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The Influence of Taxpayer Awareness and Tax Incentives on Compliance in Paying Land and Building Tax (PBB) in Bekasi City in 2022-2024

Sri Yanti [1*], Bella Puspita [2], Abdillah [3]
[1-3] Accounting Study Program, Faculty of Business and Technology, Pertiwi University, Indonesia
Email: yantisri6783@gmail.com [1], bella.puspita@pertiwi.ac.id [2], abdillah@pertiwi.ac.id [3]*

[*] *Corresponding Author: yantisri6783@gmail.com [1]*

Abstract . *Land and Building Tax is a potential source of regional revenue. This study aims to analyze the influence of taxpayer awareness and tax incentives on taxpayer compliance. The research method used a quantitative approach with a Likert-scale survey of 384 respondents. Data analysis was conducted using Pearson correlation tests, multiple linear regression, t-tests, F-tests, and the coefficient of determination (R^2) using SPSS version 20. The results showed that taxpayer awareness and tax incentives simultaneously had a significant effect on taxpayer compliance ($F = 314.023$; $p < 0.05$). Partially, taxpayer awareness and tax incentives have a positive and significant effect on taxpayer compliance. The correlation test showed a positive and significant relationship between each independent variable and taxpayer compliance. The R^2 value of 0.622 indicates that 62.2% of taxpayer compliance can be explained by taxpayer awareness and tax incentives. In conclusion, taxpayer awareness and tax incentives play a significant role in increasing taxpayer compliance.*

Keywords: *Likert Survey; Tax Incentives; Tax Influence; Taxpayer Awareness; Taxpayer Compliance.*

1. INTRODUCTION

Land and Building Tax (PBB) is a type of regional tax that plays a strategic role in increasing Regional Original Income (PAD). As a direct tax with a clear and relatively stable object, PBB is a crucial instrument for local governments in financing development and public services (Sutarjo & Effendi, 2020; Maharaja et al., 2021). Optimizing PBB revenue depends heavily on taxpayer compliance in fulfilling their tax obligations in a timely manner and in accordance with regulations.

However, in practice, local governments still face various obstacles in optimizing PBB (land and building tax) revenue. One of the main issues that frequently arises is low taxpayer awareness regarding tax payments (Rahmawati, 2019; Yanti & Prasetyo, 2018). Taxpayer awareness reflects an individual's understanding, attitude, and willingness to fulfill their tax obligations without external coercion (Maghfira et al., 2024). This low level of awareness directly impacts compliance levels and results in regional tax revenue targets not being achieved.

The phenomenon of low compliance with PBB payments also occurs in various regions in Indonesia. Several studies have shown that taxpayer awareness significantly influences compliance with PBB payments (Indriyanti et al., 2023; Izmi & Purnamasari, 2024; Nuriasilva, 2024). Taxpayers with high awareness tend to understand the importance of taxes for regional development and are willing to pay their PBB on time. Conversely, low awareness is often

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associated with the perception that taxes do not provide direct benefits to the community.

In addition to taxpayer awareness, tax incentive policies are also a crucial factor influencing compliance levels in paying Land and Building Tax (PBB). Tax incentives are a form of relief or incentive provided by the government to taxpayers, such as rate reductions, fine waivers, or payment deferrals, with the aim of encouraging voluntary compliance (Utami & Mahaputra, 2022; Santoso & Djati, 2022). Incentives are considered effective in increasing compliance, particularly in unstable economic conditions.

Several previous studies have shown that tax incentives have a positive effect on taxpayer compliance in paying land and building tax (PBB) (Rahmawati, 2019; Yanti & Prasetyo, 2018; Zharah & Trisnaningsih, 2025). Incentives not only ease the financial burden on taxpayers but also increase perceptions of fairness and public trust in local governments. With incentives, taxpayers tend to be more cooperative and motivated to fulfill their tax obligations.

