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THE EFFECT OF ACCOUNTING PRACTICES AND PERCEPTIONS OF TAX INCENTIVES ON MSME TAXPAYER COMPLIANCE DURING THE COVID-19 PANDEMIC WITH UNDERSTANDING OF INFORMATION TECHNOLOGY AS MODERATING VARIABLE (EMPIRICAL STUDY ON MSMES IN THE CULINARY SECTOR AT PEKANBARU SENAPELAN SMALL TAXPAYERS OFFICE)

Abstract: This study aims to examine and analyze: (1) the effect of accounting practices on taxpayer compliance, (2) the effect of tax incentives on taxpayer compliance, (3) the effect of accounting practices on taxpayer compliance with the understanding of information technology as a moderating variable, and (4) the effect of the perception of tax incentives on taxpayer compliance with the understanding of information technology as a moderating variable. The population in this study was a culinary MSME taxpayer registered at the Pekanbaru Senapelan Small Taxpayers Office. A total of 397 people were included in this study as part of a purposive sampling sample. By distributing questionnaires, this study gathered primary data. SEM-Partial Leeast Square (PLS) with the WarpPLS 7.0 version application was utilized as the analytical approach. The results of this study indicate that 1) accounting practices had a positive effect on taxpayer compliance with a significance level of <0.001 (<0.05), (2) tax incentives had a positive effect on taxpayer compliance with a significance level of <0.001 (<0.05), (3) understanding of information technology was able to moderate the correlation between accounting practices and taxpayer compliance and had a positive effect with a significance level of <0.001 (<0.05), and (4) understanding of information technology was able to moderate the correlation between perceptions of tax incentives and taxpayer compliance and had a positive effect with a significance level of 0.015 (<0.05).

Key words: Accounting Practices, Tax Incentives, Information Technology, Tax Compliance.
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Introduction

Tax is a compulsory contribution to the state made by an individual or entity based on the law, with no direct recompense, that is used to meet the state's demands for the maximum prosperity of the people (Law No. 16 of 2009). For the state, taxation plays a critical function. Taxes account for more than 80% of the country's total revenue. As a source of state revenue, taxes function to finance state expenditures in terms of development, infrastructure, and subsidies. One of the causes of the increase in tax revenue is that since the 1984 fiscal year the government has implemented tax reforms by implementing a self-assessment system in tax collection. The self-assessment system gives full confidence to taxpayers to calculate, deposit, and report all taxes that become obligations. High awareness and compliance of taxpayers is the most important factor in implementing the system. given the importance of the role of taxes in the economy of a country, the government must strive to increase the awareness and compliance of taxpayers to carry out their tax obligations. The compliance of taxpayers in fulfilling their tax obligations will increase state revenues and in turn will increase the size of the tax ratio (Nurmantu, 2005).

The Covid-19 pandemic has had a considerable effect on the economy, including in terms of tax revenue.Cited from Iaijawatimur.or.id (2020), this is due to unstable economic conditions which ultimately affect many aspects. The company's turnover, people's incomes, and job opportunities have decreased. Moreover, people's education levels are difficult to increase due to the absence of education costs. The social and psychological aspects of the community are also influential, such as a sense of fear of the dangers of Covid-19, confusion about the future, confusion about finding alternative income, hopelessness, and helplessness in life. Although this condition might occur in a short period, it affects a person's mental attitude, including the willingness and awareness of paying taxes. One sector that has an important strategic role in Indonesia is Micro, Small, and Medium Enterprises (MSME). Due to a large number of industries in each economic sector, the potential for employment and its contribution to the formation of Gross Domestic Product (GDP) is very large. Micro, Small, and Medium Enterprises occupy a dominant position in the Indonesian economy (Sarfiah et al., 2019). In 2020, the number of Micro, Small, and Medium Enterprises (MSME) will reach 64.19 million. This number reaches 99.9 percent of all businesses operating in Indonesia. MSMEs play a role as the breadwinner of the economy and contribute to the national GDP by 61.7%, followed by the national investment by 58% and national exports by 14%

(Ministry of Finance of the Republic of Indonesia, 2020).

MSMEs are business groups that have an important part in the economic cycle of the country's economy, including in Pekanbaru. Data from the Pekanbaru Department of Cooperatives and SMEs, the number of MSMEs in 2018 was 14,254 and decreased in 2019 to 14,120. However, it experienced an increase in various business sectors during the 2020 Covid-19 pandemic, which was 15,102. Www.pekanbaru.go.id (2021)mentioned the increase in the number of MSMEs during the Covid-19 pandemic may be due to a large number of company employees or workers being temporarily laid off. This makes them entrepreneurs of SMEs for they do not require large amounts of capital. Although the number of MSMEs has increased during the pandemic, not all MSMEs register as taxpayers and comply with tax regulations. Data from Pekanbaru Senapelan Small Taxpayers Office showed that the number of MSMEs Individual taxpayers experienced a drastic decrease at the beginning of the Covid-19 pandemic, namely a decrease of 14,556 Taxpayers or around 20.21% compared to before the Covid-19 pandemic hit. However, it started to increase in Semester 1 of 2021, which was 8,613 taxpayers or around 24.42%. this is also inseparable from the government's efforts and support, such as providing support incentives for MSMEs through the National Economic Recovery (PEN) program to the preparation of the Job Creation Law which was ratified in 2020. One of the substances regulated in the Job Creation Law is the convenience, protection, and empowerment of MSMEs(Coordinating Ministry for Economic Affairs of the Republic of Indonesia, 2021).

