

Locus of Control as a Moderation of the Effect of Distributive Justice and Procedural Justice on Taxpayers Compliance of Hotel Tax in Gianyar District

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Abstract:- This research is purposed to analyze the impact of distributive and procedural justice on taxpayer compliance with a locus of control as the moderation variable. The population of this research amount 1.530 hotel which was registered as the taxpayer at the Regional Financial and Asset Management Agency of Gianyar District. 98 hotels were selected as samples using the non-probability sampling technique and analyzed by Moderated Regression Analysis (MRA). The results of this research showed that both distributive justice and procedural justice have a positive and significant impact on taxpayer compliance. This research also revealed that locus of control strengthened the influence of distributive justice and procedural justice on taxpayer compliance.

Keywords:- Distributive Justice, Procedural Justice, Locus Of Control, Taxpayer Compliance.

I. INTRODUCTION

The practice of regional autonomy in Indonesia through Law Number 23 of 1999 concerning Regional Government, which was subsequently amended with the recent Law Number 9 of 2015 concerning the Second Amendment to Law Number 23 of 2014 concerning Regional Government granting rights and powers to regional heads to regulate and administer government affairs, as well as manage and utilize regional wealth for the welfare of their respective regions. To administer the government,

regional government funding in the era of regional autonomy comes from regional revenue (*PAD; Pendapatan Asli Daerah*), balance funds sourced from the state budget (*APBN; Anggaran Pendapatan dan Belanja Negara*), regional loans, and other legal regional revenues. The regional government is expected to be able to be truly autonomous, where all regional government expenditures can be fulfilled by using revenue sources from within the region. Regional revenue is regional income coming from local taxes, local retribution, the results of separated regional wealth management, and other legal income. Optimization of regional revenue sources needs to be implemented to increase funding sources from within the region and not continue to depend on the central government.

Gianyar District is one of the regencies in Bali that has been able to finance part of its development by relying on regional revenue. The Government of Gianyar District is consistently trying to meet the regional budget by increasing regional revenue. One source of regional revenue that can be maximized by local governments is the sector of local tax. Local tax is a taxpayer (individual or corporate) contribution to the region which is compelling based on law, without receiving direct compensation, and is used for regional needs for the most remarkable prosperity of the people. Local taxes are a component of regional revenue that can finance local government funding (Sukarma & Wirama, 2016). The data or regional revenue for the tax sector in Gianyar District in 2017-2020 is presented in table 1 below.

Table 1:- Regional Revenue Budget of Tax Sector in Gianyar District (in thousands of Indonesian Rupiah)

Type of Tax	2017	2018	2019	2020
Hotel Tax	147,824,600	189,700,000	264,990,658	301,665,796
Restaurant Tax	88,000,000	114,000,000	149,241,311	193,620,000
Entertainment Tax	50,500,000	64,500,000	69,000,000	95,961,250
Advertisement Tax	3,300,000	3,300,000	2,900,000	3,570,000
P. Street Lighting	48,000,000	52,000,000	62,647,733	71,000,000
Parking Tax	500,000	1,000,000	1,081,897	1,050,000
Groundwater Tax	5,000,000	6,000,000	7,500,000	9,000,000
Non-Metal Mineral & Rock Tax	25,000	-	-	-
Land and Building Tax of Rural and Urban (PBB P2)	50,000,000	30,000,000	39,592,373	30,000,000
Fees for Acquisition of Land and Building Rights (BPHTB)	72,824,909	72,824,909	175,286,977	182,124,475
TOTAL	465,974,509	533,324,909	772,240,950	888,016,521

Table 1 shows that the revenue budget of hotel tax in GianyarDistrict is the most substantial source of tax revenue every year. GianyarDistrict is one of the favorite tourism destinations in Bali Province. Hence, it engages the interest of the community to build accommodation like hotels and villas to support the tourism industry. With the increasing number of hotels/villas/inns, the revenue of the hotel tax offers the potential to become the vastest regional revenue each year in GianyarDistrict.

The prominent target of regional revenue in the sector of the hotel tax is unmatched by the awareness of hotel taxpayers in carrying out their tax obligations. There are still many hotel taxpayers who do not carry out their tax obligations properly. It can be perceived from the results of tax audits carried out by the Regional Financial and Asset Management Agency of GianyarDistrict every year.

