

## Income Tax Literacy Article 21 In the KPP Pratama Surakarta Area

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### ABSTRACT

Tax literacy is a crucial factor influencing the tax compliance level in a collection system that implements self-assessment. One of the reasons is the low level of compliance of individual taxpayers in Indonesia due to the low level of personal income tax literacy, especially PPh Article 21. This research aims to measure the level of tax literacy for PPh Article 21 in the Surakarta area and its surroundings. The research was conducted using a quantitative approach and data collection techniques using surveys and in-depth interviews. The research results show that the literacy level of PPh Article 21 in Surakarta and its surroundings is moderate. The moderate level of literacy is explained by taxpayers' need for more interest in obtaining information about taxes and the ineffectiveness of tax socialization carried out by the competent tax authorities. There is still a need to optimize the use of social media as a means of tax education for the public to produce efficient and effective tax literacy,

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## 1. INTRODUCTION

Indonesia has the largest population in the world and has a very low level of state tax revenue from the individual sector (Susilawati, 2018). In the 1 (one) decade 2010-2019, the amount of Personal Income Tax (PPh OP) revenue, including PPh Article 21 therein, did not reach 1% of total tax revenue (Direktorat Jenderal Pajak, 2020). Only now, various problems have arisen in the taxation system in Indonesia. The diversity of characters of Indonesian society attracts attention to analyzing taxation problems in terms of taxpayer behavior. A classic problem that continually arises is the low level of taxpayer compliance with PPh Article 21. One factor that influences the low level of taxpayer compliance with PPh Article 21 is the tax literacy factor among the public.

The definition of Literacy is not only related to the activities of reading, writing, and understanding but also related to the skills and knowledge possessed by individuals in carrying out an activity. The definition of Literacy is not only related to the activities of reading, writing, and understanding but also related to the skills and knowledge of individuals in carrying out an activity (Wilson, 2014). According to (Cvrlje, 2015), Literacy is the ability to identify, understand, interpret, create, calculate, and communicate in written print media related to various discussions. Manurung (Wasiaturrahma dkk, 2019) states that one type of Literacy includes Financial Literacy, which is a person's knowledge and skills in making decisions for managing their finances. . (Chardon, T., Freudenberg, B. and Brimble, 2016) stated that knowledge to calculate the total tax payable and

understanding the presence/absence of deductibles is one aspect of measuring financial Literacy. (Moučková & Vitek, 2018) concluded that one part of financial Literacy is wrong: tax literacy.

Tax literacy is the taxpayer's ability to understand, access, and use tax information, which will later provide taxpayers with awareness in carrying out their tax obligations (Ibda, 2019). Based on this, the definition of tax literacy is a dynamic process of increasing tax ability in keeping up with current developments and gaining self-confidence in order to know and understand several factors that have an impact on tax decisions and their consequences as well as knowledge in obtaining assistance regarding tax issues and using them. This knowledge is the basis for making related decisions (Bornman M., 2019).

Tax literacy can be measured through three dimensions: tax awareness, contextual knowledge, and meaning-making or informed decision-making (Bornman M., 2019). *Tax awareness* is an element that describes an individual's understanding of their role in the fiscal exchange or social contract with the government, which is the basis for tax literacy (Bornman M., 2019). *Tax awareness* can also be defined as the taxpayer's readiness to pay taxes following the provisions of the tax law (Setyonugroho, 2013; Yusuf et al., 2022). The ability to have financial awareness, namely the ability to understand and analyze information related to taxation, also reflects the level of tax awareness (Wilson, 2014).

Tax knowledge, especially related to increasing tax literacy for taxpayers, is an important element in the tax system. Tax knowledge can encourage taxpayers to calculate, pay, and report taxes (Damajanti, A., Karim, 2017). Therefore, taxpayers need to have contextual knowledge, which consists of legal and procedural knowledge, to understand the taxation process and their responsibilities to comply with taxation laws in their country (Bornman M., 2019).

