

## The Influence of Awareness, Tax Knowledge, Tax Rates, and Tax Socialization on the Compliance of MSMEs Taxpayers in Ponorogo Regency

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### ABSTRACT

MSMEs taxes play an important role in the economic development and welfare of the country. The government realizes the importance of the micro, small and medium enterprise sector for the economy and pays with special attention to ensuring that people pay taxes properly. However, in 2021, the accumulated number of taxpayers who should be reporting taxes has decreased, thereby reducing MSMEs tax revenue in Ponorogo. This research aims to analyze the influence of Awareness, Tax Knowledge, Tax Rates, and Tax Socialization on MSMEs taxpayer compliance in Ponorogo. Retrieval techniques from the data to be processed using a questionnaire. While the data analysis using multiple linear regression. The findings for all independent variables taken simultaneously have an effect on MSMEs taxpayer compliance in Ponorogo. Partially, the variable Awareness, Tax Knowledge and Tax Socialization have an influence on MSMEs taxpayer compliance in Ponorogo. Meanwhile, tax rates do not have an effect on UMKMtaxpayer compliance in Ponorogo.

## INTRODUCTION

Taxes are one of the main instruments used by the government to collect state revenue and finance various public needs. Taxes are an obligation that must be fulfilled by every citizen and business entity operating within a country. In the taxation system, there are various types of taxes applied across different economic sectors, including taxes for Micro, Small, and Medium Enterprises (MSMEs).

According to Kwartono (2007), MSMEs are defined as “people’s economic activities with a maximum net worth of IDR 200,000,000, excluding land and buildings used for business, or those with annual sales turnover of no more than IDR 1,000,000,000, and owned by Indonesian citizens.” MSMEs serve as a fundamental pillar of the national economy. They play a role in positioning, empowering development, and encouraging financial growth at both local and community levels.

In 2021, the Ministry of Cooperatives and SMEs reported that there were 64.2 million MSMEs in Indonesia, contributing 61.07% to the Gross Domestic Product (GDP), amounting to IDR 8,573.89 trillion. MSME taxes play an important role in the country’s economic development. According to Suharli (2019), in his book *“MSME Tax: Theory and Practice,”* taxes from the MSME sector can become a significant source of state revenue. Through MSME taxation, the government can generate income to finance various economic development programs.

MSME taxes also function as a regulatory tool in MSME development. With taxation, the government can regulate and monitor MSME growth so that businesses can develop properly. In addition, taxation can encourage MSME growth by promoting more organized and structured business practices, thereby improving the quality of products and services offered. MSME taxes can also enhance public welfare, as the revenue collected can be used to fund various social development programs.

The government recognizes the importance of the MSME sector to the economy and has given special attention to improving its competitiveness and growth. One important aspect that needs attention is the taxation system applied to MSMEs. Taxes are often perceived as a burden, especially for small business actors who have limited resources and capacity.

According to Saksama (2020), there are approximately 67 million MSMEs in Indonesia spread across various regions. However, out of this large number, only about 2.3 million MSMEs have a Taxpayer Identification Number (NPWP), and not all of them regularly pay taxes – only about half or possibly fewer do so.

The initial tax rate for MSME entrepreneurs was set at 1% of gross income up to IDR 4.8 billion per year, as stipulated in Government Regulation (PP) No. 46 of 2013. This regulation was revoked on July 1, 2018, and replaced by Government Regulation (PP) No. 23 of 2018, which set the tax rate for MSMEs at 0.5% of gross income (not exceeding IDR 4.8 billion per year). Furthermore, under the 2021 Tax Harmonization Law (UU HPP), MSMEs subject to final income tax are exempt if their annual sales do not exceed IDR 500 million. This policy applies to both online and offline MSMEs.

The purpose of reducing the tax rate is to encourage the growth of MSMEs, reduce their financial burden, and enable a larger number of MSMEs to participate in taxation. After the implementation of this policy, the number of MSMEs paying taxes increased, although nominal tax revenue declined due to the lower tax rates.

Following the reduction of the income tax rate to 0.5%, MSME tax revenue also decreased, and state budget (APBN) reports fluctuated by several percent compared to previous achievements (Santoso, 2019). In 2021, the number of taxpayers reporting their taxes declined, leading to a decrease in tax revenue from the MSME sector under Government Regulation No. 23 of 2018.