Table 2:- Finding of Tax Audit Results in GianyarDistrict

Tax Period	Type of Tax	Finding of Tax Audit
2017	Hotel	IDR 3,213,154,297
	Restaurant	IDR 2,635,582,336
	Entertainment	IDR 262,790
2018	Hotel	IDR 6,446,604,984
	Restaurant	IDR 1,641,922,499
	Entertainment	IDR 916,199,372
2019	Hotel	IDR 6,445,627,872
	Restaurant	IDR 681,119,336
	Entertainment	IDR 859,899,147

Table 2 shows that based on the audit results, the number of hotel tax findings is the largest tax finding every year. Taxpayers tend not to report all the income they earn each month. It reflects taxpayer non-compliance.

The local government implements a self-assessment system to collect hotel taxes and several other types of taxes. The implementation of the self-assessment system gives taxpayers the confidence to calculate, report, and pay their taxes. The community is expected to have voluntary compliance and not compliance due to coercion from the tax authorities (Zemiyanti, 2016). Local governments indeed expect the awareness of taxpayers to comply voluntarily in reporting their tax amounts honestly.

The Regional Financial and Asset Management Agency of GianyarDistrict is the organization of a regional apparatus in charge of handling regional tax revenue and regional expenditure in GianyarDistrict. In its duties as an organization responsible for handling local taxes, the Regional Financial and Asset Management Agency of GianyarDistrict always tries to generate efforts to improve taxpayer compliance, including socialization, improving service quality, and developing information technology to facilitate taxpayers in tax reporting and payment. The Regional Financial and Asset Management Agency of GianyarDistrict also needs to analyze the factors that can motivate taxpayers to comply voluntarily with applicable tax regulations.

The fairness felt by taxpayers is thought to be a factor that can increase taxpayer compliance. Fair treatment can establish motivation, trust, and increase loyalty. Fairness in taxation refers to the application of a system providing equal rights and obligations for all taxpayers. According to Herman (2019), non-compliance occurs because of perceptions of fairness affecting actions. McShane

(2010:151) divide justice into two: distributive justice and procedural justice.

Distributive justice is a kind of justice serving someone proportionally. Distributive justice does not give everyone similar rights or obligations. The greater the income received by the taxpayer, the greater the hotel tax that must be collected and paid to the government. Taxpayers having a higher income will pay higher taxes than taxpayers with lower income. If taxpayers feel that distributive justice has been enforced, and all taxpayers have reported and paid their taxes proportionally, it will increase taxpayer awareness to comply in reporting and paying their taxes following applicable regulations. It is supported by research from Budhiarsana (2016), Mahasena (2017), Gberegbe (2017), Herman (2019), and Van Dijke (2019) showing that distributive justice affects taxpayer compliance. However, research from Faizal (2017) shows that distributive justice does not affect compliance.

Procedural justice is the justice felt by someone from the procedures applied in an activity. Procedural justice in taxation refers to fairness in terms of the implementation of regulations as a whole, where each taxpayer receives equal treatment on the regulations run by the tax authorities. A person will contribute if his existence is recognized (Radityo, 2019). If the tax authorities have implemented tax collection procedures following the rules, as well as the rules applied to all taxpayers, the taxpayers will judge that the tax collection procedures are fair. Fair procedures can encourage taxpayers to comply with established regulations. Procedural justice is one of the most useful and practical tools for improving voluntary tax compliance (Gobena, 2017). This statement is supported by research conducted by Faizal (2017), Gberegbe (2017), Herman (2019), and Van Dijke (2019) showing that procedural justice affects taxpayer compliance. Meanwhile, research from Worsham

(1996), Ratmono (2014), and Hakim (2017) explained that procedural justice does not affect tax compliance.

Research on taxpayer compliance has been carried out by many previous researchers. However, the differences are in the results of the study indicating that the possibility of other factors affecting the relationship between distributive justice and procedural justice on taxpayer compliance. Conceptually, several variables are thought to play a role in moderating the effect of distributive justice and procedural justice on taxpayer compliance, one of which can be considered is the variable of a locus of control. Locus of control is defined as the general expectation that rewards or outcomes in life are controlled either by one's actions (an internal locus of control) or by some other actions (an external locus of control) (Spector, 1988). Locus of control can also be defined as a belief about the outcome in the form of an action taken depending on what the person did, or an event beyond personal control. If the taxpayer has an internal locus of control, distributive justice, and procedural justice will have less effect on compliance. Conversely, if the taxpayer has an external locus of control, distributive justice, and procedural justice will have a more tremendous effect on compliance.

