

## How Tax Awareness, Tax System, and Tax Sanctions Affect Young Entrepreneurs' Intention not to Commit Tax Fraud

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### ABSTRACT

*This study aims to examine the effect of tax awareness, tax system, and tax sanctions on young entrepreneurs' intention not to commit tax fraud. The test method used in this research is multiple linear regression analysis method. This type of research is quantitative. The data used in the study are primary data. Obtained by using questionnaire the sample withdrawal method uses the Slovin formula so that 150 respondents are obtained and the sampling technique uses snowball sampling technique. The questionnaire is spread through google form. The data obtained is run by using SPSS version 23 software and analyzed with descriptive statistical tests, data quality tests, classical assumption tests, hypothesis testing. Based on simultaneous hypothesis testing (F test) the variables of tax awareness, tax system, and tax sanctions affect the intention of entrepreneurs not to commit tax fraud. The results of partial hypothesis testing (t test) show that tax awareness, tax system, and tax sanctions have a positive effect on the intention of young entrepreneurs not to commit tax fraud. The results of this study can assist the government in designing more efficient and effective tax policies for young entrepreneurs.*

**Keywords:** tax awareness; tax fraud; tax system; tax sanctions; young entrepreneurs.

### INTRODUCTION

According to data from the Central Statistics Agency (BPS), in 2023 there will be around 52 million young entrepreneurs in Indonesia (BPS, 2023). This number is an accumulation of 32.2 million people who are self-employed, as well as 19.8 million people who are self-employed with the help of temporary workers/unpaid workers (Databoks, 2023). Meanwhile, the population in Indonesia in 2020 is predicted to reach 270 million people. In 2023 and in the next few years, it is predicted that the number of business actors will continue to increase. The contribution of the Micro, Small and Medium Enterprises (MSME) sector to gross domestic product (GDP) is increasing from the previous year. The Ministry of Cooperatives and SMEs (MenKopUKM) recorded a contribution from 60.34 percent to 61.07 percent from the previous year and labor absorption in this sector also increased from 96.99 percent to 97.22 (MenKopUKM, 2021). The MSME sector is very important for taxes in Indonesia because the trade and entrepreneurship sectors contribute 22.6 percent of the total tax collected (Faizi, 2022).

Yogyakarta has a lot of young entrepreneurs, but not all of these young entrepreneurs have a *Nomor Pokok Wajib Pajak* (NPWP) or Taxpayer Identification Number (TIN) to fulfill their obligations. According to the Department of Industry, Trade, Cooperatives and Agriculture of Yogyakarta City, there are 188,033 and only 30 percent or around 56,410 MSMEs in Yogyakarta City have NPWP and are willing to pay taxes (Harianjogja, 2021). The level of willingness to pay taxes is low due to a lack of awareness of the importance of paying taxes. They feel reluctant to pay taxes because paying taxes will automatically

reduce their income, and according to business actors, many of them do not understand the use of the online-based tax system so they have to queue at the tax office to report its obligations.

Entrepreneurship can be defined as the behavior of an individual to achieve business or enterprise in various fields using opportunities and making good use of financial resources so as to generate profits (Putri et al., 2021). Characteristics of young entrepreneurs which are internal factors that influence business success lead to characters such as: having high enthusiasm, having the desire to always innovate, always accepting responsibility as best as possible, wanting to achieve very high levels and daring to take risks (Essel et al., 2019). A young entrepreneur is required to always be optimistic, think positively and creatively to face all circumstances in a very dynamic business environment (Essel et al., 2019). Entrepreneurs do not feel afraid of the risks that will occur because they have the ability and skills to overcome these risks (Basri et al., 2019). Young entrepreneurs tend to have lower incomes and are less able to manage taxes, besides that, young entrepreneurs are also more vulnerable to errors in managing taxes and lack experience in the tax system (Widyaningsih & Fatah, 2021).

Data on the tax crime mode that often occurs is falsification of tax invoices in around 44 cases, in this case, young entrepreneurs report tax invoices that are not based on actual transactions (Julita, 2021). One example of a case that occurred in Jakarta, the perpetrator with the initials HI, 39 years old, was handed over to the South Jakarta District Prosecutor's Office after causing losses to the state amounting to IDR 10.2 billion, the suspect falsified tax invoices that were not based on actual transactions through PT. Bul for the period 2011-2021 (Ulya, 2021). The Government Budget and State Expenditures (APBN) included in tax government data from 2019-2022 show a continued increase, but it does not rule out the possibility that there will be a decrease caused by tax fraud, such as the example of the invoice falsification case above (Utomo, 2021).