Legal knowledge is an understanding of how taxpayers are subject to tax (Tallaha et al., 2014). A taxpayer's tax knowledge is related to the ability to understand and comprehend tax regulations and comply with these regulations (Bhushan, P, 2013). Research (Syamsurizal, 2017) shows that taxpayers' understanding or knowledge of tax regulations positively relates to the level of taxpayer compliance in fulfilling their tax obligations. Taxpayers need legal knowledge to understand the technicalities of the Tax Law and the terminology used in the law (Bornman et al., 2019). Zalilawati, Amran, and Choong's research found that legal knowledge has two indicators: knowing something is taxable and knowing how (Bornman M., 2019).

Knowing that something is taxable is related to taxpayers' understanding of tax regulations and what is subject to tax (Bornman M., 2019). Taxpayers who understand and apply applicable tax regulations (Bornman M., 2019) tend to check their tax calculations better, and their level of tax literacy increases. Ericksen, Fallan, and Palil concluded that the higher the taxpayer's tax knowledge, the higher their tax compliance (Tallaha et al., 2014).

Meanwhile, knowing how relates to taxpayers' knowledge and abilities in calculating their taxes (Bornman M., 2019), including their rights and obligations as taxpayers. (Damajanti, A., Karim, 2017) Identified three elements of tax knowledge that taxpayers must have to fulfill their tax obligations without violating tax law: knowledge about how to calculate, pay, and report taxes.

Procedural knowledge relates to the knowledge, skills, and resources taxpayers require to interact with tax authorities to fulfill tax obligations (Tallaha et al., 2014). Procedural knowledge includes the taxpayer's ability to use existing knowledge, skills, and resources to deal with tax authorities and digitally store transaction records for future tax purposes (Bornman M., 2019).

Tax Administration focuses on taxpayers' ability to administer taxation based on their tax knowledge following applicable tax regulations (Bornman M., 2019). Modernization of the tax system has provided easy access and attractive facilities for taxpayers (Bornman M., 2019). Research (Pambudi, 2016) shows that providing convenience for taxpayers in reporting and paying taxes through a tax information system is positively related to increasing taxpayer tax compliance and states that modernizing the tax system will increase the effectiveness of tax services and revenues.

Concerning tax administration, the digital record-keeping indicator is the ability of taxpayers to keep digital transaction records that can be used when reporting their taxes in the future within a certain period (Bornman M., 2019). According to the World Bank, taxpayers need to identify various competency areas in digital recording, from identifying digital information and applying and editing data per the latest regulations to overcoming problems that may arise (Bornman M., 2019).

(Bornman M., 2019) his research explains that meaning-making is related to the impact on the results of individuals with tax awareness. It is followed by applying tax knowledge following applicable regulations so taxpayers can make tax decisions and apply them following compliance theory. Taxation correctly (Wilson, 2014) suggests that to create optimization of meaning-making, active use of personal literacy skills is required, including the ability to read, write, speak, communicate, and interpret meaning as well as combining the provision of resources to obtain meaning that can be understood more deeply. Apart from that, meaning-making is influenced by social factors, which include social norms, tax morality, and individual behavior (Bornman M., 2019).

The self-assessment tax collection system that applies in Indonesia requires a culture of tax awareness (tax people) in its implementation (Susilawati, 2018). Tax people are familiar with taxes and have a good understanding of taxes (Sukiatto, 2013). Based on this, a high level of tax literacy is very influential in increasing tax revenues, especially PPh Article 21.

Research results (Sari, 2019) show that tax literacy and sanctions influence MSME taxpayer compliance. Taxpayer awareness cannot moderate the influence of tax literacy on taxpayer compliance. Apart from that, taxpayer awareness also cannot moderate the influence of tax sanctions on taxpayer compliance. Contrary to Sari's research, (Yuliati & Fauzi, 2020) in their research shows that tax literacy and service quality do not have a significant effect on MSME taxpayer compliance, while tax sanctions have a significant effect on MSME taxpayer compliance. Other research explains that tax literacy, NPWP benefits, and tax rates positively affect taxpayer compliance. Meanwhile, tax sanctions and tax calculations do not affect taxpayer compliance (Andina, 2019).

