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Research Paper

Analysis Of The Effect Of Profitability And Impairment On Tax Compliance With Corporate Income Tax As The Moderating Variable (Study At Pt Bank Sulselbar Period 2018-2020)

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ABSTRACT: *This study aims to test and analyze the effects of profitability and impairment on tax compliance with corporate income tax as moderating variables. This research was conducted at Bank Sulselbar, the regional development bank domiciled in Makassar city. The sampling method used was total population sampling. The data used in this research is secondary data which is collected through literature study and documentation. Secondary data used in this study is data on financial statements and taxation of PT. Bank Sulselbar period 2018 - 2020. Data were analyzed using moderated regression analysis (MRA). The results showed that (1) profitability has a negative and significant effect on tax compliance; (2) impairment has a positive and insignificant effect on tax compliance; (3) corporate income tax strengthens the effect of profitability on tax compliance; and (4) Corporate income tax (PPh) strengthens the effect of impairment on tax compliance.*
KEYWORDS: *Profitability, impairment, corporate income tax, tax compliance.*

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I. INTRODUCTION

The high level of tax non-compliance, which is reflected in the small tax network (the number of registered taxpayers relative to potential) and the tax return compliance ratio, is a serious concern for the Indonesian tax administration. In order to capture (prospective) taxpayers who do not register themselves voluntarily, DGT is actively taking extensification steps. However, the approaches that have been taken so far are still less systematic and not yet fully data driven . Census, canvassing , and case-by-case extensification , apart from being expensive (inefficiency), are also ineffective because they do not depart from the bird's eye view of the tax gap. Consequently, this approach is not effective in wiping out the potential tax base, leaving a tax loophole that remains unreachable. Serious improvement efforts are also evident in the process group for monitoring compliance with the submission of tax returns and payments.

The control strategy that is commonly applied is to give priority to large taxpayers. Each work unit usually makes an order of taxpayers based on the contribution of tax payments and supervision is more emphasized in the order of the top 100.

Inviting corporate income, especially from the non-oil and gas sector, has the largest contribution compared to other income taxes. Non-oil and gas PPh in APBN for the period 2018 - 2020 is dominated by corporate non-oil and gas PPh and tends to increase during this period. Based on information from the Directorate General of Taxes, the growth of corporate non-oil and gas PPh income was mainly influenced by the increase in industrial business activities and business entities as a result of improving world prices of major commodities.

Non-oil and gas PPh is an income tax other than oil, natural gas, for example, agricultural products, handicrafts, industry, and others. One of the dominant sectors contributing to corporate income tax revenue is the financial industry (Directorate General of Taxation, 2015).

The company engaged in finance and has been listed on the Indonesia Stock Exchange (IDX) shows that the company has a high level of trust in relation to its financial statements, because it has met certain requirements stated in the provisions of www.idx.co.id. The financial statements of profit and loss of banking companies listed on the Indonesia Stock Exchange (IDX) will experience changes every year in the level of profitability, operating costs, and corporate income tax, so this will be interesting to study, especially if it is associated with an increase in corporate income tax revenues. in 201 8 , 201 9 , and 20 20 while during that period there was a decline in the profitability ratio in the banking industry sector where the Net Interest Margin (NIM) fell from 5.1% in 2018. The tightening of liquidity that had occurred in 2019 also made the the cost of bank funds increases. In addition to the rising cost of funds, the decline in NIM was also caused by the downward trend in bank interest rates.

The performance of a bank or its work units , including branches, is usually measured by quantitative and qualitative aspects referring to targets commonly called key performance indicators (KPI). Consolidated quantitative performance can be seen from the bank's financial statements which usually consist of Statements of Financial Position, Income Statements, Cash Flow Statements, Commitments and Contingent Reports, Earning Assets Quality Reports and Others, Capital Reports, and Financial Ratios, including profitability ratios. . This ratio includes Net Interest Margin (NIM), Return on Assets (ROA), and Return on Equity (ROE). The higher the NIM ratio, the higher the bank's ability to generate net interest income. Riyadi (2006) explains that to measure bank profitability ratios, usually two main ratios are used, namely Return on Equity or ROE and Return on Assets or ROA.