Tax is a mandatory and compelling obligation, and is the country's largest income so it helps the country's economy. There are still entrepreneurs who do not want to pay taxes for various reasons (Wardani & Rahmawatiningsih, 2022). Entrepreneurs will try to minimize business expenses so that profits can be maximized, one way is to minimize the company's tax burden (Suharti & Sirine, 2012). Taxes are considered a burden by companies, so certain efforts or strategies need to be made to reduce them (Mangoting et al., 2021).

Another way entrepreneurs report committing tax fraud is by illegally not paying taxes by committing deviant acts with various forms of tax fraud carried out intentionally and in a state of awareness (Putri, 2016). This makes entrepreneurs try to reduce the tax burden that will be paid illegally. Some of these tax evasion actions take advantage of loopholes in tax provisions such as Tax Avoidance or violate the law such as tax evasion or Tax Evasion.

The aim of tax avoidance is to avoid taxes as much as possible without violating applicable laws or regulations, meanwhile, in tax evasion, individuals or companies deliberately violate the law by not reporting or reducing their income to avoid taxes that should be paid (Associe.co.id, 2023). Cases related to tax awareness by taxpayers occurred in Yogyakarta Province, from data from the Yogyakarta City Regional Financial and Asset Management Agency (BPKAD), unpaid land and building taxes dominate tax arrears in Yogyakarta City, regional tax arrears reached around IDR 145 billion and almost 80% or IDR 112 billion comes from land and building tax arrears for 2014-2021 (JPNN.com, 2022). The case above shows that taxpayer compliance over this period of time is still an important and interesting issue that deserves more attention. Indonesia has a relatively low level of taxpayer compliance with a tax collection system that requires taxpayers to voluntarily pay their obligations. One of the problems that is the main factor for economic policy decision makers is encouraging taxpayers to be more compliant with their

tax obligations because there are still people who are not yet aware of fulfilling their tax obligations (Zulma, 2020). The tax collection system is one of the important things that shows the achievement of tax collection in a country.

The tax system adopted in Indonesia is the Self Assessment system, which is a tax collection system that requires taxpayers to report and calculate the tax owed themselves, but this belief is often misused by taxpayers to manipulate their tax burden so that the taxpayer's tax burden is reduced, thus encouraging taxpayers to do so tax fraud Kurnia & Faisal, (2022); Maghfiroh & Fajarwati, (2016); Wahyuni et al., (2022); Wardani & Rahmawatiningsih, (2022) states that when the tax system implemented is not good then tax fraud will be considered normal or normal.

## Hypothesis Development

### The Influence of Tax Awareness on Tax Fraud

Increased tax awareness can lead to a better understanding of the consequences of tax fraud (Pangesti & Yushita, 2019). When young entrepreneurs are more aware of the importance of taxes, they are less likely to commit tax fraud (Basri et al., 2019). Because they are more aware of the consequences of tax cheating, they believe that it is wrong. Additionally, when young entrepreneurs have a stronger sense of citizenship, they tend to believe it is important to pay their taxes (Wardani & Rahmawatiningsih, 2022).

The Theory of Planned Behavior (TPB) has 3 determining factors, namely behavioral beliefs, normative beliefs, and control beliefs. The tax awareness variable corresponds to one of the TBP factors, namely behavioral beliefs, this is a factor that has intentions or attitudes towards positive and negative behavior. If young entrepreneurs are aware and fulfill their tax obligations to the state then this is a positive action, however, if young entrepreneurs choose to avoid taxes or if they do not want to fulfill their tax obligations, this is clearly a negative action or attitude.

Research conducted by Natalia & Riswandari, (2021) revealed that the influence of tax awareness has a significant effect on mandatory compliance. Wardani & Rumiyatun, (2017) also revealed the same thing, namely that taxpayer awareness has a positive effect on taxpayer compliance. A higher level of tax awareness can be considered a positive factor that can influence young entrepreneurs not to engage in tax fraud (Rizki & Farina, 2022). Reflecting the logic that individuals who are more tax conscious may be more likely to comply with tax rules (Pangesti & Yushita, 2019). Therefore the hypothesis that can be made is:

H<sub>1</sub>: Tax awareness affect young entrepreneurs' intention not to commit tax fraud.