Based on an article submitted by (Bornman M., 2019), tax literacy positively correlates with tax compliance. Therefore, tax literacy needs to be improved to achieve optimal taxpayer compliance (Susyanti, J, Anwar, 2020). KPP Pratama Surakarta has made various efforts to increase taxpayer compliance with PPh Article 21 in paying taxes, but the results still need to be more optimal. This is because taxpayer compliance in several areas still needs to be improved. Therefore, researchers are interested in studying taxpayer compliance from a tax literacy perspective for KPP Pratama Surakarta taxpayers and its determinants. Current technological developments mean that everyone can easily access knowledge from various social media and the internet. Knowledge about tax literacy is interesting to see the role of technological developments in realizing tax people in Indonesia.

Based on the description above, the problem formulation in this research is the level of Tax Literacy for PPh Article 21 for taxpayers at KPP Pratama Surakarta and its surroundings. This research aims to measure the literacy level of Income Tax Article 21 in the KPP Pratama Surakarta area and identify the determinant factors.

## 2. RESEARCH METHOD

This research is quantitative because the aim is to measure the level of tax literacy of PPh Article 21 and the factors that influence it. The population in this study are taxpayers of PPh Article 21 in the KPP Pratama Surakarta area and its surroundings. This research uses a non-probability method, quota sampling, where researchers take samples with proportional representation from each region. Accidental techniques are used in taking quotas from each layer.

Primary data in this research was obtained through a survey. Questionnaires will be distributed online through various media such as Survey Monkey, WhatsApp, Zoom meetings, and Google Meet. Respondents will fill out the questionnaire independently (self-administered) and through face-to-face interviews online (face-to-face interviews). Quantitative data will be analyzed using SPSS software. Apart from quantitative data, the research team will also collect qualitative data through in-depth interviews with sources such as taxpayer representatives, account representatives from the Pratama Surakarta Tax Service Office (KPP), and academics. In measuring tax literacy, the research team will use Bornman and Wassermann's taxonomy theory, which has three dimensions: tax awareness, contextual knowledge, and meaning-making or deductive-informed decision-making (Bornman M., 2019). The choice of this theory is based on the lack of overlap between each dimension so that literacy measurements can be carried out accurately. This descriptive research was conducted cross-sectionally, meaning there is no previous research to compare. To categorize the level of tax literacy, this research will use the following categories:

1. Low  
Individuals or taxpayers cannot read, write, and understand tax matters, so taxpayers cannot follow appropriate procedures in calculating the tax owed and filling out tax forms independently or independently.
2. Medium  
Individuals or taxpayers have the minimum ability and knowledge to read, write, and understand tax issues, so they still need help from other parties in carrying out their tax obligations.
3. Height  
Individuals or taxpayers can read, write, and understand tax issues, followed by in-depth knowledge and awareness regarding taxation so that individuals can calculate the tax owed and fill out tax forms independently.

### 3. RESULTS AND DISCUSSIONS

#### Tax Awareness

According to Bornman and Wassermann (2019), the definition of *tax awareness* is an element that refers to an individual's understanding of the role of society in the fiscal exchange or social contract with the government, which is used as the basis for realizing tax literacy. There are seven indicators in the tax awareness dimension, namely awareness of taxpayers in knowing the importance of calculating PPh Article 21 payable, depositing PPh Article 21 payable, reporting PPh Article 21 payable, taxpayers recognizing the benefits of obtaining PPh Article 21 information, benefits of receiving PPh Article 21, taxpayers recognize the risks of non-fulfillment of Article 21 Income Tax obligations. Taxpayers recognize the Article 21 Income Tax collection system.