Referring to pajakonline.com (2020), the decline in the level of tax compliance during the Covid-19 pandemic, especially during the Work from Home (WFH) condition, could occur due to constraints of some taxpayers in the process of preparing financial reports. Azmary et al. (2020) argue that the success of efforts to receive tax from MSMEs is determined by several interrelated things, namely the ability of MSMEs to manage business finances. The ability of MSMEs in managing business finances certainly requires an understanding of accounting which can be seen from the adequate application of accounting for MSMEs. There is an issue faced that becomes the weakness of MSMEs at the same time, namely the application of accounting. The application of accounting in the business world has a very important role in providing information related to the effectiveness and efficiency of all activities carried out by the company during an accounting period. MSMEs cannot fulfill their tax obligations if the company does not have financial reports as a source of tax calculation

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data. MSMEs commonly only focus on the economic activities they are involved in. Thus, they often do not do the bookkeeping or business planning properly. Therefore, on October 24, 2016, the Institute of Indonesia Chartered Accountants (IAI) ratified SAK EMKM which became effective on January 1, 2018.This standard is specifically designed for MSME actors because of its simplicity. It is not too complicated because it does not require a very in-depth analysis of financial statements compared to SAK ETAP. A previous study (Darmawati & Oktaviani, 2018)showed that the application of MSME accounting has a positive impact on MSME taxpayer compliance. The application of good MSME accounting may help MSME in making well-structured and precise financial statements. Hence, it will be easier to calculate the amount of tax payable. Therefore, the level of compliance of MSME taxpayers will be higher in calculating, paying, and reporting the amount of tax payable to be paid. This is in contrast to the findings of another study(Peprah et al., 2020)which concluded that the application of accounting had no significant effect on taxpayer compliance.

In order to improve taxpayer compliance, the government provides convenience in the form of low rates, easy calculation, settlement, and reporting methods, in the issuance of Government Regulation Number 23 of 2018 which stipulates that the income tax rate on MSMEs is 0.5% which was previously 1%, as of July 1, 2018. As a response to the decline in the economy and the productivity of business actors during Covid-19, the Government issued a new policy regulated in Government Regulation Number 23 of 2020 on the Implementation of the National Economic Recovery (PEN) Program which is a mandate from Government Regulation in Lieu of Law No. 1 of 2020 including tax incentives, interest subsidies, and guarantees for new working capital for MSMEs.Through Minister of Finance Regulation Number 44/PMK.03/2020, the government amend Minister of Finance Regulation Number 23/PMK.03/2020 by bringing up a new type of tax incentive, namely Final Income Tax based on Income Tax Article 23 borne by the government. The existence of tax incentives exempts MSME actors from paying Income Tax Article 23.A previous study conducted by Putri (2021) suggests that MSME actors in the application of tax incentives must be able to recognize and interpret information on incentives provided by the government. Accordingly, MSME actors are required to be able to assume that this incentive is a contribution from the government to stabilize the economy from the impact of the pandemic. Therefore, a good interpretation of information from taxpayers can create taxpayer compliance to receive tax incentives. Previous studies conducted by Saputro & Meivira (2020)andLatief et al. (2020) mentioned that the perception factor of the

existence of tax incentives applied by the government has a positive and significant impact on MSME tax compliance. Tax incentives provided by the government can provide motivation and state awareness of taxpayers on their compliance in fulfilling tax obligations. However, this is in contrast to previous studies done byDewi et al. (2020)andKhairiyah & Akhmadi (2019)which state that the tax incentives provided during the Covid-19 pandemic had no significant effect on taxpayer compliance.

Due to differences in results from previous studies, this study included a moderating variable with the assumption that it might strengthen the correlation between accounting practices and perceptions of tax incentives on taxpayer compliance. Another study(Peprah et al., 2020)states that accounting for MSMEs did not have a significant effect on tax compliance because MSME entrepreneurs were still unable to apply accounting practice properly for it was considered complicated and time-consuming. MSMEs commonly provide unreliable financial statement information about their business to tax officials, which also creates many inaccuracies. Makeeva & Mikhaleva (2019) argue that tax incentives do not have a significant effect on tax compliance because other factors make taxpayers not take advantage of the tax incentive program properly. One of them is due to lack of information and ignorance about the program. Therefore, there must be supporting factors such as computerization or understanding of information technology. All potential improvements that could be achieved through information technology in the process of tax administration and collection will culminate in an increase in the amount realized each year from tax revenues. Akbar & Apollo (2020) found that the use of information technology affects the level of taxpayer compliance. This shows that many people are aware of the new tax information and regulations. Thus, there are still many individual taxpayers who do not ignore government regulations that support the use of information technology in terms of taxation.

From the background of the study that has been elaborated above, the researchers formulated the following research questions: 1) Do accounting practices affect MSME taxpayer compliance during the Covid-19 pandemic?; 2) Do tax incentives affect MSME taxpayer compliance during the Covid-19 pandemic?; 3) Is Information Technology able to moderate the correlation between accounting practices and MSME taxpayer compliance during the Covid-19 pandemic?; 4) Is Information Technology able to moderate the correlation between perceptions of tax incentives and MSME taxpayer compliance during the Covid-19 pandemic?