Bekasi City, as a major city with a high level of urbanization and economic activity, has significant potential for PBB revenue. However, the realization of PBB revenue in Bekasi City for the 2022–2024 period showed a downward trend. In 2022, PBB revenue realization was recorded at 82.59%, followed by decreased to 81.34% in 2023, and decreased again to 81.17% in 2024. This condition indicates a problem in the level of taxpayer compliance that requires serious attention from the local government.

The decline in PBB revenue realization can be caused by various factors, including low taxpayer awareness, suboptimal utilization of tax incentives, and limited public understanding of the benefits of PBB for regional development (Abdilah et al., 2023; Anur et al., 2024; Janah, 2023). Therefore, a comprehensive empirical study is needed to identify factors influencing taxpayer compliance, particularly those related to taxpayer awareness and tax incentives.

Based on the above description, this study aims to analyze the influence of taxpayer awareness and tax incentives on compliance in paying Land and Building Tax (PBB) in Bekasi City during the 2022–2024 period. The results of this study are expected to provide theoretical contributions to the development of regional tax studies and serve as considerations for local governments in formulating effective policies to improve compliance and optimize PBB revenue .

2. LITERATURE REVIEW

Taxpayer Awareness

Awareness is a source element within humans in understanding reality and how to act or behave towards reality. According to (Pohan 2017) [14] , public awareness is a solid foundation

for the establishment of development itself. According to (Rahayu 2017) [15] , awareness is a condition where taxpayers understand and comprehend the meaning, function and purpose of paying taxes to the state.

Tax Incentives

The definition of tax incentives according to Barry Spitz (in Sitohang & Sinabutar, 2020) is a facility provided by the government in the field of taxation to certain taxpayers in the form of a reduction in tax rates with the aim of reducing the amount of tax burden that still has to be paid.

Taxpayer Compliance

Taxpayer compliance is the obedience to comply with tax provisions or regulations that are required or obligatory to be implemented (Tuwo, 2016). Taxpayer compliance is a condition in which taxpayers fulfill all tax obligations and exercise their tax rights (Setiaji & Nisak, 2017).

Research Novelty

Several previous studies have shown a relationship between Awareness and other indicators on taxpayer compliance in paying Land and Building Tax:

a. Sri Hartini (2021) The Influence of Taxpayer Awareness, Tax Knowledge on Compliance in Paying Land and Building Tax in Kaladawa Village, Talang District, Tegal Regency, the results of the study of taxpayer awareness, tax knowledge simultaneously have a positive and significant effect on Compliance in Paying Land and Building Tax in Kaladawa Village, Talang District, Tegal Regency
b. Murniati (2023) The Influence of Taxpayer Awareness, Tax Knowledge, and Tax Sanctions on Taxpayer Compliance in Paying Land and Building Tax in Semarang City Therefore, from the research results, taxpayer awareness, tax knowledge and tax sanctions simultaneously have a positive and significant effect on taxpayer compliance in paying land and building tax (PBB) in Semarang City.
c. Aldana Sagita Wardani (2023) The Influence of Taxpayer Awareness and Income on *Tax Compliance* of Land and Building Tax in Soreang District, Parepare City. Taxpayer awareness and taxpayer income simultaneously have a positive effect on taxpayer compliance (*tax compliance)* of land and building tax in Soreang District, Parepare City.

Based on previous research, this research is based on testing the influence of taxpayer awareness and tax incentives on compliance in paying Land and Building Tax in Bekasi City.

3. RESEARCH METHODOLOGY

Based on previous theories and research, the development of this research hypothesis is as follows:

a. H1: The influence of taxpayer awareness on compliance in paying PBB
b. H2: The effect of tax incentives on compliance in paying PBB.
c. H3: The influence of taxpayer awareness and tax incentives on compliance in paying PBB.

This hypothesis will be tested using multiple linear regression, correlation test, t-test, f-test, and determination. This will allow us to determine the partial and simultaneous effects of each variable on compliance in paying PBB.

Population and Sample

The population taken in this study is all land and building taxpayers in the Bekasi City area, while the sample in this study is a portion of taxpayers in the Bekasi City area. The number of samples used in this study uses the Slovin formula, this is because the population size is unknown or infinite. n = Z^2*p*(1-p)) / e^2) with a 95% confidence score = 1.96

Based on this formula, a sample of 348 samples was generated to become respondents.