### The Influence of The Tax System on Tax Fraud

The tax system was created to make it easier for people or young entrepreneurs to pay taxes in order to finance development and other government expenditures (Maharani et al., 2021). Tax system variables in accordance with the Theory of Planned Behavior (TPB) have behavioral control variables. Behavioral control variables mean that not all actions taken by an individual are under the individual's control (Maharani et al., 2021). The individual's attitude to behave well when carrying out tax provisions directly makes it easier for taxpayers in their tax activities, and acts of committing tax fraud are reduced (Fhyel, 2018).

The Directorate General of Taxes (DJP) has made it easy for taxpayers to report and pay taxes through supporting systems, namely e-filling, e-SPT, e-NPWP, and e-banking (Pangesti & Yushita,

2019). With the existence of an easy, good and controlled support system for the tax system, tax evasion will become increasingly unethical to carry out (Maharani et al., 2021). In line with the research results Suminarsasi, (2012); Suwono & Sutanto, (2015) revealed that the tax system has a positive effect on taxpayers' perceptions regarding the ethics of tax evasion being unacceptable, this shows that tax evasion is seen as unethical behavior. Based on the explanation above, the hypothesis used in this research is:

H<sub>2</sub>: Tax system affect young entrepreneurs' intention not to commit tax fraud.

### **The Effect of Tax Sanctions on Tax Fraud**

Tax sanctions are used to prevent young entrepreneurs from committing tax fraud (Susmiatun & Kusmuriyanto, 2014). The strength of tax sanctions will influence the perception of young entrepreneurs regarding tax fraud, from this perception young entrepreneurs will not commit tax fraud, so the heavier and stricter the sanctions, the higher the level of tax fraud (Maharani et al., 2021). This is related to control beliefs with the theory of planned behavior (TPB), which is a belief about the existence of things that support or hinder the behavior to be displayed and the perception of how strong the things that support and inhibit that behavior are (perceived power) (Setiya, 2018).

The regulations that regulate the government have the basis for imposing strict sanctions on anyone who violates or does not comply with paying taxes (Putra, 2020). Tax sanctions are given not to harm taxpayers or benefit tax officials or the state, tax sanctions are given so that taxpayers comply with tax regulations (Maxuel & Primastiwi, 2021).

Research conducted by Andreansyah & Farina, (2022); Nafiah et al., (2021); Rizki & Farina, (2022) states that sanctions have a significant and positive effect on taxpayer compliance. Based on the explanation above, the hypothesis used in this research is:

H<sub>3</sub>: Tax sanctions affect young entrepreneurs' intention not to commit tax fraud.

### **METHOD, DATA, AND ANALYSIS**

This research uses a quantitative method by distributing questionnaires to young entrepreneurs in the Yogyakarta City area who have their own business and have a NPWP to pay taxes. In this method the author interviewed several respondents to obtain the necessary data because this method requires direct contact with respondents. The author assist the respondents as if the respondents face difficulties in filling the questionnaire and as the control of the author to make sure that all of the questions are answered. The technique used in sampling was the snowball sampling method where the questionnaire was in the form of Google Form numbers and data was collected from 178 respondents who had completed the survey and 28 respondents who were not used by researchers in the research. Data were processed using SPSS ver. 23 to analyze independent and dependent variables. The time used by researchers to collect questionnaire results from respondents takes 1 month from November-December 2023. Data collection in this study used a questionnaire with a 4 point Likert scale namely positive statements: score 1 strongly agree, score 2 agree, score 3 disagree, score 4 strongly disagree and negative statements: score 1 strongly disagree, score 2 disagree, score 3 agree, score 4 strongly agree to measure variable Tax Awareness, Taxation System, Tax Sanctions, and Young Entrepreneurs' Intention not to Commit Tax Fraud. This Likert scale is used as an instrument that can be used in research with the aim of producing accurate data.