Meanwhile, the research objectives to be achieved in this study were as follows: 1) To empirically investigate and determine the effect of

accounting practices on MSME taxpayer compliance during the Covid-19 pandemic; 2) To empirically investigate and determine the effect of tax incentives on MSME taxpayer compliance during the Covid-19 pandemic. 3) To empirically investigate and figure out whether Information Technology is able to moderate the correlation between accounting practices and MSME taxpayer compliance during the Covid-19 pandemic. 4) To empirically investigate and find out whether Information Technology is able to moderate the perception of tax incentives on MSME taxpayer compliance during the Covid-19 pandemic.

Literature Review
Theory Of Planned Behavior

This theory explains that a person's behavior is influenced by the intentions they have. This theory connects beliefs and behavior where attitudes towards behavior, subjective norms, and perceptions of behavioral control form individual behavioral intentions and behavior itself. According to the theory of planned behavior, perceived behavioral control, along with behavioral intentions, can be used to predict behavioral achievement (Ajzen, 1991). A person can have various kinds of beliefs about behavior, but when faced with a certain event, only a few of these beliefs arise to influence behavior. The theory of the planned behavior model explains that the behavior carried out by individuals arises because of an interest in behaving. Human behavior is based on three types of considerations, namely: (1) Behavior belief, where individual beliefs about the results of behavior and evaluation of these results. behavioral beliefs will affect attitudes towards behavior. (2) Normative belief is when a person believes in the normative expectations of others who serve as a source of information for him or her, such as family, friends, and tax advisors, as well as the incentive to meet those expectations. The subjective norm variable for a conduct is formed by this normative expectation. Subjective norms are a result of the expectations that people have when one or more persons in their lives approve of specific behaviors and encourage them to follow them. (3) Control belief, where the individual's belief about the existence of things that support or hinder his or her behavior and perception of how strongly these things affect his or her behavior. Control belief forms the perceived behavior control variable.People who do not believe that they have the resources or opportunities to perform the behavior will certainly not form a strong interest in performing the behavior (Jogiyanto, 2007).These three things can be built with the existence of internal and external factors of the taxpayer. Internal factors of the taxpayer may be knowledge, understanding, skills, willingness, information, and socialization that come from other parties. Taxpayers' external factors come from the existing environment, for example, economic conditions, social environment, law, and many others.

When taxpayers have knowledge, understanding, and experience, they will strengthen their subjective attitudes and norms to behave in compliance with existing tax provisions.

Technology Accepted Model (TAM)

Technology Acceptance Model (TAM) is a model to predict and explain how technology users accept and use technology related to user work. The TAM model which was developed from psychological theory explains the behavior of computer users, which is based on belief, attitude, intensity, and user behavior relationship. As a theoretical basis, TAM aims to explain what factors determine the level of acceptance of computer use, as well as to explain the behavior of end-users of technology. The dimensions of information technology using the TAM approach are divided into three, namely: (1) Perceived Ease of Use is a belief in ease of use, i.e. the degree to which the user believes that the technology/system can be used easily and problem-free. The intensity of use and the interaction between the user and the system can also indicate the ease of use (Davis, 1987). (2) Perceived Usefulness is a belief in usefulness, namely the level where users believe that the use of technology/system will improve their performance at work. Thompson et al. (1991) also stated that individuals will use information technology if they know the positive benefits of using it. (3) Behavioral Intention to Use is a behavioral tendency to continue using a technology. The level of use of computer technology in a person can be predicted from the attitude of the user's attention to the technology(Davis, 1987). Indicators of Behavioral Intention to Use are the desire to add a device that is part of the support system, the motivation to keep using it, and the desire to motivate other users.

Taxpayer

Law of the Republic of Indonesia Number 16 of 2009 on General Provisions and Tax Procedures defines Taxpayers as individuals or entities, including taxpayers, tax-cutters, and tax collectors, who have tax rights and obligations under the provisions of tax laws and regulations.Every taxpayer is required to carry out all his or her tax obligations. If they violate, they will be subject to sanctions, both administrative sanctions in the form of fines and increase in tariffs as well as criminal sanctions.

MSME Taxpayer

MSMEs or Micro, Small, Medium Enterprises are businesses owned by individuals or entities with the criteria stipulated in Law No. 20 of 2008. Law No. 36 of 2008 article 2 on Income Tax regulates that every individual who has an undivided inheritance, entities, and forms of business is still subject to income tax. Therefore, as an MSME entrepreneur, it is obligatory to pay taxes, both taxes paid or reported

monthly or annually. The tax paid and reported monthly is usually called a mass tax which consists of Income Tax Article 21, Income Tax Article 23, Income Tax Article 26, Income Tax Article 4 Paragraph (2), and Final Income Tax Article 23/2018. Besides, MSME actors, especially medium-sized businesses, will be subject to corporate income tax which is paid once a year. MSME entrepreneurs who have been confirmed as Taxable Entrepreneurs are also required to pay Value Added Tax which required them to issue a tax invoice.

Tax Compliance

Tax compliance means that taxpayers have the willingness to fulfill their tax obligations. Fulfillment of these tax obligations must be following the applicable regulations without the need for inspection, careful investigation (obtrusive investigation), warnings, threats, and the application of both legal and administrative sanctions (James & Alley, 2009). Tax compliance is divided into two types, namely: (1) Formal Tax Compliance, more directing taxpayers to comply as stipulated in the tax law, such as having a Taxpayer Identification Number (NPWP) for taxpayers who have earned their own income, timely reporting Annual Tax Return (SPT), not arrears in paying taxes, et cetera. (2) Material Tax Compliance, is a condition where the taxpayer substantively fulfills all material tax provisions, for example, the taxpayer fills out the SPT correctly according to real conditions.

