

ABSTRACT

FANNY

1401010103

THE INFLUENCE OF TAX AUDIT AND TAXPAYER COMPLIANCE TOWARDS CORPORATE INCOME TAX REVENUE (AN EMPIRICAL STUDY AT KPP PRATAMA MEDAN BARAT)

(xv+79 pages; 4 figures; 13 tables; 8 appendixes)

The taxation system in Indonesia went through change in 1983, from Official Assessment System to Self Assessment System. The change in the system leads to a consequence of compliance issues. Tax awareness of the society is relatively low regardless of the large population in Indonesia. The role of the government in conducting tax audit shall ensure that taxpayers comply with their tax obligation in which take a big part in increasing tax revenue. Optimization of tax revenue should be focused on tax revenue that derives from corporate income tax since it is the largest source of state budget in Indonesia.

The purpose of this research is to determine the effect of tax audit and taxpayer compliance towards corporate income tax revenue in *Kantor Pelayanan Pajak (KPP) Pratama Medan Barat*. This research implements quantitative approach. The sample is determined using purposive sampling method. The data is taken from KPP Pratama Medan Barat from the year 2013-2015. The data analysis is done by multiple regression analysis with classic assumption test and hypothesis test. The result of the research shows that tax audit affect corporate income tax revenue significantly, meanwhile tax compliance does not have a significant effect on corporate income tax revenue

Keywords: Tax Audit, Taxpayer Compliance, Corporate Income Tax Revenue, Self Assessment System, Kantor Pelayanan Pajak (KPP) Pratama Medan Barat

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