Previous research on taxpayer compliance mostly examined the perception of compliance using a questionnaire as data collection techniques. The use of a questionnaire to measure the level of compliance offers the potential to cause social desirability bias, which represents a tendency for respondents to choose answers to statements/questions that are considered favorable by others. When faced with statements/questions related to compliance, the respondent will tend to answer as if the respondent was obedient and did not reveal what indeed happened. In this study, the measurement of taxpayer compliance uses data sourced from documentation related to tax reporting and payment, as well as tax audit results, for the tax periods of 2018 and 2019, so that the realistic level of compliance will be reflected without being manipulated by respondents.

This study aims (1) at determining whether distributive justice affects hotel taxpayer compliance in Gianyar District, (2) at determining whether procedural justice affects hotel taxpayer compliance in Gianyar District, (3) at determining whether the locus of control moderates the effect of distributive justice on hotel taxpayer compliance in Gianyar District and (4) at determining whether the locus of control moderates the effect of procedural justice on hotel taxpayer compliance in Gianyar District.

II. THEORETICAL FRAMEWORK

➤ *Self-Determination Theory*

Self-determination theory is a motivation theory coined by Richard M. Ryan and Edward L. Deci. *Self-determination theory* studies motivation, encouraging people to do or not do something, as well as generating or eliminating desire/attraction. *Self-determination theory* is more emphasis on the sources of motivation that have an

impact on the quality and dynamics of behavior (Ryan, 2017: 14). There are several reasons for someone to be compelled to act or do something. In general, there are two types of motivation, namely *autonomous* and *controlled* (Ryan, 2017: 14).

- 1) Autonomous is a condition for someone to do something consciously because of internal factors that are driven by pleasure, interest, and feelings of value. Behavior motivated autonomously is reflected in the extent to which humans agree and are fully willing to engage in the behavior.
- 2) Controlled is behavior motivated because someone feels pressured externally or internally, or is forced to act. Controlled conditions arise due to external factors, like reward factors, avoiding punishment, the existence of requests, orders/pressure, or obligations.

Autonomous and controlled conditions are based on basic human psychological needs which can be divided into competence, relatedness, and autonomy (Ryan, 2017: 11).

- 1) Competence is related to the self-confidence of a capable person to do something well and effectively. Competence refers to the basic human need to experience effect and control. Humans need to feel capable of potential effects in the context of life.
- 2) Relation (relatedness) is related to a sense of attachment between humans. Humans experience the most distinctive relationship when they feel cared for by others; and when they feel, they are contributing to others.
- 3) Autonomy is related to the feeling that a person has control over himself, and has the power to determine all actions that will be carried out without being controlled by anyone. Autonomy is seen as a sense of volunteerism and is not the same as independence. The fundamental characteristic of autonomy is that one's behavior is self-sustaining, or according to one's authentic interests and values.

The difference between autonomous and controlled motivation stems from empirical research on intrinsic and extrinsic motivation. Intrinsically motivated behavior is behavior that is carried out of attraction, where the actor gets a spontaneous feeling of the effects and enjoyment that accompany the behavior. Meanwhile, extrinsically motivated behavior is behavior coming from several consequences that can be separated, such as external rewards or social approval, legal avoidance, or the achievement of rewarded results (Ryan, 2017: 14).

➤ *Equity Theory*

Equity theory explains that motivation is a function of justice based on the results received by it, and others (Kadji, 2012). Equity theory is a theory stating that individuals compare the inputs and results of their work with the inputs and results of other people's work, and then respond to eliminate injustice. Justice focuses on the distribution of rights and obligations equally to everyone, so that everyone has the opportunity to bear the burden and get the same benefits (Yadinta, 2018). According to the equity theory, someone will be motivated if they enjoy a sense of justice

The behavior raised depends on the perception of what other people give and receive (Kadji, 2012).

According to McShane (2010: 151), There are two forms of organizational justice: distributive justice and procedural justice. Distributive justice refers to the perception of fairness in the results received compared to the contribution that has been made. According to Verboon (2007), distributive justice refers to the perception of the extent to which outcomes conform to implicit norms, such as equality. In an exchange relationship, someone will always compare the ratio of contributions and compensation received, with the ratio of contributions and compensation of others. Procedural justice refers to the fairness of the procedures used to decide the distribution of resources. Procedural justice relates to the perception of fairness from the procedures used and the process to arrive at a decision.