Accounting Practice

Accounting is an information system that measures business activities, processes data into reports, and communicates the results to decision-makers (Horngren et al., 2012). Accounting will produce accounting information from an accounting system that exists within the entity or business organization which will later be utilized by users of financial statements, both decision-makers in organizations, the intellectual community, and the general public. The government has issued a Financial Accounting Standard (SAK) which is simpler and specifically for SMEs, namely SAK EMKM. The Financial Accounting Standards for Micro, Small, and Medium Entities (SAK EMKM) were approved by the Financial Accounting Standards Board of the Institute of Indonesia Chartered Accountants (DSAK IAI) on October 24, 2016. This SAK EMKM is effective for the preparation of financial statements starting on or after January 1, 2018, but early application is permitted. The issuance of SAK EMKM is a form of IAI's support as a professional accounting organization, in increasing the enforcement of transparency and accountability of financial reporting entities, as well as encouraging the growth of the MSME sector in Indonesia.

Tax Incentive

Wardani (2011) defines tax incentive as "taxation with the aim of providing incentives." The use of taxes is not only to generate government revenue but also to provide an impetus toward economic development, in certain fields. Tax incentives are offered in the form of tax benefits from the government to certain sector actors. Tax incentives are given as a form of stimulation. Not only for the sake of the sustainability of government revenues but also to encourage to development of economic activities in certain fields (which have been determined) in a positive direction. Tax incentives are one of the instruments often used by developing countries to attract investment to their countries, including Indonesia. The provision of tax incentives is expected to have a positive impact on increasing investment levels and cause various multiplier effects on the national economy.Thus, state revenues originating from the tax sector are increasing(Ministry of Finance of the Republic of Indonesia, 2020).

Information Technology

Computer and telecommunications technology are combined to make information technology. Telecommunications technology is technology connected to long-distance communication, while computer technology is technology related to computers, including equipment associated to computers such as printers, fingerprint scanners, and even CD ROMs(Kadir & Triwahyuni, 2013). The advancement of information technology (IT) has given rise to new ways for business to conduct themselves. Business activities have become faster, easier, and more efficient as a result of technological advancements. Many economic assessments from various countries are progressively emphasizing the role of technology in boosting productivity. Various experts in the field of technology have predicted that in the future technology will play an important role, especially after many industries recapitulate costs and other matters related to their business using technology. Not only in the field of large-scale industry, but many small and medium-sized enterprises have also emerged with the use of technology (Al-Rodhan and Stoudmann, 2006).

According to Rifqi (2009 in Sariningtyas & Diah W., 2011), in terms of understanding information technology, the owners or business actors who double as managers or employees are expected to be able to understand the information generated from various fields, such as in the field of technology or knowledge to be used as a guide in making decisions, achieving efficiency, and effectiveness of business activities. In order to support the implementation of tax modernization and to provide and improve excellent service for the community, business process improvements have been made through the use and application of E-Systems. This is to make it easier for

taxpayers to carry out their tax obligations to run the business process well, smoothly, quickly, and accurately. Some of the E-Systems that can be utilized are as follows: (1) e-Registration, (2) e-SPT, (3) e-filling (4) e-invoicing, (5) e-Billing.

Hypotheses
The Effect of Accounting Practices on MSME Taxpayer Compliance

Accounting is defined by the American Accounting Association (AAA) as "the process of identifying, measuring, and reporting information of economic value to enable clear and unambiguous judgments and decisions for users of that information."The financial statement is a document that a corporation submits to the Directorate General of Taxes as a reference for tax reporting. If there are irregularities in the financial statements, the Directorate General of Taxes can conduct an audit to prevent fraud in tax payments. A good method of financial management in a company, including MSMEs, is to practice the accounting cycle properly. Accounting is a system that processes transactions into financial information. Thus, accounting makes MSMEs able to obtain financial information in running their business. One of the information that SMEs can get when they have practiced accounting is information on tax calculations. Based on the income statement generated by accounting, MSMEs can calculate the amount of tax that must be paid accurately for a certain period or can even apply for tax refunds.

According to Ajzen (1975) in Theory of Reasoned Action dan Theory Planned of Behavior, a person's behavior is influenced by one's intentions, while intentions are influenced by attitudes, subjective norms, and behavioral control. In relation to the variable of the accounting application, accounting practices can be influenced by intention. This intention will influence someone in acting or do something. In this case, MSM taxpayers have the intention of implementing accounting, especially SAK EMKM in running their business to help fulfill tax obligations. Intentions are also influenced by, first, attitudes toward behavior where this attitude will be shown if someone feels benefited or even feels disadvantaged when implementing SAK EMKM. The second is subjective norms where a person's intention to behave can be influenced by the social environment, where SMEs in a certain area may have implemented SAK.

A previous study conducted by Darmawati & Oktaviani (2018) showed that the application of MSME accounting has a positive effect on e-commerce MSME taxpayer compliance. The existence of an adequate accounting application can increase the reliability of financial statements and make it easier to calculate the tax payable which in turn has an impact on increasing taxpayer compliance.

This supports a study by Saputra and Meivira (2020) that claims accounting practices have a good and significant impact on tax compliance. The following hypothesis is based on the above description:

H1: Accounting practices affect MSME taxpayer compliance

The Effect of Perception on Tax Incentives on MSME Taxpayer Compliance

Tax incentives during the Covid-19 pandemic are donations given by the government to employees and business actors in an effort to stabilize the economy during the pandemic. Accordingly, employees and business actors can survive during the pandemic. In order to overcome the impact on the economic sector due to the Covid-19 pandemic, the government has carried out various socio-economic policy programs, including policy incentives and tax facilities that can be utilized by taxpayers. Tax incentives are used to attract certain individuals or entities to support government programs or activities by reducing or exempting certain taxes.