This research uses primary data which is processed using the multiple linear regression analysis method. Before carrying out the multiple linear regression analysis test, data quality testing is carried out, consisting of validity and reliability tests. After carrying out the data quality test, we continue with

the assumption test, namely the classic assumption consisting of the normality test, multicollinearity test and heteroscedasticity test. The statistical test that will be used in this research uses regression analysis calculations to obtain conclusions, so the steps that will be taken in analyzing the variables of this research are partial testing, simultaneous testing, and determining coefficient tests. Operational definitions of variables and indicators can be seen in the following table:

**Table 1.** Data Collection Results

Information	Amount
Total questionnaires collected from Google Form	178
Questionnaires that are outliers	28
Processed questionnaire	150

Source: Primary data processed (2023)

**Table 2.** Operational Definitions and Indicators of Research Variables

Variable	Operational definition	Indicator	Scale
Tax Awareness	A situation where someone knows, understands and understands how to pay taxes (Safitri, 2020).	<ol style="list-style-type: none"> <li>1. Public awareness about the meaning of tax.</li> <li>2. Awareness of tax rights and obligations to fulfill tax payment obligations.</li> <li>3. Self-encouragement to pay taxes voluntarily.</li> </ol>	Likert
Tax System	A tax collection system regarding high and low tax rates and accountability for tax contributions needed to finance state administration and development (Wardani & Rahmawatiningsih, 2022).	<ol style="list-style-type: none"> <li>1. Tax rates applied in Indonesia.</li> <li>2. Distribution of funds originating from taxes.</li> <li>3. Ease of taxation system facilities.</li> </ol>	Likert
Tax Sanctions	Guarantee that the provisions of tax laws and regulations (tax norms) will be adhered to, in other words tax sanctions are a preventative tool so that taxpayers do not violate tax norms (Setiya, 2018).	<ol style="list-style-type: none"> <li>1. Late payment of tax is forgiven and interest penalties are not imposed.</li> <li>2. Imposing sanctions for hiding taxes.</li> <li>3. Imposing sanctions for hiding taxes.</li> <li>4. Imposition of fines if you pay taxes incorrectly.</li> <li>5. Sanctions for presenting fake documents.</li> <li>6. Imposing sanctions in accordance with the applicable treatment.</li> </ol>	Likert
Young Entrepreneurs' Intention to Commit Tax Fraud	A young entrepreneur to commit dishonest or illegal acts related to paying taxes, which may include concealing income or violating laws related to taxation (Yulia & Muanifah, 2021).	<ol style="list-style-type: none"> <li>1. Not submitting SPT on time.</li> <li>2. Submitting SPT incorrectly</li> <li>3. Do not register or misuse your NPWP.</li> <li>4. Do not deposit taxes that have been collected or withheld.</li> <li>5. Reporting less income than you should.</li> </ol>	Likert

## RESULTS AND DISCUSSION

Descriptive statistics aims to describe the results of the answers filled in by respondents to the research variables. The results of descriptive tests on research variables can be seen in the following table:

**Table 3.** Descriptive statistical analysis:

	N	Minimum	Maximum	Mean	Std. Deviation
Tax Awareness	150	1	4	3.52	,547
Taxation System	150	1	4	3.50	,524
Tax Sanctions	150	1	4	3.59	,512
Young Entrepreneurs' Intention to Commit Tax Fraud	150	1	4	3.58	,517
Valid N (listwise)	150				

Source: SPSS output results

It shows that N is 150, which means the number of respondents in this study was 150 respondents. Tax awareness in this study has a minimum value of 1 and a maximum value of 4. The average value is 3.52, which means that of the 150 respondents regarding tax awareness, the average gave a rating of 3.52 from 1-4. Meanwhile, the standard deviation is 0.547, which means that the maximum increase and minimum decrease in the tax awareness variable is 0.547.

The tax system variable in this study has a minimum value of 1 and a maximum value of 4. The average value is 3.50, which means that out of 150 respondents regarding the tax system, the average gave a rating of 3.50 from 1-4. Meanwhile, the standard deviation is 0.525, which means that the maximum increase and minimum decrease in the tax system variable is 0.525.

The tax sanctions variable in this study has a minimum value of 1 and a maximum value of 4. The average value is 3.59, which means that of the 150 respondents regarding tax sanctions, the average gave an assessment of 3.59 from 1-4. Meanwhile, the standard deviation is 0.512, which means that the maximum increase and minimum decrease in the tax sanction variable is 0.512.

The variable entrepreneur's intention to commit tax fraud in this study has a minimum value of 1 and a maximum value of 4. The average value is 3.58, which means that from 150 respondents the entrepreneur's intention to commit tax fraud is 3.58 from 1-4. Meanwhile, the standard deviation is 0.517, which means that the maximum increase and minimum decrease in the variable of young entrepreneurs' intention to commit tax fraud is 0.517.