As it is known that the success of a bank's business, among others, depends on the ability and effectiveness in managing credit and controlling risk. Earning assets are the provision of Bank funds to earn income, one of which is in the form of credit. To anticipate credit losses, banks are required to establish a Allowance for Impairment Losses (CKPN) based on PSAK 55 concerning Financial Instruments which has been amended by the issuance of PSAK 71 concerning Financial Instruments which is effective as of January 1, 2020. Rosita Sinaga, Financial Services Industry Leader and Audit Deloitte Indonesia's Advisory Leader said that this implementation could at least be carried out in parallel starting in early June 2019. It is hoped that the six parallel months can mitigate the risks of implementing this standardization.

PSAK 71 concerning financial instruments is an adoption of IFRS 9 concerning Financial Instruments which is effective as of 1 January 2018. IFRS 9 introduces new impairment rules in response to G20 complaints regarding the complexity and inefficiency of the IAS 39 standard. During the 2008 recession, delays in recognizing credit losses on loans or other financial instruments were considered a weakness of current accounting standards. This limits the entity's ability to create deposits/reserves that can be utilized to support the company's profits through difficult times.

IFRS 9 introduces three stages of subsequent measurement of financial instruments at each reporting date. In general, financial instruments at the time of recognition are measured at amortization cost and are grouped in Stage 1 under IFRS 9, which means the calculation of the expected credit losses (Expected Credit Loss) for 12 months, which is presented on the liability side of the statement of financial position, and recognized costs. in the profit and loss account. Under IFRS 9, companies evaluate credit risk twice, first at acquisition (credit risk is included in the price of financial instruments) and second by calculating expected credit losses and provisions. At each reporting date, a credit risk assessment and an ECL calculation are required with respect to IFRS 9. If credit risk increases significantly, the financial instrument is moved from Stage 1 to Stage 2.

At Stage 1, a 12-month ECL is calculated, while at Stage 2, an ECL over the life of the credit is calculated, which, over long maturities, doubles the 12-month ECL. If there is evidence of default or default, the financial instrument is transferred to Stage 3, where the impairment or impairment is recognized. An increase in credit risk indicates an accounting loss from a financial instrument.

Thus, the application of PSAK 71 has the potential to erode banking profits because banks must prepare more Allowance for Impairment Losses (CKPN), because it is calculated based on expected loss , which is a weighted average of credit losses with each occurrence of default risk as a weighting . In a sense, the bank must prepare CKPN since the credit is given. This is different from PSAK 55, where CKPN is only formed when there is a delay in payment.

In the banking industry, CKPN costs are operational costs. Paragraph 1 article 6 of Law Number 36 of 2008 concerning Income Tax explains that expenses that are allowed to be deducted in calculating the income of domestic taxpayers are costs related to business activities. Conceptually, the greater the operational costs incurred by the company, the lower the tax paid by the company.

OJK notes, the average bank loan interest has dropped from 10.8% to 10.5% at the end of 2019. This certainly makes the ability of banks to print profits to be increasingly limited. On the other hand, the enactment of the Statement of Financial Accounting Standards (PSAK 71) in early 2020 immediately forced banks to be willing to cut some capital to form reserves. Conceptually, the greater the operational costs incurred by the company, the lower the tax paid by the company.

Research conducted by several previous researchers showed inconsistent results. The contingency approach reveals that a variable must be developed to clarify the inconsistency results of previous research (Sari and Putri, 2016). The contingency approach will give other variables that act as moderating or intervening variables (Ayuni and Erwati, 2018). The selection of corporate income tax variables is based on the concept that if the tax rate applied is low enough, then psychologically they will tend to fulfill their tax payment obligations, because why bother thinking about ways to avoid it, it's better to just pay it.

In contrast to several previous studies that focused on the manufacturing industry as well as the food and beverage industry as research objects, this research aims to examine and then explain the effect of the profitability ratios of one of the financial industries, namely the banking sector, namely the banking sector. Return on Assets, as well as the cost of Allowance for Impairment Losses on tax compliance using the moderating variable, namely corporate income tax .