Data Analysis Techniques

a. Descriptive Analysis:

To explain the characteristics or nature of the phenomena that occur when the research is conducted and to identify factors that may influence a particular symptom, descriptive statistics are used to present the lowest score, highest score, average, and standard deviation of the answers given by respondents (Ghozali, 2018).

b. Data Quality Test :

Validity Test: aims to assess the validity of a questionnaire. A questionnaire is considered valid if its questions are able to measure the aspects intended in the research . A questionnaire is said to be valid if the calculated r value is greater than the table r value (Ghozali, 2018).

Reliability Test: a measuring tool for assessing a questionnaire as an indicator of a variable or construct. A questionnaire is said to be reliable if a person's answers to the questions are consistent or stable over time. To assess measurement consistency, a questionnaire is considered reliable if the Cronbach's Alpha value is > 0.60.

c. Classical Assumption Test

Normality Test: to detect whether the data distribution in a variable to be used in research is normal. When the data is normally distributed, it is considered good and

suitable for proving the research model.

Multicollinearity Test: to test whether a regression model finds a correlation (strong relationship) between independent variables. A good regression model should have no correlation between independent variables or symptoms of multicollinearity.

d. Hypothesis Testing

Multiple Linear Regression Test: To measure the partial and simultaneous effects of independent variables on compliance in paying Land and Building Tax. The regression equation used is:

$$Y=\alpha+\beta1X1+\beta2X2+\beta3X3+\varepsilon$$

Correlation Test: for measure the strength of the relationship between variables **,** which is expressed in the form correlation coefficient with values between -1 to +1 (Ghozali, 2018) .

t-test (Partial): To determine the influence of each independent variable on the dependent variable.

F Test (Simultaneous): To determine the combined effect of the two independent variables on the dependent variable.

Coefficient of Determination (R^2): To determine the extent to which the independent variable is able to explain the variation in the dependent variable.

4. RESULTS AND DISCUSSION

Descriptive Results: Based on the results of data processing on 384 respondents, all data are valid and there are no missing values, so they are suitable for analysis. The average values of the Awareness (29.41), Incentives (29.39), and Compliance (29.66) variables are close to the maximum score, indicating that the level of awareness, perception of incentives, and compliance of respondents are relatively high. The median of 29 indicates a relatively balanced data distribution, while the standard deviation of around 5 and variance of 24–25 indicate that the data are quite homogeneous. The minimum value of 7 and the maximum of 35 (range 28) indicate that respondents used almost all assessment scales, with a tendency towards the high category. Overall, the data is stable and in the high category.

Table 1. Statistics.

		Awareness	Incentive	Compliance
N	Valid	384	384	384
	Missing	0	0	0
Mean		29,4141	29,3854	29,6563
Standard Error of Mean		,25521	,25670	,25107
Median		29,0000	29,0000	29,0000
Mode		35.00	35.00	28.00
Standard Deviation		5.00109	5.03019	4.91989
Variance		25,011	25,303	24,205
Range		28.00	28.00	28.00
Minimum		7.00	7.00	7.00
Maximum		35.00	35.00	35.00
Sum		11295.00	11284.00	11388.00

Source: SPSS output, 20

Validity Test Results: The analysis results show that all research variables have a calculated r value greater than 0.100. The variables Awareness (0.851), Incentives (0.811), and Compliance (0.784) are all declared valid . This indicates that the instrument has excellent accuracy in measuring the variables studied. so it can be concluded that each variable has a strong correlation with the total score and is declared internally valid.

Table 2. Item-Total Statistics.

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Awareness	59,0417	85,105	,851	,837
Incentive	59,0703	87,193	,811	,871
Compliance	58,7995	90,887	,784	,893

Source : Output SPSS, 20

Reliability Test: Based on data processing, all research variables had high Cronbach's Alpha values, namely Awareness (0.851), Incentives (0.811), and Compliance (0.784). These values indicate that the research instrument has a very high level of reliability and is able to produce consistent data. Thus, all statement items in the questionnaire were declared valid and reliable, making it suitable for further analysis, namely regression analysis and hypothesis testing.