Based on the results of the normality test using One-Sample Kolmogorov-Smirnov, the Sig value was then obtained. Amounting to 0.086. These results show a value of  $0.086 > 0.05$ , so it can be concluded that the data distribution in this study is normal. Furthermore, based on the results of the multicollinearity test, it shows that the VIF value of all independent variables has a value of  $< 10$  and the tolerance value of all independent variables has a value of  $> 0.01$ . So it can be concluded that this research has no symptoms of multicollinearity in the regression model. Next, carrying out heteroscedasticity testing shows that the significance value of the tax awareness variable is  $0.906 > 0.05$ , tax system  $0.190 > 0.05$ , tax sanctions  $0.187 > 0.05$ . With these results it can be concluded that in this study there were no symptoms of heteroscedasticity.

## Hypothesis Testing

### Multiple Linear Regression Analysis

This multiple linear regression analysis aims to determine the influence of understanding tax awareness, the tax system, and tax sanctions on the intention of young entrepreneurs to commit tax fraud. Based on testing using SPSS 23, the following results were obtained:

**Table 4.** Regression Analysis Results

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	,140	1,685		,083	,934
	Tax Awareness (TA)	,346	,054	,417	6,381	,000
	Taxation System (TSy)	,289	,083	,219	3,479	,001
	Tax Sanctions (TSa)	,265	,052	,315	5,128	,000

Source: Primary Data, processed (2023)

The results from table 4 above show the results of multiple linear regression testing from which a regression equation can be created, namely as follows:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + e$$

$$Y = 0.140 + 0.346 TA + 0.289 TSy + 0.265 TSa + e$$

**Analysis based on multiple regression equations allows us to conclude that:**

A constant value of 0.140 means that if the constant or condition when the variable is the intention of young entrepreneurs to commit tax fraud in the city of Yogyakarta is 0.140 when tax awareness, the tax system, and tax sanctions have not been included. The regression coefficient for the tax awareness variable is 0.346, meaning that every 1% increase in the tax awareness, Young Entrepreneurs' Intention not to Commit Tax Fraud will also increase by 0.346, assuming that other variables are not examined in this research. The regression coefficient for the taxation system variable is 0.289, meaning that every 1% increase in the taxation system, Young Entrepreneurs' Intention not to Commit Tax Fraud will also increase by 0.289, assuming that other variables are not examined in this research. The regression coefficient for the tax sanctions variable is 0.265, meaning that every 1% increase in the tax sanctions, Young Entrepreneurs' Intention not to Commit Tax Fraud will also increase by 0.265, assuming that other variables are not examined in this research. The significant value of Tax awareness (0,000), taxation system (0,001), and tax sanctions (0,000) have positive significant effect on Young Entrepreneurs' Intention not to Commit Tax Fraud because the value is < 0,05.

**Table 5.** Determination Test Results

Model	R	R Square	Adjusted R Square	Sed. Error of the Estimate
1	,784a	,615	,607	1.57786

Source: Primary Data, processed (2023)

The coefficient of multiple determination R Square (R2) is 0.615 or 61.5%. This value shows the influence of the independent variables tax awareness, tax system, and tax sanctions on the dependent variable of young entrepreneurs' intention to commit tax fraud of 61.5% and the remaining 38.5% is influenced by other variables outside the research.

The f test aims to show how simultaneous influence is on a variable. You can see the results of the F test below:

**Table 6.** F Test Results

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	580,088	3	193,363	77,667	,000b
	Residual	363,486	146	2,490		
	Total	943,573	149			

Source: Primary Data, processed (2023)

It shows that from the results of the F test, the calculated F value is 77.667 > F table of 2.666 with a significance level of 0.000 < 0.05. Because the significance level is smaller than 0.05, it can be said that tax awareness, the tax system, and tax sanctions have a simultaneous influence on the intention of young entrepreneurs to commit tax fraud.