Regarding the dimension of tax awareness, it shows that out of 350 respondents, it is known that 38 respondents have low tax awareness, 147 respondents have moderate tax awareness, and 165 respondents have high tax awareness. Several factors support the creation of a high level of tax awareness dimensions; regional characteristics are one of the biggest factors. The Soloraya or Surakarta area and its surroundings are large and developing rapidly compared to other cities. The availability of adequate educational facilities can provide education to the community, especially as education is a form of counter-achievement felt by the community regarding the existence of taxes, supporting tax awareness in the Soloraya region.

The trend of taxpayers' tax awareness is quite increasing in Indonesia because now taxpayers' income has been deducted by employers (employment income). This is also supported by most respondents who work as employees in the formal sector, namely, 55% work as private employees, 16% as civil servants, 10% as BUMN employees, and 19% as self-employed. Employee taxpayers already have a high awareness of their tax obligations, as shown by the trend in reporting SPT PPh Article 21, which is increasing yearly. Employee taxpayers are considered more aware of their tax obligations because they are managed and assisted directly by the employer without looking at it from the aspect of independence.

#### Contextual Knowledge

Legal knowledge and procedural knowledge are two sub-dimensions of the contextual knowledge dimension (Bornman & Wassermann, 2019). Taxpayers' understanding of tax imposition, including understanding tax laws and regulations conceptually and technically, is the concept of legal knowledge (Bornman & Ramutumbu, 2019). One measure of literacy level can be determined from a person's ability to read and interpret what they read. At the same time, the concept of procedural knowledge is the consideration of knowledge, skills, and resources for interacting with tax authorities in carrying out obligations and storing tax documents (Bornman & Wassermann, 2019). Cvrlje (2015) explains that literacy is a person's ability, one of which is communicating something. This understanding is in line with the concept presented by Bornman.

Of the 350 respondents, 201 respondents had a low level of contextual knowledge, 120 respondents had a moderate level of contextual knowledge, and only 29 respondents had a high level of contextual knowledge. So, the overall level of the contextual knowledge dimension is still low. In the legal knowledge sub-dimension, the main factors that influence this condition include the

respondent's type of work, tax information that is difficult to understand, and tax sanctions that still need to be fully effective in providing a deterrent effect. Meanwhile, in the procedural knowledge sub-dimension, the respondent's profession, age, system digitalization, and misconceptions related to Income Tax theory are the main influencing factors. Overall, the low level of contextual knowledge is influenced by the respondent's profession, information and sanctions that still need to be improved, age, digitalization of the system, and misconceptions related to PPh theory.

In line with the results of interviews conducted with taxpayers regarding implementing their tax obligations, most of them are not carried out by themselves but by the office, considering the type of work they do as employees. This then causes taxpayers to need more understanding of applicable tax procedures. Professional factors also cause respondents to need more knowledge of their abilities in obtaining tax information, as stated by respondents when asked about the intensity of accessing tax information. Another factor that causes low levels of contextual knowledge is information that is difficult to understand. Based on the results of in-depth interviews, the information provided by the DJP regarding PPh OP, especially PPh Article 21, still needs to be completely easy for all groups to understand but is only easy for educated people. The level of knowledge can also be influenced by the environment around the taxpayer, such as a good work environment or educational environment, which will reflect better tax knowledge will trigger an increase in voluntary compliance (Pambudi, 2016)

Respondents had several different opinions, and some said that the current imposition of tax sanctions is quite effective in providing a deterrent effect. In contrast, several other respondents expressed the opposite opinion. Apart from that, the nominal fine sanction imposed can also be quite low compared to the sanctions imposed on corporate taxpayers, so it has yet to be able to make taxpayers comply in fulfilling tax obligations following procedures but instead tends to underestimate the existing sanctions.

The respondent's age is also considered to be one of the causes of low contextual knowledge. Older taxpayers usually find it easier to carry out their tax obligations, including knowing the latest tax information, than younger taxpayers. However, this comes back to the wishes of the individual concerned.