➤ *Effects of Distributive Justice on Compliance*

Distributive justice is justice that does not provide equal rights to everyone, but justice that can give proportionality rights. Regional regulation of Gianyar District Number 2 of 2011 concerning Hotel Taxes explains that the hotel tax rate is set at 10% (ten percent) of the income received by taxpayers. It means that the greater the income received by the taxpayer, the greater the hotel tax that must be collected and paid to the government. Taxpayers with higher income will pay higher taxes than taxpayers with lower income. If the taxpayer feels that distributive justice has been upheld and all taxpayers have reported and paid their taxes proportionally, it will increase the taxpayer's awareness to comply in reporting and paying their taxes following applicable regulations. Research from Budhiarsana (2016), Mahasena (2017), Gberegbe (2017), Herman (2019), and Van Dijke (2019) shows that distributive justice affects taxpayer compliance. However, research conducted by Faizal (2017) shows that distributive justice does not affect compliance. Based on this description, the hypotheses that can be developed are as follows.

H1: Distributive justice has a positive effect on taxpayer compliance.

➤ *Effects of Procedural Justice on Compliance*

Procedural justice is a function of the extent to which some procedural rules are obeyed or violated. These rules have very important implications because they are seen as a manifestation of the values of the basic processes in the organization. Procedural justice in taxation refers to fairness in terms of the implementation of regulations as a whole, where each taxpayer receives equal treatment on the regulations run by the tax authorities. If the tax authorities have implemented tax collection procedures following the rules, as well as the rules applied to all taxpayers, the taxpayers will judge that the tax collection procedures are fair. Fair procedures can encourage taxpayers to comply with established regulations. Procedural justice is one of the most useful and practical tools for improving voluntary tax compliance (Gobena, 2017). Research conducted by Faizal (2017), Gberegbe (2017), Herman (2019), and Van Dijke (2019) shows that procedural justice affects taxpayer compliance. However, research from Worsham (1996) and

Hakim (2017) shows that procedural justice does not affect tax compliance. Based on this description, the hypotheses that can be developed are as follows.

H2: Procedural justice has a positive effect on taxpayer compliance.

➤ *Locus of Control Moderates the Effect of Distributive Justice on Compliance*

The existence of inconsistencies between the results of research conducted by Budhiarsana (2016), Mahasena (2017), Gberegbe (2017), Herman (2019), and Van Dijke (2019) showing that distributive justice affects taxpayer compliance and the research by Faizal (2017) showing that distributive justice does not affect compliance, shows the possibility of other factors that can affect the relationship between distributive justice and taxpayer compliance. Self-determination theory explains there are several reasons for a person to be compelled to act or do something, where in general, there are two types of motivation: autonomous (the condition of someone doing something consciously because of internal factors driven by pleasure, having interest and feelings of value) and controlled (the condition of a person doing something because of external activity). Self-determination theory is relevant in explaining the locus of control, in which the belief about the results in the form of actions taken depends on what the person is performing (internal locus of control) or events beyond personal control (external locus of control). In this study, distributive justice is an external factor of taxpayers that can affect taxpayer compliance. If the taxpayer possesses an external locus of control, distributive justice will have a more extensive effect on compliance. Based on this description, the hypotheses that can be developed are as follows.

H3: Locus of control moderates the effect of distributive justice on taxpayer compliance.

➤ *Locus of Control Moderates the Effect of Procedural Justice on Taxpayer Compliance.*

Research conducted by Faizal (2017), Gberegbe (2017), Herman (2019), and Van Dijke (2019) shows that procedural justice affects taxpayer compliance. However, research from Worsham (1996) and Hakim (2017) shows that procedural justice does not affect compliance. The differences in the results of these studies indicate the possibility of other factors that can affect the relationship between procedural justice and taxpayer compliance. Self-determination theory explains, in general, there are two types of motivation: autonomous (the condition of someone doing something consciously because of internal factors driven by pleasure, having interest and feelings of value) and controlled (the condition of a person doing something because of external activity). Self-determination theory is relevant in explaining the locus of control, in which the belief about the results in the form of actions taken depends on what the person is performing (internal locus of control) or events beyond personal control (external locus of control). This study has a procedural justice is an external factor of taxpayers that can affect taxpayer compliance. If the taxpayer possesses an external locus of control, the procedural justice will have a more affects compliance.