**Table 1. Accumulation of Registered MSME Taxpayers at the Department of Trade, Cooperatives, and MSMEs of Ponorogo Regency, 2018-2021**

Year	Number of MSME taxpayers	Number of taxpayers who pay	Number of taxpayers who do not pay
2018	27.564	7.060	20.504
2019	31.104	10.226	20.878
2020	34.062	6.171	27.891
2021	38.387	4.775	33.612

Source : Department of Trade, Cooperatives, and MSMEs of Ponorogo Regency (2021)

Based on the information presented in Table 1 above, it can be concluded that the number of taxpayers (WP) registered and managed by the Department of Industry, Trade, Cooperatives, and Small & Medium Enterprises of Ponorogo Regency who have not paid taxes over the past four years is greater than those who have paid taxes. Each year, this number appears to continue increasing. It can be concluded that the level of tax compliance among MSME taxpayers in Ponorogo is far from high.

## LITERATURE REVIEW

The meaning of taxpayer compliance, as stated by Gunadi (2013: 94), indicates that taxpayers are willing to fulfill their tax obligations in accordance with applicable regulations without the need for audits, thorough investigations, warnings, threats, or the imposition of administrative and legal sanctions. Widodo, as cited in (2010: 9), states that tax compliance is studied by examining an individual's decision to either evade taxes or fulfill their responsibilities according to the law. Compliance with tax regulations is crucial in maintaining a country's economic stability. After 2020, tax compliance became even more important due to the Coronavirus pandemic, which affected the global economy.

Several previous studies have identified variables influencing taxpayer compliance. For example, research by Torgler (2003) shows that trust in public authorities and the sustainability of the institutional framework affect taxpayer compliance. According to Kirchler et al. (2008), the level of taxpayer awareness positively influences compliance. Various other studies on taxpayer compliance have also been conducted. Andriyani, Mustoffa, Ardiana, and E.T. (2022) found that MSME taxpayer compliance is positively and significantly influenced by tax

understanding, tax sanctions, and tax socialization. On the other hand, Yusro & Kiswanto (2014) found that compliance is influenced by tax payment mechanisms, but not by awareness of tax rates or payments. Indrawan & Binekas (2018) found that tax knowledge and understanding significantly and positively influence MSME taxpayer compliance. In studies involving tax officer services, Septyani & Sudiartana (2020) found that better tax understanding and lower tax rates increase compliance. Meanwhile, Yulia et al. (2020) found that taxpayer compliance is not influenced by education level, socialization, or tax knowledge.

From these studies, several factors influencing taxpayer compliance can be identified, including tax education, tax authority, tax rates, tax audits, tax penalties and fines, tax socialization, and other related factors.

According to Siti Kurnia Rahayu (2010: 141), tax awareness is not only about technical aspects such as tax collection methods, tax rates, audits, investigations, and law enforcement, but also about the willingness to fulfill tax obligations. This awareness is referred to as tax awareness. Sanctions represent how tax laws and taxpayer services are implemented in practice. Nedi (2016) states that tax awareness occurs when citizens know, understand, implement, and comply with tax regulations. If tax awareness and willingness to pay taxes are high, tax revenue will also increase. When taxpayers believe they have fulfilled their obligations, it reflects a relatively high level of compliance. Mahendra & Budiarta (2020) found that compliance increases as public awareness rises. Anjarsari and Sriwijaya (2019) also found that awareness influences taxpayer consistency. Similarly, Madjodjo and Baharuddin (2022) showed that taxpayer attitudes toward paying taxes have a significant positive impact on MSME tax compliance. Lidya Puspitasari (2015) also found that taxpayer compliance is significantly influenced by tax awareness.

According to Siti Kurnia Rahayu (2010: 141), taxpayers who have adequate tax knowledge are able to easily implement tax laws and regulations. Compliant taxpayers tend to be more honest and prioritize collective interests over personal interests. Wijayanti et al. (2015: 311) state that taxpayers develop tax knowledge when they understand and apply tax rules, laws, and procedures, such as paying taxes and reporting tax returns. Brainyyah (2013) defines tax knowledge as all information about taxation used to make decisions, draw conclusions, and plan actions related to fulfilling tax obligations and rights. Taxpayers who understand taxation, especially how to pay MSME taxes, tend to be more compliant. Sabila & Furqon (2020) also found that taxpayer compliance is positively influenced by tax knowledge.