Lastly, the misconception of PPh Article 21 still exists among some taxpayers, equating the context of the Annual PPh OP SPT with PPh Article 21 paid by the company. The assumption that tax obligations end when the company withholds and collects the tax supports the need for more contextual knowledge. This is in line with the confirmation of respondents in in-depth interviews when asked about taxpayers' minimal understanding regarding the concept of PPh Article 21 and withholding of PPh Article 21 carried out by the company where the taxpayer works, where many taxpayers are not aware of their obligation to report SPT PPh Article 21 in addition to the obligations they have regarding Income Tax Article 21. Apart from that, high initiative is needed from the taxpayers, supported by good coordination with the tax authorities to prevent misconceptions due to the absence of good communication and socialization (Kususmaswara & Budi, 2011).

This low level of contextual knowledge is caused by taxpayers' low level of procedural knowledge and legal knowledge. Therefore, the government must strive to improve it to create a tax-compliant and compliant society. In this case, the government can use other countries as references for policy implementation, for example, by efforts to increase tax compliance by increasing social welfare as applied in several other countries. That way, trust will be created by the public in the government because they have felt a guarantee from the government so that voluntary compliance will arise from taxpayers.

### **Meaning Making**

According to Bornman and Wassermann (2019), meaning-making correctly applies tax procedures following applicable regulations. Measurements in the meaning-making dimension measure the impact on the results of individuals who have tax awareness and are followed by applying tax knowledge so that individuals can make tax decisions and apply them following tax compliance theory correctly. The meaning-making dimension consists of five indicators: the taxpayer calculates PPh Article 21 owed correctly, deposits PPh Article 21 on time, reports PPh Article 21 on

time, and never receives tax sanctions. The taxpayer has never been in arrears in paying Income Tax Article 21.

The results of a survey conducted on taxpayers in Surakarta and surrounding areas regarding the meaning-making dimension explained that the level of the meaning-making dimension was 235 low and 115 medium. In the theory of Bornman and Wassermann (2019), the formation of the meaning-making dimension is influenced by five indicators. Namely, taxpayers calculate PPh Article 21 owed correctly, taxpayers deposit PPh Article 21 on time, and taxpayers report PPh Article 21 correctly. Taxpayers have never received tax sanctions, and taxpayers have never been in arrears in paying PPh Article 21. Of these five indicators, the overall low level of meaning-making is caused by the respondent's inability to calculate the PPh Article 21 owed independently and correctly. This is because most respondents are employees, so the PPh Article 21 owed by the respondents has been deducted by a third party/company. Apart from that, the large number of respondents who answered that they did not know it was irrelevant regarding the latest PPh Article 21 and PPh Article 25 payment also influenced the low level of meaning-making.

### **Tax Literacy Level Income Tax Article 21**

*Tax literacy* is defined as a dynamic process of developing abilities in gaining self-confidence to know and understand various factors that impact tax decisions and their consequences, as well as knowing where to get help regarding tax issues and using this knowledge as a basis for making choices and decisions. related (Bornman and Wassermann, 2019).

Based on research carried out on taxpayers in Surakarta and surrounding areas with 350 respondents, results have been obtained and processed using SPSS. From the results of the processed data, it can be explained that the tax literacy level of PPh Article 21 of the people of Surakarta and its surroundings is declared to be in the medium category, with a large difference between medium and high. The tax literacy level of PPh Article 21 shows frequency in the medium category of 276 respondents and the high category of 74 out of 350 respondents. The medium category referred to in this research means taxpayers can read, write, and understand taxation issues thoroughly. Minimum, but still requires assistance from other parties in carrying out their tax obligations.

Tax literacy can be interpreted as an individual's ability to understand, access, and use information related to taxes, which can reflect the awareness of taxpayers to carry out their obligations (Ibda, 2019). In this regard, information relating to the implementation of tax obligations has been provided by the authorized party, namely the DJP.