Table 3. Data Reliability Level.

Cronbach's Alpha Value	Reliability Level	Information
0.00 – 0.20	Very Low	Not Reliable
0.21 – 0.40	Low	Less Reliable
0.41 – 0.60	Enough	Quite Reliable
0.61 – 0.80	Tall	Reliable
0.81 – 1.00	Very high	Very Reliable

Test Results Normality : the results of the normality test using the One-Sample Kolmogorov–Smirnov Test on unstandardized residuals with a sample size of 384, obtained an Asymp. Sig. value of 0.000 (<0.05), so statistically the residual data is not normally distributed. However, because the sample size is relatively large (N> 30), then based on the Central Limit Theorem, the data can still be used in linear regression analysis. Thus, violation of normality does not have a significant effect and the regression model is still suitable for use in hypothesis testing.

Multicollinearity test results: show that all independent variables have a tolerance value > 0.10 and a VIF value < 10. This indicates that there is no strong relationship between the independent variables. Thus, the regression model is declared free from multicollinearity and is suitable for further analysis, because the awareness and incentive variables work independently in influencing the compliance variable.

Table 4. Coefficients [a].

Model		Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
		B	Std. Error	Beta	t	Sig.	Tolerance	VIF
1	(Constant)	5,827	,968		6,021	,000		
	Awareness	,540	,052	,548	10,302	,000	,350	2,860
	Incentive	,271	,052	,277	5,202	,000	,350	2,860

Source: SPSS output, 20

Multiple Linear Regression Results: The ANOVA test results show a calculated F value of 314.023 with a significance of 0.000 (<0.05), so the regression model is declared statistically significant. This means that the awareness and incentive variables simultaneously have a significant effect on taxpayer compliance. In addition, the Sum of Squares Regression value is greater than the Residual indicating that the model has good feasibility. Thus, the multiple regression model is declared fit and suitable for further analysis.

Table 5. ANOVA [a].

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	5770,179	2	2885,090	314,023	.000 [b]
	Residual	3500,446	381	9,188		
	Total	9270,625	383			

Source: Output SPSS, 20

Pearson correlation test results show that all variables have a positive and significant relationship (Sig. 0.000 < 0.01). Taxpayer awareness has a very strong relationship with tax

incentives (r = 0.806), as well as a strong relationship with taxpayer compliance (r = 0.772). Meanwhile, tax incentives also have a strong relationship with taxpayer compliance (r = 0.719). Thus, all variables are positively and significantly related to each other, thus supporting the interrelationship between variables in this study.

Table 6. Correlations.

		Awareness	Incentive	Compliance
Awareness	Pearson Correlation	1	.806 **	.772 **
	Sig. (2-tailed)		,000	,000
	N	384	384	384
Incentive	Pearson Correlation	.806 **	1	.719 **
	Sig. (2-tailed)	,000		,000
	N	384	384	384
Compliance	Pearson Correlation	.772 **	.719 **	1
	Sig. (2-tailed)	,000	,000	
	N	384	384	384

Partial Significance Test Results (t-Statistical Test): The t-test results show that Taxpayer Awareness has a positive and significant effect on Taxpayer Compliance (t = 10.302; sig. 0.000 < 0.05) with a regression coefficient of 0.540. This means that every one unit increase in awareness will increase compliance by 0.540, so H1 is accepted. Tax Incentives also have a positive and significant effect (t = 5.202; sig. 0.000 < 0.05) with a regression coefficient of 0.271. This shows that increasing incentives will increase compliance by 0.271, so H2 is accepted. Based on the Standardized Beta value, awareness (0.548) has a more dominant influence than incentives (0.277). Thus, both variables are proven to be partially significant, but awareness is the strongest factor in increasing taxpayer compliance.

Table 7. Coefficients [a].