The correlation between tax incentives and taxpayer compliance can be explained by the Theory of Planned Behavior, namely the intention to behave which will then affect attitudes towards behavior. Attitude is a feeling of supporting or taking sides or feelings of being unsupportive or impartial towards an object to be addressed. This arises from an individual's evaluation of the belief in the results obtained from the behavior. Therefore, taxpayers are also expected to have a positive perception of the tax incentive policies provided by the government.

Compliance includes three dimensions, namely payment, reporting, and filling compliances. A previous study by Latief et al. (2020) showed that tax incentives have a positive and significant effect on taxpayer compliance. Another study (Nuskha et al., 2021)claims that tax incentives provided during the Corona pandemic have a good and significant impact on individual taxpayer compliance in filling tax returns (SPT). The second hypothesis is based on the above description:

H2: Tax incentives affect MSME taxpayer compliance.

The Effect of Understanding Information Technology Moderates the Effect of Accounting Practices on MSME Taxpayer Compliance

The quality of financial reports produced by a business entity or company is required to have a quality that is following the needs of the financial statements themselves. This supports the use of information technology that can provide opportunities for business entities to carry out their obligations in reporting their business results, which can be utilized by interested parties. This is because, quality financial reports will make it easier for the management of the company or entity to make decisions and will make it

easier for tax officials in terms of taxation (Purnama, 2020). To increase tax revenue, the government is modernizing the tax administration system, using technology in taxation activities, namely online tax or an electronic system (e-system).

In the Theory of Planned Behavior, one of the factors that create an individual's intention to behave is Control Belief which will result in Perceived Behavioral Control. Perceived behavioral control explains that a person's motivation can be influenced by how he or she makes a perception of the level of difficulty or ease in performing a certain behavior (Ajzen, 1991). If taxpayers realize the importance of carrying out accounting practices correctly which will then be facilitated by various existing information technologies to avoid recording errors that cause tax calculation errors, it will further increase the intention of business actors to pay taxes.

A study conducted by Achadiyah (2019) shows that making an accounting automation system makes it easier for business owners both in the financial management process and in the decision-making process. Decision-making, which is commonly only carried out according to the owner's estimate, can now be made based on the results of calculations from the program that has been made. This is in line with another study by Tualeka et al. (2021) which found that the use of information technology has a positive effect on tax compliance mediated by a financial administration order. This indicates that the better the use of financial administration technology, the higher the awareness of tax compliance. Therefore, understanding technology will strengthen the correlation between accounting practices and taxpayer compliance. Accordingly, thehypothesis developed in this study is as follows:

H3: Understanding information technology can moderate the effect of accounting practices on MSME taxpayer compliance

The Effect of Understanding Information Technology Moderates the Effect of Perception on Tax Incentives on MSME Taxpayer Compliance

Taxpayers who have understood the purpose of providing incentives, know the procedure for submitting tax incentives to understand how to report tax incentives during the pandemic, will form a perception that this tax incentive is given by the government to ease the tax payable during the pandemic, enabling MSME taxpayers to be able to pay taxes and survive the pandemic. The existence of a positive perception will encourage taxpayers to comply with taxation, especially in complying with all forms of government regulations in tax incentives(Putri, 2021).

In Technology Acceptance Model according to Davis (1989), the main purpose of TAM is to provide a basis for tracing the influence of external factors on the beliefs, attitudes, and goals of information technology users. Therefore, it is expected that the understanding of information technology by MSME taxpayers can strengthen the effect of the perception of tax incentives on MSME taxpayer compliance. Increasingly sophisticated technology and increased understanding of taxpayers in using information technology will make it easier for taxpayers to calculate, report, and deposit their tax payable (Perceive Usefulness). Moreover, the existence of various kinds of tax incentives during the Covid-19 pandemic will relieve taxpayers to further improve their tax compliance.

Based on research done by Tambun & Muhtiar (2019), the application of the e-filling system has a positive and significant effect on taxpayer compliance. This is supported by another study (Sitorus, 2020)which found that e-invoicingand tax incentives in the era of the Covid-19 pandemic affect taxpayer compliance. Tax incentives in the era of the Covid-19 pandemic are also able to moderate, and even strengthen the effect of e-invoicing on taxpayer compliance. Based on the description above and the results of previous studies, the hypothesis developed in this study is as follows:

H4: Understanding information technology can moderate the effect of tax incentives on MSME taxpayer compliance

Based on the explanation above, the research model of this study is as follows:
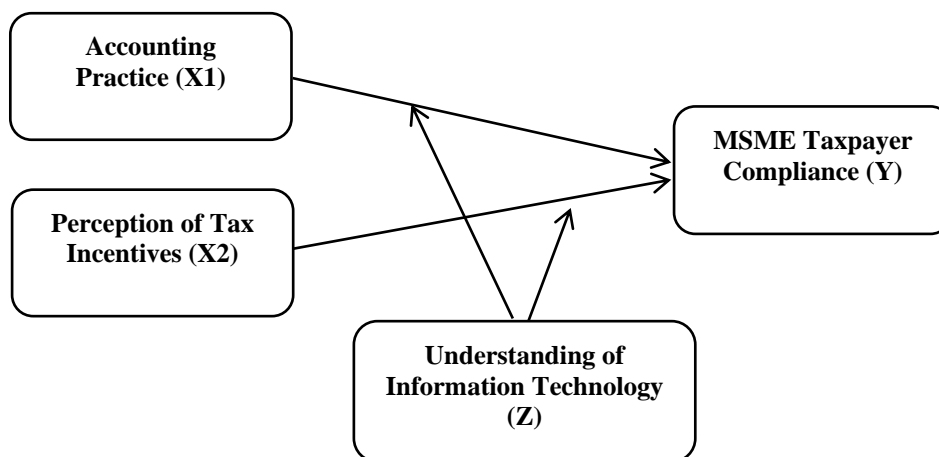
Figure 1 - Research Model