According to Supramono and Theresia W.D. (2010: 7), a tax rate is the rate used to determine the amount of tax payable. Mukhlis (2012) states that theoretically, the amount of tax paid reduces income. Changes in tax rates affect the amount of tax imposed, as tax liability depends on both the rate and taxable income. The impact of tax rates on compliance has been widely studied. Torgler (2003) found that taxpayers who perceive high tax rates as unfair tend to be non-compliant. Meanwhile, Alm et al. (2010) suggest that higher tax burdens can increase compliance because taxpayers feel obligated to fulfill their responsibilities. Kirchler et al. (2008) found that low tax rates may reduce

compliance because they are perceived as insignificant. Conversely, Feld et al. (2010) found that lower tax rates can increase compliance by making tax payments easier. However, Iriyanto & Fatchur (2022) found that tax rates negatively affect compliance, while Arta and Alfasadun (2022) found a positive influence of tax rates on MSME compliance in Pati.

According to the Director General of Taxes Circular Letter No. SE-98/PJ/2011, tax socialization is an initiative and process of providing tax information that changes public knowledge, skills, and attitudes so that people understand, recognize, and participate in fulfilling their tax obligations. Sugeng Wahono (2012: 80) explains that tax socialization is used by the tax authority to educate the public about tax regulations and procedures. Boediono et al. (2019) describe tax socialization as a way for tax officers to provide information that helps individuals and businesses comply with tax rules. Effective tax socialization can increase awareness and encourage compliance. Various forms of tax socialization continue to be carried out by the Directorate General of Taxes. Yulianti (2022) found that socialization affects MSME compliance, while Firmansyah et al. (2022) found no significant effect.

Based on the above explanation, there are inconsistencies in previous research findings, which require further investigation. Therefore, the objectives of this study are; To analyze the effect of awareness on MSME taxpayer compliance in Ponorogo , To analyze the effect of tax knowledge on MSME taxpayer compliance in Ponorogo , To analyze the effect of tax rates on MSME taxpayer compliance in Ponorogo , To analyze the effect of tax socialization on MSME taxpayer compliance in Ponorogo , To analyze the simultaneous effect of awareness, tax knowledge, tax rates, and tax socialization on MSME taxpayer compliance in Ponorogo

Based on the literature review, the hypotheses formulated in this study are:

H1: Awareness is expected to have a positive effect on MSME taxpayer compliance in Ponorogo

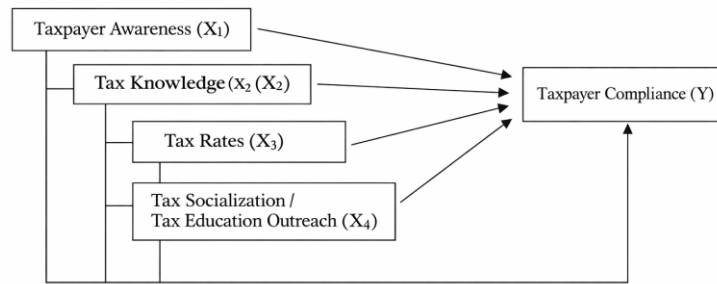
H2: Tax knowledge is expected to have a positive effect on MSME taxpayer compliance in Ponorogo

H3: Tax rates are expected to have a positive effect on MSME taxpayer compliance in Ponorogo

H4: Tax socialization is expected to have a positive effect on MSME taxpayer compliance in Ponorogo

H5: Awareness, tax knowledge, tax rates, and tax socialization are expected to simultaneously have a positive effect on MSME taxpayer compliance in Ponorogo

Based on the analysis conducted, each of the variables mentioned is expected to influence MSME taxpayer compliance, and therefore the research framework is as follows:



Source: Data processed by the researcher (2021).

Figure 1. Research Framework

## METHODOLOGY

The research method used is quantitative. According to Arikunto (2019, p. 27), “Quantitative research, as the name suggests, is a research method that requires a large amount of numerical data, starting from data collection and ending with data interpretation and the emergence of results.” Sugiyono (2019, p. 14) further explains that “quantitative research is a research method based on the philosophy of positivism and empiricism, used to study a specific population or sample. Sampling is generally random, objective research instruments are used for data collection, and data analysis is quantitative or statistical, with the aim of testing the established hypotheses.”

This study was conducted in Ponorogo Regency, which consists of 21 sub-districts (kecamatan). The data collection technique used was a questionnaire, which was distributed online to MSME taxpayers in Ponorogo Regency. The population of this study consisted of all MSME taxpayers registered with the Department of Industry, Trade, Cooperatives, and Small & Medium Enterprises of Ponorogo Regency. However, not all registered taxpayers became subjects of this research.