The tax authority has provided Offline service facilities, such as front office consultation services at KPP, Business Development Services, training in tax inclusion activities, and meeting directly with taxpayers. Apart from that, providing online service facilities called 3C (Click, Call, and Counter), such as via e-mail, Whatsapp Center, Linktree on Instagram to contact each AR, tutorials on the head office's Youtube channel, and outreach through podcasts and online tax classes. Providing online services will create a positive perception for taxpayers because tax obligations will be fulfilled better (Kussuari & Benjamin, 2019). Thus, the provision of these service facilities can be used by taxpayers as a medium to obtain assistance from other parties, in this case, the tax authority. Good tax facility services will indirectly encourage taxpayers to carry out tax obligations promptly, thereby illustrating taxpayer compliance (Syamsurizal, 2017). In this case, synergy is needed between initiatives and increasing the tax literacy of taxpayers themselves with the provision of good services to optimize taxpayer compliance.

The PPh OP tax literacy level used in this research refers to the theory of Bornman & Wassermann, where measurement can be done by measuring the three dimensions that form tax literacy: tax awareness, contextual knowledge consisting of legal knowledge and procedural knowledge, and meaning. making (Bornman and Wassermann, 2019).

The level of tax awareness of the majority of respondents is high. PPh Article 21 taxpayers in Surakarta and surrounding areas already understand the social contract or fiscal exchange with the government, which is used as the basis for realizing high tax literacy. This high level of tax awareness is dominated by high knowledge regarding the benefits of receiving PPh Article 21 for the state and awareness of the importance of depositing, paying, and reporting income tax payable.

One of the reasons behind the relatively high level of tax awareness is the type of work and forms of socialization received by respondents. In this research, most respondents work as employees, so naturally, they have better awareness because the frequency of socialization influences it. Moreover, employers have carried out tax obligations, so awareness of taxes definitely exists, even though not all employee taxpayers report it. On the other hand, it is still difficult for taxpayers with non-employee status to have their PPh reached because the frequency of socialization differs from that of employee taxpayers. Non-employee taxpayers are a hard-to-tax sector with the potential for large tax revenues, such as in the MSME sector, both directly and online, which trade through marketplaces and free or freelance workers, such as writers, artists, and others. One of the jobs that is increasing in number is freelancers and MSMEs. The relatively low level of tax awareness in society, especially in these two sectors, is a challenge for tax authorities to increase tax awareness such as conducting tax counseling or socialization, tax education, and so on. PPh Article 21 has a broad scope, so many sectors still need to explore the potential for income from PPh Article 21. This is a challenge for the DJP to provide socialization on PPh Article 21, which then becomes one of the factors that creates a gap in the level of tax awareness.

Judging from the contextual knowledge dimension of the same respondents, the resulting data shows that PPh Article 21 taxpayers need a higher level of knowledge regarding the process of fulfilling tax obligations. Of the many PPh Article 21 taxpayers registered in Indonesia, not 100% of PPh Article 21 taxpayers have carried out their tax obligations properly. The proportion of PPh Article 21 taxpayers who have an NPWP in each area of Surakarta and its surroundings is very large. Apart from that, the number of registered taxpayers is dominated by employee taxpayers who have tax obligations. However, in their work, the obligation to make deposits and calculations has been carried out by the employer. In this case, taxpayers with an NPWP do not have adequate contextual knowledge, so having an NPWP is only a formal requirement for getting a job.

The transition of service facilities to online, such as online NPWP, which has a non-effective NPWP feature for taxpayers so that they do not have to carry out their obligations, is one of the factors causing the low level of contextual knowledge. Apart from that, there is a tendency for taxpayers to make NPWPs not because they have fulfilled tax obligations but because of other needs such as opening a savings book, requirements for making loans to banks, and others. This non-effective NPWP causes taxpayers to feel they do not need to carry out their tax obligations because these needs have been met. This shows that many taxpayers still need to carry out their tax obligations properly due to their lack of contextual knowledge at the implementation level. These findings align with research by Kusumaswara and Budi (2011), which shows that the high number of taxpayers who need help understanding the implementation of this self-assessment system will reflect the low level of taxpayer compliance. Thus, the results of this research indicate that taxpayers in the Jabodetabek area do not have sufficient knowledge regarding PPh Article 21, both regarding how taxpayers are subject to tax, understanding of taxation procedures, as well as the importance of storing or archiving documents related to PPh Article 21.