Method

Data

The population of this study was Culinary MSME Taxpayers registered at Pekanbaru Senapelan Small Taxpayer Office. Data from Pekanbaru Senapelan Small Taxpayer Office indicate that the number of culinary MSMEs until the first semester of 2021 was 43,885. In determining the number of samples to be taken, researchers used non-probability sampling by using the purposive sampling method. Sampling was limited to certain types of criteria who can provide the desired information, either because they are the only parties who have the information, or they meet some criteria determined by the researchers (Sekaran & Bougie, 2013). Considerations for the sample in this study were that respondents should meet the following criteria. (1) Individual taxpayers or entities were not included in a Permanent Establishment (PE). (2) Respondents received income from a business, excluding income from services in connection with independent work.(3) An MSME Taxpayer was currently actively operating. (4) MSME taxpayers applied applicable Financial Accounting Standards (SAK). (5) MSME taxpayers had a gross turnover not exceeding IDR 4,800,000,000.00 in one tax year. To determine the minimum sample size, this study utilized the Slovin formula with an error of 5%. Thus, the minimum number of samples to be studied was 397 respondents.

Variable Operational Definition

Taxpayer compliance is stated by Norman D. Nowak (Zain, 2008) as a climate of compliance and awareness of fulfilling tax obligations, reflected in a situation where the taxpayer understands and tries to understand all provisions of tax laws and regulations, fills out tax forms completely and clear calculates the amount of tax payable correctly, and pays the tax payable on time. The indicators that were measured based on the taxpayer compliance variable refer to a previous study conducted bySafitri (2021), namely: (1) Taxpayer compliance in depositing taxes; (2)

Compliance in reporting the Tax Return (SPT) on time and voluntarily; (3) Reporting taxes correctly without manipulation.

Accounting practice is a service activity that serves to provide information that is financial in nature, about economic units which are intended to be useful in making economic decisions by choosing among several alternatives that lead to action (APB, 1970). The indicators that were measured refer to a previous study done byAzmary et al. (2020), namely: (1) The preparation of financial statements in the company has been carried out regularly and continuously; (2) The accounting information generated manually/computerized under the Financial Accounting Standards for Micro, Small, and Medium Entities (SAK EMKM); (3) Financial Accounting Standards for Micro, Small, and Medium Entities (SAK EMKM) have been applied in the company's financial statements; (4) The results of the application of the Financial Accounting Standards for Micro, Small, and Medium Entities (SAK EMKM) can help provide an overview of the internal and external conditions of the business.

Tax incentive according to the Black Law Dictionary(Hasibuan, 2016)is an offer from the government, through tax benefits, in certain activities, such as monetary contributions for quality activities. The goal is to recover tax revenues and to encourage all taxpayers, not to arrears or avoid taxes. The tax incentive policy for MSMEs aims to encourage potential MSME sector activities to be able to support the national economic recovery during the Covid-19 pandemic. The perception indicator of the tax incentive policy that will be measured refers to a previous study bySafitri (2021), namely knowledge of the MSME final tax incentives borne by the government.

Information technology is a device used to process data, including processing, obtaining, compiling, storing, and manipulating data in various ways to produce quality information that is relevant, accurate, and timely, which is used for personal,

business, and government purposes, as well as strategic information for decision making (Sutabri, 2014). The moderating variable indicator in this study refers to previous research (Jascinda, 2020), namely the perception of taxpayers on the application of modernization systems.

Data Analysis Technique

The variables in this study were measured using several items that were developed based on indicators for each research variable. The main data of this study were obtained through field research, where researchers obtained data directly from the first party (primary data). A research questionnaire was distributed to MSME taxpayers in the culinary sector registered at Pekanbaru Senapelan Small Taxpayer Office. In terms of measurement, this study employed an ordinal scale measurement, a Likert scale instrument. The measurement scale used was a Likert scale ranging from 1 to 5. The data were analyzed technically using Structural Equation Modeling (SEM) Partial Least Square (PLS) with the help of WarpPls software version 7.0.

Results
Descriptive Statistical Analysis Results

The results of descriptive statistical analysis are presented in Table 1 below:

Table 1. Results of Descriptive Statistical Analysis:

Variable	N Data	N Question	Minimum	Maximum	Mean	Std. Dev.
Understanding of Information Technology	397	5	15	25	21,985	2,120
Tax Compliance	397	5	15	25	20,831	2,198
Accounting Practice	397	17	51	85	69,950	9,380
Perception of Tax Incentives	397	5	11	25	20,365	3,083

Calculation Of Measurement Model (Outer Model)
Results of Convergent Validity

Table 2. Loading Factor.