II. LITERATURE REVIEW

Goal Setting Theory

Locke (1968) states that a person's intentions or goals are the main determinants of work motivation and performance. More specifically, goal setting theory states that certain goals result in greater effort than easier goals, and feedback results in higher effort than lack of feedback (Locke, 1968; Locke & Latham, 1990). According to Kreitner et. al . (2014: 248), goal setting researchers have explained the difference between performance goals and learning goals. Performance outcome goals (performance outcome goals) target a specific end result. On the other hand, learning goals seek to increase creativity and develop skills. Managers usually overemphasize the first goal and ignore the second when they try to “motivate” harder effort and achieve the end result. However, for employees who do not have the necessary skills, performance goals are more frustrating than motivating. When employees do not have skills, a developmental process is needed where learning objectives take precedence over performance outcomes goals.

Contingency Theory

The contingency approach encourages managers to view organizational behavior in a situational context. According to this modern perspective, the evolving situation, not hard and fast rules, will determine when and where various management techniques are applied appropriately (Kreitner et. Al., 2014: 18).

Obedience Theory (Compliance)

Obedience theory (Milgram, 1974) states that individuals tend to obey other individuals in positions of authority. Obedience to authority has existed since humans were born. Individuals tend to obey orders because they know that it is true, but there are also individuals who carry out orders because of an element of coercion or a belief that those responsible for obedience behavior are the source of authority and not the individual who does it. Davis (2006:21) explains that the accounting research literature provides evidence that public accountants are vulnerable to the detrimental effects of compliance and other inappropriate social influence pressures.

Interest Theory

This theory pays attention to the division of the tax burden that must be collected from the entire population based on the interests of everyone in government tasks (which are beneficial to him), including the protection of life and property. So, the costs incurred by the state to fulfill its obligations are charged in the form of tax payments.

Consecrated Theory

This theory emerged based on the understanding of the Organische Staatsleer . Due to the nature of this country, the absolute right of the state arises to collect taxes. In its implementation, the state chooses authorities in all fields by taking into account the requirements of justice, including in terms of tax collection. On the other hand, individuals who are members of this understanding also have an obligation to submit to the authority of the state.

Profitability

Profitability is one indicator of management performance in managing company wealth which is indicated by profit or profit (Dewi, 2016). Profitability is allocated for the welfare of shareholders in the form of dividend payments and income returns (Nuriningsih, 2014).

Impairment of Asset Value (Impairment)

In carrying out business activities, banks certainly experience potential losses, both predictable and unpredictable (IBI, 2015: 57). Expected loss (EL) is a loss that has been anticipated in a business activity. The Bank has realized and estimated the estimated loss that will occur in business activities. Since there is an estimate of the cost of the loss, the bank needs to reserve the cost for the loss. To that end, the bank establishes a loss reserve in the form of CKPN (Reserve for Impairment Losses), in which the bank includes the CKPN fee as a component of the loan interest rate, which is known as the risk premium cost component.

Tax Compliance

Das-Gupta (2004) explains that there are two important elements that determine the final outcome of tax compliance choices by individuals: what choices are feasible and what choices are considered desirable by individuals. As is the case in most neoclassical analyses, immoral individuals are assumed to want more income but avoid risk. From this assumption it follows that individuals will not comply with taxes unless non-compliance can decrease their real income (by, say, reducing the amount of goods made available to the public) or increase risk.

Research Hypothesis

H1 = Earning Before Income Tax (EBIT) has a negative effect on tax compliance.
H2 = CKPN positive has a effect on tax compliance
H3 = corporate income tax (PPh) moderates the relationship between profitability and tax compliance.
H4 = Corporate income tax (PPh) moderates Impairment's relationship with tax compliance.

III. RESEARCH METHODS

Research Approach

This study is intended to examine and describe the causality of the relationship and the influence of the variables. so this type of research is a hypothesis test. Research hypotheses were developed based on theories related to the research topic and then tested based on appropriate analytical techniques. This research approach is a quantitative approach with the use of tests and calculations of statistical methods.