The sampling method used was Cluster Random Sampling. In this method, samples are taken from a large population divided into several groups or clusters (Sugiyono, 2019). Each cluster is randomly selected, and all members within the selected cluster are included as samples (in this case, clusters are formed based on sub-districts). After the clusters are chosen, the researcher can use various sampling techniques to select members within the cluster.

The sample in this study used Cluster Sampling, where respondents were selected by the researcher based on specific criteria: aged 15–75 years, with at least a junior high school (SMP) education or equivalent, and having run their business for a minimum of 2 years.

The data used were the cumulative number of registered MSME taxpayers up to 2021, based on tables from the Department of Trade, Cooperatives, and SMEs of the Ponorogo Regency Government, totaling 38,387 MSME actors. Using an error margin of 0.1, the Slovin formula was applied as the basis for calculating the number of respondents or samples to be used in this study.

Based on this calculation, the result obtained was 99.74, which was then rounded to a total sample of 100 respondents. These 100 respondents are MSME taxpayers registered with the Department of Industry, Trade, Cooperatives, and Small & Medium Enterprises of Ponorogo Regency.

$$\begin{aligned}
 n &= 38.387 \\
 &1 + ( 38.387 ( 0,1 ) 2 ) \\
 n &= 38.387 \\
 &384,87 \\
 n &= 99,74
 \end{aligned}$$

Multiple linear regression analysis was used as the analytical technique in this study.

The regression model used in this research is expressed by the following formula:

$$Y = \alpha + \beta_1x_1 + \beta_2x_2 + \beta_3x_3 + \beta_4x_4 + e \dots\dots\dots (1)$$

This model explains the relationship between the independent variables – taxpayer awareness, tax knowledge, tax rates, and tax socialization – and the dependent variable, taxpayer compliance. A five-point Likert scale was used to assess taxpayer compliance. The instrument developed by Jaya (2019) was employed for this purpose. The key aspects of taxpayer compliance measured included voluntary registration compliance, calculation and payment compliance, arrears compliance, and tax return (SPT) reporting compliance.

For the taxpayer awareness variable, the researcher used and adapted a questionnaire instrument from Safri (2013). Taxpayer awareness was measured using a Likert scale with three indicators: taxpayer perception, the level of awareness of the importance of paying taxes, and the financial condition of the taxpayer.

For the tax rate variable, the researcher used an instrument adapted from Chandra (2020), which includes two aspects: taxpayer perception and taxpayer payment ability. Statements were structured using a Likert scale.

For the tax knowledge and tax socialization variables, instruments from Octavio (2019) in the study titled “*Analysis of Factors Affecting Awareness of Tax Payment*” were used, also measured using a Likert scale. The tax knowledge variable included two indicators: perception and understanding of taxation. The tax socialization variable included three indicators: the function of tax socialization, taxpayer perception, and the benefits of tax socialization.

**RESEARCH RESULT**

Conducted with 30 respondents, this survey tested the reliability and effectiveness of the survey instrument on MSME taxpayers in Ponorogo, with data processed using IBM SPSS Statistics 25 software. The results of the validity test showed that all statement items were valid, as indicated by the calculated r-values (r count) being greater than the r-table value (0.05). In the reliability test, all items were declared reliable for both independent and dependent variables, with Cronbach’s Alpha values greater than 0.60.

The next stage was classical assumption testing, also carried out using IBM SPSS Statistics 25. This testing aimed to analyze whether the Best Linear Unbiased Estimator (BLUE) criteria of the regression model were met. The classical assumption tests conducted in this study included three types of testing. The first was the normality test using the Kolmogorov-Smirnov model, which

produced a significance value of 0.823. This result exceeds the standard threshold of 0.05, indicating that the data are normally distributed.

Second, the multicollinearity test was conducted using tolerance values and the Variance Inflation Factor (VIF). The results showed that the four independent variables did not exhibit multicollinearity, as all tolerance values were greater than 0.10 and VIF values were less than 10.

Third, the heteroscedasticity test was performed using a scatterplot. Based on the visual interpretation of the graph, no specific pattern was observed; the data points were randomly distributed along both the X and Y axes. Therefore, it can be concluded that there were no symptoms of heteroscedasticity in the model.

Multiple regression analysis aims to determine the extent to which the dependent variable is influenced by independent variables. The F-test is used to examine simultaneously how socialization, awareness, knowledge, and tax rates affect MSME taxpayer compliance. Meanwhile, the t-test is used to analyze the effect of each independent variable partially, by comparing the calculated t-value with the t-table value.

Using IBM SPSS Statistics 25, the multiple linear regression analysis of the data produced the following results.