	X1	X2	Z	Y	Type (as Defined)	P-Value
X1.1	(0.810)	-0.150	0.075	0.043	Reflective	<0.001
X1.2	(0.887)	-0.010	0.031	-0.154	Reflective	<0.001
X1.3	(0.838)	0.090	-0.045	0.189	Reflective	<0.001
X1.4	(0.656)	0.153	-0.044	-0.143	Reflective	<0.001
X1.5	(0.909)	-0.035	0.000	-0.088	Reflective	<0.001
X1.6	(0.829)	0.068	-0.027	0.202	Reflective	<0.001
X1.7	(0.845)	-0.169	0.054	0.083	Reflective	<0.001
X1.8	(0.916)	-0.028	0.008	-0.113	Reflective	<0.001
X1.9	(0.827)	0.089	-0.041	0.183	Reflective	<0.001
X1.10	(0.706)	0.137	-0.058	-0.134	Reflective	<0.001
X1.11	(0.766)	-0.037	-0.003	-0.048	Reflective	<0.001
X1.12	(0.847)	-0.172	0.049	0.091	Reflective	<0.001
X1.13	(0.919)	-0.032	0.000	-0.100	Reflective	<0.001
X1.14	(0.844)	0.078	-0.032	0.207	Reflective	<0.001
X1.15	(0.710)	0.119	-0.043	-0.142	Reflective	<0.001
X1.16	(0.628)	0.086	-0.046	-0.164	Reflective	<0.001
X1.17	(0.736)	-0.098	0.094	0.010	Reflective	<0.001

	X1	X2	Z	Y	Type (as Defined)	P-Value
X2.1	-0.094	(0.769)	-0.040	-0.146	Reflective	<0.001
X2.2	-0.118	(0.743)	0.231	0.205	Reflective	<0.001
X2.3	0.103	(0.896)	-0.034	0.057	Reflective	<0.001
X2.4	0.000	(0.857)	-0.080	-0.148	Reflective	<0.001
X2.5	0.081	(0.850)	-0.049	0.042	Reflective	<0.001
Z.1	0.050	0.016	(0.925)	-0.114	Reflective	<0.001
Z.2	-0.118	-0.048	(0.728)	0.084	Reflective	<0.001
Z.3	0.047	-0.007	(0.847)	-0.040	Reflective	<0.001
Z.4	-0.110	-0.007	(0.559)	0.294	Reflective	<0.001
Z.5	0.072	0.035	(0.856)	-0.102	Reflective	<0.001
Y.1	-0.089	-0.089	0.009	(0.872)	Reflective	<0.001
Y.2	0.052	-0.012	0.083	(0.797)	Reflective	<0.001
Y.3	-0.112	-0.070	0.011	(0.870)	Reflective	<0.001
Y.4	0.089	0.129	-0.033	(0.685)	Reflective	<0.001
Y.5	0.111	0.091	-0.093	(0.651)	Reflective	<0.001

Results of Discriminant Validity

Table 3. Square Roots of Average Variance Extracted (AVEs)

	X1	X2	Z	Y
Accounting Practice	**(0.809)**	0.458	0.224	0.551
Perception of Tax Incentive	0.458	**(0.825)**	0.267	0.475
Understanding of Information Technology	0.224	0.267	**(0.794)**	0.244
Tax Compliance	0.551	0.475	0.244	**(0.780)**

Table 2 presents the results of convergent validity, aiming to test the correlation between items/indicators to measure the construct. In other words, it was used to measure the validity of each construct indicator in the study. All items on the indicator had met convergent validity or were declared valid because they have a loading factor value above 0.50. furthermore, discriminant validity aims to test items/indicators of two constructs that should not be highly correlated. A discriminant validity test was done using WarpPLS 7.0 showed the value of loading to another construct (cross-loading) which is lower than that of the construct and the square root of AVE > from the correlation between latent constructs. Table 3 presents the correlation value of each indicator or each variable had a high correlation value compared to other variables. Thus, all variables have met the criteria for discriminant validity.

Reliability Test Results

Table 4. Outer/Measurement Model.

Construct	Composite Reliability	Cronbach Alpha
Accounting Practice	0.970	0.966
Perception of Tax Incentive	0.914	0.881
Understanding of Information Technology	0.892	0.845
Tax Compliance	0.885	0.836

Table 4 presents the composite reliability value of each indicator which has a value greater than 0.7. Thus, all indicators in the estimated model meet the discriminant reliability requirements.

Calculation Of Structural Model (Inner Model)

Table 5. Results of R-Square

Research Indicator	R-Square
Tax Compliance	0.451

Table 5 presents the R-Square value for the tax compliance variable of 0.451. this indicates that 45.1% of tax compliance variable was influenced by accounting practice and perception of tax incentives variables, and moderated by understanding information technology. Meanwhile, the remaining 54.9% was probably influenced by other variables not examined in this study.

Table 6. Model Fit and Quality Indices

	Indices	P-Value	Criteria	Description
APC	0.242	<0.001	P <0.05	Accepted
ARS	0.452	<0.001	P<0.05	Accepted
AARS	0.447	<0.001	P<0.05	Accepted
AVIF	1.283 Good if <3.3		AVIF < 5	Accepted
AFVIF	1.508 Good if <3.3		AFVIF < 5	Accepted
SPR	1.000		SPR > 0.7	Accepted
RSCR	1.000		RSCR > 0.9	Accepted
SSR	1.000		SSR > 0.7	Accepted
NLBCDR	0.875		NLBCDR > 0.7	Accepted

Table 7. Direct Effect

Hypothesis	Path coefficient	p-value	Effect size	Decision
H_1	0.440	<0.001	0.254	Accepted
H_2	0.233	<0.001	0.113	Accepted
H_3	0.185	<0.001	0.050	Accepted
H_4	0.108	0.015	0.034	Accepted

WarpPLS was used to test hypotheses, starting with drawing a Structural Equation Modeling (SEM) according to Figure 2. In testing the hypothesis, if the p-value ≤ 0.05, then the hypothesis is accepted and if the p-value > 0.05, then the hypothesis is rejected.