Based on this description, the hypotheses that can be developed are as follows.

H4: *Locus of control moderates the effect of procedural justice on taxpayer compliance.*

III. RESEARCH METHODS

The analysis technique was performed using Moderated Regression Analysis (MRA). The purpose of doing the MRA analysis technique is to determine the role of the able variable to strengthen or weaken the effect between the independent and the dependent variable. In this study, the variables consisted of the independent variables: distributive justice and procedural justice, the dependent variables: taxpayer compliance, and moderating variables: locus of control. Compliance means submitting to or obeying the teachings or rules. Compliance in taxation is adherence, submission, and obedience as well as implementing taxation provisions. In this study, the assessment of compliance focus on the timeliness of reporting and payments, as well as the suitability of the reported tax liability amount to the actual calculation. Distributive justice refers to the perception of fairness in the results received compared to the contribution that has been made. To measure distributive justice in this study, a questionnaire quoted from the research of Verboon (2007) was used. Procedural justice in taxation refers to fairness in terms of the implementation of regulations as a whole, where each taxpayer receives equal treatment on the regulations run by the tax authorities. To measure has procedural justice in this study, a questionnaire quoted from the research of Giswa (2015) was used. *Locus of control* is the individual difference controlling the degree to which individuals attribute responsibility for results, both positive and negative, either to themselves or external effect (O'Brien, 2004). To measure the locus of control in this study, a questionnaire quoted from the research of Rotter (1966) was used.

➤ *Population, Sample, and Method for Determining Sample*

In this study, the population was hotel taxpayers in Gianyar District, amounting to 1,530. The sampling method employed was purposive sampling, which is a non-probability sampling technique. The criteria established in sampling are as follows:

- (1) Hotel taxpayers who have been audited by the Regional Financial and Asset Management Agency of Gianyar District for the tax period of 2018 or 2019.
- (2) Hotel taxpayers who have operated and are registered on the Regional Financial and Asset Management Agency of Gianyar District.

The number of taxpayers used was 98 taxpayers.

➤ *Validity Test*

The validity test is used to measure the validity of a questionnaire. The technique used to test the validity of the items of the statements of distributive justice and procedural justice variable *Pearson Product Moment correlation*, while to test the items of the statements of the locus of control

variable, *point biserial correlation* with calculations using Microsoft Excel was used. The test results on the items of the distributive justice and procedural justice variables show that all statement indicators have a *Pearson correlation* value greater than 0.30 so that all indicators have met the data validity requirements. The test results on the items of the distributive justice and procedural justice variables show that all statement indicators have a Pearson correlation value greater than 0.30 so that all indicators have met the data validity requirements. The test results show that of the 23 statement items tested, statements 6 and 12 have a biserial point efficiency value that is smaller than the t-table (1.98) so that the indicator does not meet the data validity requirements and is excluded from the test, while 21 other statement items have met the data validity requirements.

➤ *Reliability Test*

The reliability test on the instrument shows the extent to which a measure returns to the same indications. A questionnaire is said to be reliable if the instrument is employed several times by measuring the same object will produce consistent results over time. The research instrument can be said to be reliable if it has a Cronbach's Alpha coefficient greater than 0.6 (Sujarweni, 2014: 193). The results of reliability testing show that the Cronbach's alpha value for each variable has a value greater than 0.60. It shows all the questions in this research questionnaire are reliable and usable.

➤ *Normality test*

The normality test is carried out to test whether the residuals of the regression model are normally distributed or not (Ghozali, 2013: 154). In this study, the normality test used a statistical test, namely the Kolmogorov - Smirnov (K-S) test. Residuals are normally distributed if the level of significance or the value of Asymp. Sig (2-Tailed) from the normality test, the value is greater than the significance level $\alpha = 0,05$. The results of the Kolmogorov-Smirnov test show the value of Asymp. Sig (2-Tailed) is 0.083 or greater than $\alpha = 0,05$ so that the data tested is normally distributed. It indicates that the regression model of this study fulfills the normality test because of the value of Asymp. Sig. is greater than 0,05.