**Table 2. F-Test for Model Feasibility**

	Model	df	F	Sig.
1	Regression	4	5,324	,001 <sup>b</sup>
	Residual	95		
	Total	99		

Source: Results of Primary Data Processing (2021)

This test is used to assess the feasibility of the research model. The basis used is the F-value and its significance level to determine whether the model is appropriate for further analysis.

**Table 3. Multiple Linear Regression Analysis**

Model	Variables	B	Beta	t	Sig.
1	(Constant)	21.429	-	3.863	0.000
	Taxpayer Awareness	0.267	0.222	2.379	0.019
	Tax Knowledge	-0.267	-0.203	-2.149	0.034
	Tax Rates	0.104	0.076	0.802	0.424
	Tax Socialization	0.344	0.296	3.192	0.002

Dependent Variable: MSME Taxpayer Compliance  
 Source: Results of Primary Data Processing (2021)

Based on Table 3 above, after calculating the constant and beta coefficients for each independent variable, the following equation is obtained:

$$Y = 21.429 + 0.267 X_1 - 0.267 X_2 + 0.104 X_3 + 0.344 X_4 + e \dots\dots\dots (2)$$

The coefficient of determination test is then used to understand and examine how well changes in the independent variables explain changes in the dependent variable. The influence of the independent variables on the dependent variable can be seen from the coefficient of determination (R Square) value. The results of the coefficient of determination test in this study can be observed from the following information.

**Table 4. Coefficient of Determination Results**

Model	R	R Square	<i>Std. Error of the Estimate</i>
1	,428 <sup>a</sup>	0,183	4,67436

Source: Results of Primary Data Processing (2021)

Next, hypothesis testing is conducted to determine whether Taxpayer Awareness, Tax Knowledge, Tax Rates, and Tax Socialization have a positive effect on MSME taxpayer compliance in Ponorogo. This testing is carried out in two stages: first, simultaneously, and second, partially (individually).

## DISCUSSION

### **The Effect of Awareness (X<sub>1</sub>), Tax Knowledge (X<sub>2</sub>), Tax Rates (X<sub>3</sub>), and Tax Socialization (X<sub>4</sub>) on MSME Taxpayer Compliance (Y) in Ponorogo**

Based on Table 2, the F-test results show that the calculated F-value is greater than the F-table value ( $5.324 > 2.465$ ) with a significance level of 0.01, which is less than 0.05. This indicates that the research model is feasible for further analysis and that there is a simultaneous positive effect; therefore, H<sub>5</sub> is accepted. In other words, taxpayer compliance is simultaneously and significantly influenced by awareness, tax knowledge, tax rates, and tax socialization. This is supported by the R Square value (Table 4), which is 0.183. This means that 18.3% of the variation in taxpayer compliance can be explained by the independent variables (Awareness, Tax Knowledge, Tax Rates, and Tax Socialization), while the remaining 81.7% is influenced by other factors outside this research model.

### **The Effect of Awareness (X<sub>1</sub>) on MSME Taxpayer Compliance (Y) in Ponorogo**

Based on Table 3, the significance value is  $0.019 < 0.05$ , with t-count  $>$  t-table ( $2.379 > 1.661$ ), and a positive regression coefficient of 0.267. This indicates that taxpayer awareness has a significant effect on taxpayer compliance; therefore, H<sub>1</sub> is accepted.

Theoretically, this finding is supported by Siti Kurnia Rahayu (2010:141), who states that awareness not only refers to taxpayers' understanding and financial condition when paying taxes but also includes their willingness to do so. This aligns with research by Anjarsari and Sriwijaya (2019), which concludes that awareness affects taxpayer compliance. As a result, a higher level of awareness is expected to increase compliance in paying taxes. Carefulness in paying taxes contributes indirectly to government budget allocation (APBN), as tax payments will eventually be redistributed for public welfare. Public

awareness of tax obligations is expected to influence compliance behavior. Taxpayers are more likely to comply when they understand their obligations, including types of taxes, deadlines, and legal consequences. This is consistent with findings by Madjodjo and Baharuddin (2022), showing that taxpayer awareness influences MSME compliance in Tidore City. Similarly, Lidya Puspitasari (2015) found that awareness significantly affects taxpayer compliance.

#### **The Effect of Tax Knowledge ( $X_2$ ) on MSME Taxpayer Compliance (Y) in Ponorogo**

Based on Table 3, the significance value is  $0.034 < 0.05$ , with  $t\text{-count} > t\text{-table}$  ( $-2.149 > -1.661$ ), and a negative regression coefficient of  $-0.267$ . This indicates that tax knowledge has a significant effect on taxpayer compliance; therefore, H2 is accepted.

