Compliance → Amount of Paid Tax	0.273	0.263	0.080	3,406	0.001

Source: Result of processed Data Smart PLS, 2018.

Verification of the First Hypothesis (H1)

The first hypothesis in this study is H1: E-commerce has a significant effect on the total tax paid. The criterion for acceptance of hypothesis is if the result of statistic t in table is above of 1,96. The result proved that e-commerce has a significant effect on the amount of taxes paid with the proof of statistics 2.806 > 1.96. The Coefficient amounted to 0.336 which means that the increase of E-commerce by 1 will lead to an increase in the total tax paid up by 0.336. The result of this research is supported by Wahyunii (2011), which states that there is significant e-commerce effect on the state's cash receipt from tax.

Verification of the Second Hypothesis (H2)

The second hypothesis in this study is H2: Taxpayer compliance has a significant effect on the total tax paid. The results proved that taxpayer compliance significantly influence the amount of taxes paid with statistical proof of 3.357 > 1.96. The coefficient of 0.377 means that the increase in taxpayer awareness of 1 will lead to an increase in the amount of taxes paid by 0.377. The results of this study support each other with research (Euphrasia, 2010) awareness of taxpayers significantly affects the amount of taxes paid.

Verification of the Third Hypothesis (H3)

The third hypothesis in this study is H3: E-commerce has a significant effect on taxpayer compliance. The result proved that e-commerce has a significant effect on taxpayer compliance with statistical proof 14.792 > 1.96. The Coefficient in the picture above is at 0.723 which means that the increase of e-commerce by 1 will lead to a taxpayer compliance increase of 0.723.

Verification of the Fourth Hypothesis (H4)

The fourth hypothesis in this study is H4: E-commerce has a significant effect on the total tax paid through taxpayer compliance. The result proved that e-commerce has a significant effect on taxpayer compliance with statistical proof of 3.487 > 1.96 with the coefficient in the above table of 0.273. The results of this study complement the research that has been done, Euphrasia (2010) and Wahyunii (2011).



## 6. Conclusions and Suggestions

### 6.1. Conclusion

The answer to the formulation of this research problem is included in the following conclusions:

- a. The first hypothesis (H1) can be concluded that the result is accepted where E-commerce has a significant effect on the total tax paid.
- b. The second hypothesis (H2) can be concluded that the results is accepted where taxpayer compliance has significant effect on the total tax paid.
- c. The third hypothesis (H3) can be concluded that the result is accepted, where E-commerce has a significant effect on taxpayer compliance.
- d. Fourth hypothesis (H4) can be concluded that the result is accepted, where E-commerce has a significant effect on the total tax paid through taxpayer compliance.

### 6.2. Limitations of Research

During this study, researchers experienced limitations. The limitation of this research is primarily in the difficulty of obtaining data from the Participant of E-commerce, which is caused by the uncertain data of the respondents.

### 6.3. Suggestion

Based on the results of this study, there are several suggestions proposed by researchers that can be used for future research:

- a. Suggestions for future researchers which are expected to examine the new aspects about E-commerce on taxation with more detail and to expand the sample.
- b. Suggestion for Tax officer to give more socialization to the participator of E-commerce so that they know their obligation as taxpayer.

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