Discussion
Accounting Practices Affect MSME Taxpayer Compliance

The accounting practice variable had a path coefficient of 0.440, indicating that it has a positive effect. Then the p-value is < 0.001 which means that accounting practices have a significant effect on MSME taxpayer compliance registered at Pekanbaru Senapelan Small Taxpayer Office. This means that the better accounting practices and the application of SAK EMKM in MSMEs, the higher MSME tax compliance will be.

Perception of Tax Incentives Affects MSME Taxpayer Compliance

The perception of tax incentives variable had a path coefficient of 0.233, indicating that
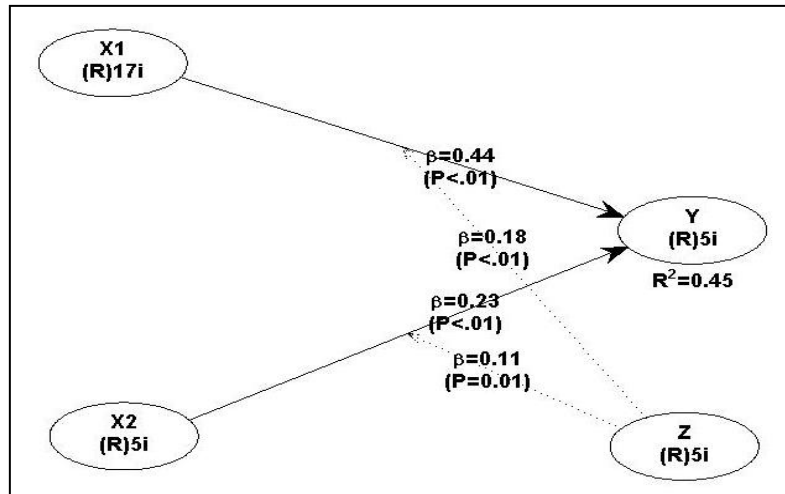
Figure – 2. SEM Model

It has a positive effect. Then, the p-value of <0.001 indicates that the perception of tax incentives has a significant effect on the compliance of MSME taxpayers registered at the Pekanbaru Senapelan Small Taxpayer Office. In other words, the higher the positive perception of taxpayers on tax incentive policies, the more taxpayer compliance will increase. the tax incentives provided by the government are in the form of final income tax article 23 (borne by the government).

Understanding of Information Technology Moderates the Effect of Accounting Practices on MSME Taxpayer Compliance

Understanding of information technology moderated accounting practices with a path coefficient of 0.185, indicating that it has a positive influence. Then, the p-value was <0.001 which means that every increase in accounting practice with a moderated understanding of information technology will increase and strengthen the compliance of MSME taxpayers registered at the Pekanbaru Senapelan Small Taxpayer Office. This means that the higher the quality of accounting practices in MSMEs moderated by understanding technology, the more tax compliance will increase.

Understanding of Information Technology Moderates the Effect of Perception of Tax Incentives on MSME Taxpayer Compliance

The variable perception of tax incentives moderated by understanding information technology had a path coefficient of 0.108, indicating that it has a positive effect. Then, the p-value was 0.015, which means that any increase in perception of tax incentives with a moderated understanding of information technology by one unit will increase and strengthen the compliance of MSME taxpayers registered at the Pekanbaru Senapelan Small Taxpayer Office. Therefore, the increasing perception of MSMEs on tax incentives moderated by technological understanding will further increase tax compliance.

Conclusions

The following conclusions can be drawn based on the outcomes of data processing and analysis:

1. The results of the first hypothesis testing show that accounting practices have a positive and significant effect on MSME taxpayer compliance. Financial statements are a reference for tax reporting. The existence of accounting practices according to applicable standards will make it easier for MSMEs to calculate taxes and will increase their tax compliance.

2. The results of the second hypothesis testing indicate that the perception of tax incentives has a positive and significant effect on MSME taxpayer compliance. Tax incentives will make taxpayers feel benefited because they can ease the burden they bear. Accordingly, it will encourage taxpayers to report their taxes on time and fulfill all their tax payable and increase tax compliance.

3. The results of the third hypothesis testing show that the understanding of information technology strengthens the effect of accounting practices on MSME taxpayer compliance. The more taxpayers have an understanding of information technology, the taxpayers will be able to practice accounting more effectively and efficiently. This can improve the quality of financial reports and make it easier to calculate and report taxes to increase tax compliance.

4. The results of the fourth hypothesis testing indicate that understanding information technology strengthens the perception of tax incentives on MSME taxpayer compliance. The understanding of information technology makes it easier for taxpayers to know the latest government policies, including tax incentives. Thus, it is easier for taxpayers to fulfill their tax obligations with the various E-Systems provided. This will encourage increased tax compliance.

Suggestions

Based on the research that has been carried out, the researchers proposed the following suggestions:

1. Further research is recommended to add or use other independent variables that can affect tax compliance or can add other moderating and mediating variables.

2. This study only examines the culinary sector SMEs registered at Pekanbaru Senapelan Small Taxpayer Office. Therefore, it is recommended for further research to expand the object of the study by examining MSMEs in a wider sector or being able to obtain a larger number of respondents to enable the data obtained to be more developed.

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