This is supported by Siti Kurnia Rahayu (2010:141), who explains that higher levels of responsibility and compliance reflect better tax knowledge. Taxpayers who understand tax regulations find it easier to fulfill their obligations. A strong understanding of taxation helps taxpayers comply more easily, especially in MSMEs. Knowledge of tax rates, procedures, deadlines, and requirements enables taxpayers to follow regulations properly. Research by Sabila & Furqon (2020) found that tax knowledge positively affects MSME taxpayer compliance in Pekalongan. Similar findings were reported by Wijayanti (2015) and Brainyyah (2013).

#### **The Effect of Tax Rates ( $X_3$ ) on MSME Taxpayer Compliance (Y) in Ponorogo**

Based on Table 3, the significance value is  $0.424 > 0.05$ , with  $t\text{-count} < t\text{-table}$  ( $0.802 < 1.661$ ), and a positive regression coefficient of  $0.104$ . This indicates that H3 is rejected because tax rates do not have a significant effect on taxpayer compliance.

According to Supramono and Theresia W.D. (2010:7), tax rates influence individuals' willingness to pay taxes. Higher tax rates may discourage compliance, while lower rates make it easier for taxpayers to comply. The recent pandemic may explain the lack of influence, as many MSMEs experienced financial difficulties or ceased operations. Torgler (2003) suggests that high tax rates can reduce compliance due to perceived unfairness. However, Alm et al. (2010) found that higher tax rates may increase compliance as a legal obligation. Kirchler et al. (2008) argue that low tax rates may reduce compliance because they are perceived as insignificant. Meanwhile, Feld et al. (2010) suggest that lower rates can improve compliance due to ease of payment. Iriyanto & Fatchur (2022) also found that tax rates can negatively affect taxpayer compliance.

#### **The Effect of Tax Socialization ( $X_4$ ) on MSME Taxpayer Compliance (Y) in Ponorogo**

Based on Table 3, the significance value is  $0.002 < 0.05$ , with  $t\text{-count} > t\text{-table}$  ( $3.192 > 1.661$ ), and a positive regression coefficient of  $0.344$ . This indicates

that tax socialization has a significant effect on taxpayer compliance; therefore, H4 is accepted.

According to Boediono (2019), tax socialization is a method used by tax authorities to provide complete information about tax regulations to all taxpayers, both individuals and businesses. Sugeng Wahono (2012:80) states that socialization provides accurate information and guidance, increasing taxpayer confidence in fulfilling their obligations. Effective socialization can raise awareness and encourage compliance. Through socialization, taxpayers gain a better understanding of tax types, procedures, and deadlines, reducing unintentional violations. It also educates taxpayers on how to pay and report taxes properly. This is supported by Yulianti (2022), who found that tax socialization influences MSME taxpayer compliance in KPP Pratama Tegal. However, Firmansyah et al. (2022) found that tax socialization does not significantly affect taxpayer compliance.

## **CONCLUSIONS AND RECOMMENDATIONS**

Based on the series of analyses and discussions conducted in this study, the following conclusions can be drawn: There is a positive effect of taxpayer awareness on MSME taxpayer compliance in Ponorogo Regency. There is a positive effect of tax knowledge on MSME taxpayer compliance in Ponorogo Regency. There is no positive effect of tax rates on MSME taxpayer compliance in Ponorogo Regency. There is a positive effect of tax socialization on MSME taxpayer compliance in Ponorogo Regency. Simultaneously, taxpayer awareness, tax knowledge, tax rates, and tax socialization have a positive effect on MSME taxpayer compliance in Ponorogo Regency.

The researcher provides recommendations and suggestions based on the results of the analysis and conclusions obtained: The Directorate General of Taxes should conduct more intensive socialization regarding MSME tax payment obligations in each region so that the public understands the procedures for tax payment and can estimate the amount of tax they must pay annually. The Directorate General of Taxes should establish coordination and synchronization with relevant agencies such as the Department of Trade, Cooperatives, and MSMEs of the Ponorogo Regency Government regarding taxpayers who own or operate businesses, in order to support accurate and precise collection of MSME tax objects.

## **ADVANCED RESEARCH**

Future researchers are encouraged to include additional variables for more in-depth studies and to increase the sample size so that the research results become more precise and accurate for those who wish to pursue similar research topics.

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