➤ *Heteroscedasticity test*

A heteroscedasticity test is performed to test the regression model whether there is an inequality of variants from the residuals of one observation to another. To detect whether the regression model contains heteroscedasticity symptoms or not, it is done using the Glejser test (Ghozali, 2013: 137). Glejser test is done by regressing the absolute residual value of the estimated model to the independent variable. If the significant value is greater than 0.05, there is no indication of heteroscedasticity. The test results show that the significance value of each variable is greater than $\alpha = 0,05$. It shows that the regression model of this study is free from heteroscedasticity indications.

➤ *Multicollinearity Test*

The multicollinearity test aims at testing whether the regression model identifies a correlation between one

independent variable and other independent variables (Ghozali, 2013: 103). A good regression model is free from multicollinearity indications. To detect the presence or absence of multicollinearity in the regression model, it can be perceived in the tolerance value and the variance inflation factor (VIF) value. If the tolerance value is more than 10% or VIF is less than 10, it is said that there is no multicollinearity. The multicollinearity test results show the tolerance and VIF values of each variable. This value indicates that the tolerance value for each variable is greater than 0.10, and the VIF value is smaller than 10, meaning that the regression equation model is free of

multicollinearity so it is feasible to employ it in further testing.

➤ *Multiple Regression Analysis Test and Hypothesis Test*

• **Moderated Regression Analysis (MRA)**

The calculation of the moderation regression coefficient was carried out employing regression analysis using SPSS 22.0 for Windows software, the results shown are shown in Table 3 below.

Table 3 Results of Moderation Regression Analysis

Model	Unstandardized Coefficients		Unstandardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	-13,950	3,223		-4,329	0,000
Distributive justice	0,100	0,041	0,160	2,411	0,018
Procedural justice	0,245	0,089	0,376	2,758	0,007
Locus of control	0,015	0,046	0,039	0,334	0,739
K. Distributive x Locus of control	0,026	0,007	0,817	3,796	0,000
K. Procedural x Locus of control	0,046	0,010	0,697	4,382	0,000

a. Dependent Variable: Taxpayer compliance

Based on the results of multiple linear regression analysis, the structural equation is as follows.

$$KPTH = -13,950 + 0,100KD + 0,245KP + 0,015LC + 0,02KD.LC + 0,046KP.LC + \epsilon$$

Variables of distributive justice, procedural justice, the interaction of distributive justice with a locus of control, and interaction of procedural justice with a locus of control have a significance value less than 0.05. It means that these variables have a significant effect on taxpayer compliance variables, while locus of control has a significance value of

more than 0.05, which means there is no significant effect between locus of control on taxpayer compliance.

• *Coefficient of Determination (R²) Test*

Coefficient of determination (R²) is used to determine and measure the model's ability to explain variations in the independent variables. Researchers use the adjusted R² value when evaluating which is the best regression model because unlike R², the adjusted R² value can increase or decrease if one independent variable is added to the model. The test results of the Coefficient of Determination can be seen in the following table.

Table 4 Result of Coefficient of Determination (R²) Test

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0,790	0,624	0,604	2,120

The test results give results where the adjusted R² (the adjusted coefficient of determination) is 0.604. It means that variations in taxpayer compliance can be significantly affected by variables of distributive justice, procedural justice, locus of control, the interaction of distributive justice with a locus of control and interaction variables of procedural justice with a locus of control by 60.4 percent, while the remaining 39.6 percent explained by other factors not explained in the research model.

• *Model Feasibility Test (F-Test)*

The model reliability test or model feasibility test or more popularly known as the F test is the initial stage of identifying the regression model that is estimated to be

feasible or not. Eligible (reliable) here means that the estimated model is suitable to be used to explain the effect of the independent variables on the dependent variable. Sig. The ANOVA table shows the probability of significant value in the ANOVA calculation. The values listed are used for the Analysis Model serviceability test (where many variables x affects variable y) provided that a good probability number to be used as a regression model must be <0.05. This value can be seen in the column of Sig. If the significance value is ≤ 0.05, the Analysis Model is considered feasible. If the significance value is > 0.05, the Analysis Model is considered not feasible. The results of the F test in this study can be seen in table 5.