Based on the contextual knowledge dimension, which consists of legal and procedural knowledge, the results are dominated by low levels. In contrast, the meaning-making dimension produces a percentage of data in the form of valid values cumulative percent, which shows a total of 67.1%. Meaning-making is related to the impact on individuals' tax awareness results. It is followed by applying tax knowledge so that individuals can make tax decisions and apply them correctly following tax compliance theory (Bornman & Wassermann, 2019). This is normal because to reach the meaning-making level, it must be accompanied by adequate tax awareness and knowledge. However, based on the results, all respondents must or cannot apply tax procedures correctly following applicable regulations.

Of the three dimensions in measuring the level of tax literacy, it produces a medium category which is supported by tax awareness data which shows that public awareness regarding the importance of carrying out tax obligations is high, but this is inversely proportional to the reality of contextual knowledge and meaning-making which is shown at a low level. The low percentage of the contextual knowledge dimension is because tax knowledge greatly influences respondents' ability to implement tax administration procedures.

The low percentage value of the meaning-making dimension of PPh Article 21 is influenced by the low percentage value of the contextual knowledge dimension, which causes the application of the knowledge itself not to run optimally. To realize a high literacy level of Income Tax Article 21, balancing taxpayers in the three existing dimensions is necessary. However, the research results prove that the literacy level of taxpayers in Surakarta and surrounding areas is in the medium category, so this is not in line with the researcher's hypothesis, which states that the literacy level of PPh Article 21 taxpayers in Surakarta and surrounding areas is in the low category.

The literacy level of PPh Article 21 in this research is the result of combined data processing from 350 respondents from three dimensions, namely the dimensions of tax awareness, contextual knowledge, and meaning-making. The research results show that the literacy level is in the medium category, which is still supported by the tax awareness dimension value, which is quite high. The relatively high level of tax awareness in the results of this research is strongly supported by factors where the respondents work, the majority of whom are officers or employees. This causes taxpayers only to need to report the tax. However, their workplace needs help understanding how to calculate it and the procedures for depositing and reporting it properly. Because most respondents are employees, research regarding the tax literacy level of PPh Article 21 for non-employee taxpayers needs to be carried out to broaden the perspective of this research. Therefore, taxpayers in the Surakarta area and its surroundings, which are the center of economic activity in Indonesia, do not guarantee that the literacy level of PPh Article 21 will be high.

#### 4. CONCLUSION

The tax literacy level of PPh Article 21 in the Surakarta area and its surroundings is classified as medium. Influencing factors include tax awareness, level of public trust, level of education of taxpayers, tax socialization, level of knowledge, type of work, understanding of tax sanctions, the social environment of taxpayers, law enforcement, tax services, modernization of the tax administration system, age of taxpayers, misconceptions about the NPWP function, and the provision of tax consultation facilities. It would be interesting to carry out further research by expanding the characteristics of respondents from the non-employee group to obtain other perspectives that can complement this research.

Researchers recommend optimizing social media as a more efficient and effective means of tax education for the public. The paradigm that taxes are not counter-performance needs to be changed. The government needs innovation so that people have greater interest and feel proud if they actively participate in development through taxes. For example, they used an NPWP number or card to gain additional benefits from transactions on various e-commerce or conventional platforms. Taxpayers need to be familiarized with the various attributes of their taxes so that taxes become part of their daily lives. Research exploring taxpayer behavior is interesting for other research so that the classic problem of taxpayer compliance can slowly be solved.

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