The t statistical test is useful for testing the influence of each independent variable partially on the dependent variable. To determine whether there is an influence of each independent variable on the dependent variable, it can be seen at a significance level of less than an alpha value of 0.05, and vice versa. The t test results are shown in the table as follows:

**Table 7** t Test Results

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	,140	1,685		,083	,934
	Tax Awareness	,346	,054	,417	6,381	,000
	Taxation System	,289	,083	,219	3,479	,001
	Tax Sanctions	,265	,052	,315	5,128	,000

Source: Primary data, processed (2023)

### The Influence of Tax Awareness on Entrepreneurs' Intention Not To Commit Tax Fraud

The research results show that tax awareness has a significant positive influence on young entrepreneurs' intention not to commit tax fraud. It means that the higher tax awareness, the higher intention of young entrepreneurs not to commit tax fraud. Tax awareness acts as behavioral beliefs in accordance with the Theory of Planned Behavior (TPB) (Ajzen, 1991). Behavioral beliefs are factors that have intentions or attitudes towards positive and negative behavior. If young entrepreneurs are aware of and fulfill their tax obligations to the state, this is a good action; but on the contrary, if they choose to stay away from taxes or do not want to fulfill their tax obligations, this is clearly a bad action. Young entrepreneurs who have a greater sense of citizenship will make them more aware of the consequences of tax fraud and make them believe that it is wrong to commit tax fraud (Wardani & Rahmawatiningsih, 2022).

Research results from Natalia & Riswandari, (2021); Santi, (2012); Wardani & Rumiayatun, (2017) consistently and in line with research conducted, stated that tax awareness has a positive effect on taxpayer compliance. The higher the awareness of taxpayers, the lower the incidence of tax fraud.

### The Influence of The Tax System on Young Entrepreneurs' Intentions Not To Commit Tax Fraud

The research results show that the tax system has a significant positive influence on the intention of young entrepreneurs not to commit tax fraud. The more transparent and fairer tax system, the higher young entrepreneurs not to commit tax fraud. Control belief in Theory of Planned Behavior (Ajzen, 1991) means that not all actions taken by individuals are under the individual's control. In this case, the tax system can be a control belief because with systems such as e-banking, e-SPT, e-NPWP, and e-filing, that have been developed by Direktorat Jenderal Pajak (DJP) or Directorate General of Taxes (DGT) has helped taxpayers to report and pay taxes. If there is a support system that is easy, effective, and controlled, tax evasion will be increasingly unethical (Maharani et al., 2021).

Research results from Suminarsasi, (2012); Suwono & Sutanto, (2015) consistently and in line with research conducted, stated that the better the existing tax system, the more likely tax fraud behavior is to be considered unethical or unreasonable behavior, so the tax system has a positive effect on taxpayers' perceptions regarding the ethics of evasion.



## The Influence of Tax Sanctions on Young Entrepreneurs' Intentions Not To Commit Tax Fraud

The research results show that tax sanctions have a significant positive influence on the intention of young entrepreneurs not to commit tax fraud. Strong tax sanctions will affect young entrepreneurs' views on tax fraud. They believe that they will not commit tax fraud, so the level of tax fraud will be lower if the sanctions are harsher and firmer (Maharani et al., 2021). This relates to control beliefs in the Theory of Planned Behavior (TPB) (Ajzen, 1991) where in this case tax sanctions can inhibit the behavior and perceptions of tax fraud that will be displayed (Setiya, 2018). Government regulations provide strict sanctions to taxpayers who violate or do not pay taxes (Putra, 2020). The purpose of these sanctions is not to benefit taxpayers or the state, but to make them follow tax regulations (Maxuel & Primastiwi, 2021).

Research results from Andreansyah & Farina, (2022); Nafiah et al., (2021); Rizki & Farina, (2022) consistently and in line with research conducted, stated that sanctions have a significant and positive effect on taxpayer compliance with the provisions of tax laws and regulations that will be complied with, so that tax sanctions are a tool to prevent taxpayers from violating tax norms.

## CONCLUSIONS AND SUGGESTIONS

In conclusion, the influence of tax awareness has a positive impact on the intention of young entrepreneurs not to commit tax fraud. The higher the level of tax awareness, the lower the level of tax awareness for young entrepreneurs in Yogyakarta City for committing tax fraud. The conclusion is that the tax system has a positive effect on the intention of young entrepreneurs not to commit tax fraud, that the more transparent, fair, easy, good and controlled the tax system is, the more unethical or unreasonable it is to commit tax fraud. The conclusion is that tax sanctions have a positive effect on the intention of young entrepreneurs not to commit tax fraud, that the implementation of firm and heavy tax sanctions will influence lower levels of tax fraud.

It is suggested for further research, to use the variables tax awareness, tax system and tax sanctions, it would be better to use interview to get detail, in-depth, and accurate information so that the information conveyed does not give rise to different understandings. It is hoped that future research can add other independent variables that can influence tax fraud, for example accuracy of allocation and different cultures.

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