Table 5 Result of F-test

	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	686.723	5	137,345	30,565	0,000
	Residual	413.410	92	4,494		
	Total	1100.133	97			

The results of the F test show that the significance value of the P-value is 0.000 which is smaller than $\alpha = 0.05$. It means that the model used in this study is feasible. This result means that all independent variables, namely distributive justice, procedural justice, locus of control, the interaction variable between distributive justice and locus of control, and the interaction variable between procedural justice and locus of control can predict or explain the phenomenon of taxpayer compliance. It means that the model can be used for further analysis. In other words, the model can be used to project because the results of the goodness of fit are good with a significance value of P-value 0.000.

• *Hypothesis Test (t-test)*

The test criteria to explain the interpretation of the effect between each variable, which is if the significance value is ≤ 0.05 , H_0 is rejected and H_1 is accepted. Conversely, if the significance value is > 0.05 , H_0 is accepted and H_1 is rejected.

1) Based on the results of the analysis of the effect of distributive justice on taxpayer compliance, a significance value of 0.018 was obtained with a positive regression coefficient of 0.100. A significance value of $0.018 < 0.05$ indicates that H_0 is rejected and H_1 is accepted. This result means distributive justice has a positive and significant effect on hotel taxpayer compliance in GianyarDistrict.

2) Based on the results of the analysis of the effect of procedural justice on taxpayer compliance, a significance value of 0.007 was obtained with a positive regression coefficient value of 0.245. A significance value of $0.007 < 0.05$ indicates that H_0 is rejected and H_2 is accepted. This result means procedural justice has a positive and significant effect on hotel taxpayer compliance in GianyarDistrict.

3) The result of moderation regression analysis shows that the value of distributive justice regression coefficient (β_1) is positive at 0.100 with a significance value of 0.018 and the regression coefficient value of the KD.LC interaction variable (β_4) is positive of 0.026 with a significance value of 0.000, so it shows there is a unidirectional influence because the independent variables and the interaction have both positive values. It means the locus of control variable is a moderating variable strengthening the positive effect of distributive justice on hotel taxpayer compliance in GianyarDistrict.

4) The result of moderation regression analysis shows that the procedural justice regression coefficient (β_2) is positive at 0.245 with a significance value of 0.007 and the regression coefficient value of the KP.LC interaction variable (β_5) is positive at 0.046 with a significance value of 0.000, so it shows there is a unidirectional influence because the independent variables and interactions have a positive value. It means the locus of control variable is a variable moderating the effect of procedural justice on hotel taxpayer compliance in GianyarDistrict.

IV. DISCUSSION OF RESEARCH RESULT

➤ *Effects of Distributive Justice on Taxpayers Compliance*

Distributive justice has a positive regression coefficient of 0.100 with a significance level of 0.018 which is smaller than $\alpha = 0.05$. These results indicate that there is a positive effect of distributive justice on taxpayer compliance. If distributive justice increases with the assumption that other independent variables are constant, taxpayer compliance will increase. The proposed H_1 is acceptable, meaning that distributive justice has a positive effect on taxpayer compliance in fulfilling tax obligations, especially hotel taxes. The results of this study are in line with the results of research conducted by Budhiarsana (2016), Mahasena (2017), Gberegbe (2017), Herman (2019), and Van Dijke (2019) stating that distributive justice has a positive effect on taxpayer compliance.

The results of this study are in line with self-determination theory. This theory is related to taxpayer motivation to fulfill tax compliance. Distributive justice is one of the external factors that affect the level of taxpayer compliance. The fairness felt by taxpayers is a factor that can increase taxpayer compliance. Fair treatment can establish motivation, trust, and increase loyalty. Distributive justice does not give everyone similar rights or obligations. It means that the greater the income received by the taxpayer, the greater the hotel tax that must be collected and paid to the government. Taxpayers having higher incomes will pay higher taxes than taxpayers with lower incomes. If the taxpayer feels that distributive justice has been upheld and all taxpayers have reported and paid their taxes proportionally, it will increase the taxpayer's awareness to comply in reporting and paying their taxes following applicable regulations.

➤ *Effects of Procedural Justice on Taxpayers Compliance*

Procedural justice has a positive regression coefficient of 0.245 with a significance level of 0.007 which is smaller than $\alpha = 0.05$. These results indicate that there is a positive effect of procedural justice on taxpayer compliance. If procedural justice increases with the assumption that other independent variables are constant, taxpayer compliance will increase. The proposed H_2 is acceptable, meaning that procedural justice has a positive effect on taxpayer compliance in meeting tax obligations, especially hotel taxes. The result of this research is supported by Faizal (2017), Gberegbe (2017), Herman (2019), and Van Dijke (2019) show that procedural justice affects taxpayer compliance.