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	5,827	,968		6,021	,000		
	Awareness	,540	,052	,548	10,302	,000	,350	2,860
	Incentive	,271	,052	,277	5,202	,000	,350	2,860

Source: SPSS output, 20

Test Results Significance Simultan (Test Statistics F) : The F test results show a calculated F value of 314.023 with a significance of 0.000 (<0.05), so that the regression model is declared significant simultaneously. This means that the variables of Taxpayer Awareness and Tax

Incentives together have a significant effect on Taxpayer Compliance, so that H3 is accepted. In addition, the Sum of Squares Regression value is greater than the Residual indicating that the model has strong explanatory power and is suitable for use in this study.

Table 8. ANOVA [a] .

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	5770,179	2	2885,090	314,023	.000 [b]
	Residual	3500,446	381	9,188		
	Total	9270,625	383			

Source: SPSS output, 20

Results Coefficient Determination (R2) : The R value of 0.789 indicates a strong relationship between awareness and incentives on compliance. The R^2 value of 0.622 (Adjusted $R^2 = 0.620$) means that approximately 62% of the variation in compliance can be explained by these two variables, while 38% is influenced by other factors outside the model. The Std. Error of the Estimate of 3.031 indicates a relatively small level of prediction error, and the Durbin–Watson value of 2.143 indicates no autocorrelation. Thus, the regression model meets the classical assumptions and is suitable for drawing conclusions.

Table 9. Results.

Model	R	R Square	Adjusted R Square	Standard Error of the Estimate	Durbin-Watson
1	.789 [a]	,622	,620	3.03109	2,143

Source: SPSS output, 20

Discussion

Based on the analysis, the research instrument was declared valid and reliable (Corrected Item-Total Correlation > 0.10 and Cronbach's Alpha > 0.60), making it suitable for use. Descriptively, respondents had a high level of awareness, perception of incentives, and compliance, with relatively homogeneous data distribution.

Regression results show that awareness and incentives have a positive and significant effect on compliance, both partially (t-test) and simultaneously (F-test), with awareness as the most dominant variable. The coefficient of determination (R^2) of 62.2% indicates that most of the variation in compliance can be explained by these two variables, while the remainder is influenced by other factors outside the model.

The model met the classical assumptions, and all research hypotheses were accepted. Overall, increasing awareness and providing incentives proved to be important in improving taxpayer compliance.

5. CONCLUSION AND SUGGESTIONS

Conclusion

Based on the results of the study of 384 respondents, it was concluded that: 1. Taxpayer awareness has a positive and significant effect on compliance in paying PBB (t = 10.302), so that the higher the level of taxpayer understanding, the higher the compliance. 2. Tax incentives also have a positive and significant effect (t = 5.202), indicating that policies such as discounts or the elimination of fines are effective in increasing compliance. 3. Simultaneously, awareness and incentives have a significant effect on compliance (F = 314.023; R^2 = 0.622), which means that 62.2 % of the variation in compliance can be explained by these two variables. Thus, increasing awareness and optimizing tax incentives have been shown to play an important role in encouraging compliance in paying PBB.

This study still has several limitations, including: The variables studied only include taxpayer awareness and tax incentives, so it does not yet describe the influence of other factors such as law enforcement, quality of tax services, or economic conditions. The study uses a survey approach with a questionnaire, so the results are very dependent on the honesty of the respondents. The research object is limited to a certain population, so generalization of research results needs to be done carefully.

Suggestion

Based on the research findings, several suggestions that can be given are as follows: For the Government: improve education programs, socialization, and tax literacy to raise taxpayer awareness, expand and simplify tax incentive schemes to be more accessible and more relevant to taxpayer needs, and provide socialization and information such as banners, pamphlets and in the form of tax information through social media, such as Instagram, TikTok, and other social media. For Taxpayers : strengthen discipline in understanding and implementing tax obligations, utilize available tax facilities and incentives optimally and in accordance with provisions. For Further Researchers : add other variables that have the potential to influence tax compliance, such as tax authorities services, tax sanctions, or the use of technology and use more diverse research methods such as qualitative or mixed approaches to provide a more comprehensive picture.

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