The results of this study are in line with self-determination theory. This theory is related to taxpayer motivation to fulfill tax compliance. One of the external factors affecting the level of taxpayer compliance is

procedural justice. Procedural justice in taxation refers to fairness in terms of the implementation of regulations as a whole, where each taxpayer receives equal treatment on the regulations run by the tax authorities. If the tax authorities have implemented tax collection procedures following the rules, as well as the rules applied to all taxpayers, the taxpayers will judge that the tax collection procedures are fair. Fair procedures can encourage taxpayers to comply with established regulations.

➤ *Locus of Control Amplifies the Effect of Distributive Justice on Taxpayer Compliance.*

The moderation coefficient value between distributive justice and locus of control is 0.026, meaning that if there is an increase in the relationship between distributive justice and locus of control by one unit, taxpayer compliance will increase by 0.026 unit, assuming the independent variable is constant. It can be interpreted the locus of control amplifies the positive effect of distributive justice on taxpayer compliance. Distributive justice affects taxpayer compliance, especially for taxpayers possessing an external locus of control.

The results of this study are following self-determination theory explaining there are several reasons for a person to be motivated to act or do something, where in general, there are two types of motivation: autonomous (the condition of a person doing something consciously due to internal factors driven by pleasure, having an interest, and feelings of value) and controlled (the condition of a person doing something because of his activity due to external factors). Self-determination theory is relevant in explaining the locus of control, in which the belief about the results in the form of actions taken depends on what the person is performing (internal locus of control) or events beyond personal control (external locus of control). In this study, distributive justice is an external factor of taxpayers that can affect taxpayer compliance. If the taxpayer possesses an external locus of control, distributive justice will have a more extensive effect on compliance.

➤ *Locus of Control Amplifies the Effect of Procedural Justice on Taxpayer Compliance.*

The moderation coefficient value between procedural justice and locus of control is 0.046, meaning that if there is an increase in the relationship between procedural justice and locus of control by one unit, taxpayer compliance will increase by 0.046 unit, assuming the independent variable is constant. It can be interpreted the locus of control amplifies the positive effect of procedural justice on taxpayer compliance.

The results of this study are following self-determination theory. The condition of a person doing an activity because of external (controlled) factors is relevant in explaining the locus of control, in which the belief about the results in the form of actions taken depends on what the person is performing (internal locus of control) or events beyond personal control (external locus of control). A person who has an external locus of control will make decisions based on perceived external factors. Procedural

justice is an external factor of taxpayers that can affect taxpayer compliance. If the taxpayer possesses an external locus of control, the procedural justice will have a more affects compliance.

V. CONCLUSIONS

Based on the research results described in the previous chapter, the conclusions that can be stated are as follows.

- 1) Distributive justice has a positive effect and significant on taxpayer compliance. It shows that if the taxpayers feel that they have obtained distributive justice, they will be able to better determine their behavior and fulfill all their tax obligations following the applicable tax laws.
- 2) Procedural justice has a positive and significant effect on taxpayer compliance. If the taxpayer feels that they have been treated fairly procedurally, it can increase taxpayer compliance in fulfilling their obligations.
- 3) Locus of control amplifies the effect of distributive justice on taxpayer compliance. For taxpayers possessing an external locus of control, the perceived distributive justice will have a greater effect on the taxpayer's decision to comply with tax regulations.
- 4) Locus of control amplifies the effect of procedural justice on taxpayer compliance. For taxpayers possessing an external locus of control, the perceived procedural justice will have a greater effect on the taxpayer's decision to comply with tax regulations.

Suggestions

The suggestions that can be conveyed in this study are as follows.

- 1) The Regional Government of Gianyar District, especially the Regional Financial and Asset Management Agency (BPKAD) of Gianyar District, needs to pay attention to distributive justice and procedural justice for taxpayers in Gianyar District by improving service quality, enforcing tax regulations, and giving fair treatment to all local taxpayers in Gianyar District to increase taxpayer satisfaction.
- 2) This study only focuses on external factors of taxpayers affecting taxpayer compliance. Future research can examine internal variables of taxpayers, such as level of education, knowledge of taxes, or the taxpayer's financial condition. Future studies can also examine other types of taxes, especially those that have not reached the target realization in a certain period.

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