Types and Sources of Data

The type of data used in this research is secondary data. The secondary data used in this research is financial statement data and taxation PT. Bank Sulselbar period 2018 to 2020.

Data collection technique

The data used in this research is secondary data which is collected through literature study and documentation. Literature study in this research was conducted by studying and recording references related to profitability, impairment , and corporate income tax. Documentation is done by documenting the annual financial statements of PT. Bank Sulselbar which has been audited.

Population and Sample

The population used in this study is all time series data, the ratio of Return on Assets (ROA), CKPN, Corporate Income Tax, and the percentage of fulfillment of tax obligations during the 2017-2019 period. sampling in this study using the saturated sampling method. Based on the sampling technique, the number of samples (n) from time series data every month during the period January 2018 - December 2020, is 36 samples.

Data analysis technique

Analysis with descriptive statistics and multiple linear regression analysis in this study were used to explain and analyze the effect of the independent variables on the dependent variable (Sudarmanto, 2005:1). Measurement of the effect of variables involving more than one independent variable (X 1 , X 2 , X 3 ,..., X n) was used multiple linear regression analysis, called linear because each estimate of the value is expected to increase or decrease following a straight line. This study also uses the SPSS program as a tool to process and perform F and partial (t) tests.

Classic assumption test

Normality test

The normality test aims to test whether in the regression model, the residual variables have a normal distribution or not. The normality test of the data in this study was carried out using graph analysis and the one-sample Kolmogorov-Smirnov test. Decision making with graphic analysis used in this study is a normal probability plot test which is said to be normally distributed if the real data line follows the diagonal line. Meanwhile, the Kolmogorov-Smirnov test is said to be normally distributed if the asymptotic significan data is greater than 0.05.

Multicollinearity Test

This classical assumption test is used for multiple regression analysis consisting of at least two independent variables, where the level of association (closeness) of the relationship or influence between these independent variables will be measured through the magnitude of the correlation coefficient (r). One way to test multicollinearity is to look at the tolerance and variance inflation factor (VIF) values. The tolerance value must be between 0.0 – 1 or not less than 0.1, while for VIF the value must be lower than 10. The higher the VIF value, the lower the tolerance.

Heteroscedasticity Test

Heteroscedasticity test aims tests the occurrence of differences in residual variance from one observation period to another using a scatter plot graph, namely by looking at certain patterns on the graph, where the X axis is the predicted Y and the X axis is the residual (Y prediction - Y actually).

Hypothesis testing

The analytical model used to test the hypothesis using Moderated Regression Analysis (MRA). This regression analysis was carried out in two stages of testing. The first stage is multiple regression which is carried out in the absence of a moderating variable. The second stage is regression which is carried out by the interaction between the variables and the independent variables. The formula for the model is as follows:

$$Y = a + b_1X_1 + b_2X_2 + b_3X_1Z + b_4X_2Z + e$$

Multiple Regression Analysis Testing (t-test)

T-test statistics are used to test individually the relationship between the independent variable (x) and the dependent variable (y) (Sugiyono, 2013:235). The steps in making decisions for the t-test are as follows.

a. Ho : = 0, profitability and impairment has no effect on Corporate Income Tax (PPh) .
b. Ha : 0, profitability and impairment affect Corporate Income Tax (PPh) .

To find the t -table count with df = nk-1, where n is the number of samples from the time series data each month during the period January 2018 - December 2020, which is 36 samples, and k is the number of variables. The 5% real level can be seen by using the t table. The basis for decision making is;

a. If t count > t table, then Ha is accepted and Ho is rejected.
b. If t count < t table, then Ha is rejected and Ho is accepted.

Testing of Moderated Regression Analysis

This study also uses the MRA test which is a special application of multiple regression where the regression equation contains an interaction element (multiplication of two or more independent variables).

IV. RESEARCH RESULTS

Normality test

This test aims to test whether there are confounding variables or residual variables in the regression model. The normality test of the data in this study was carried out using graphic analysis, namely the normal probability plot test which is said to be normally distributed if the real data line follows the diagonal line. This method compares real data with normal distribution data. Based on the result, the data spreads around the diagonal line and follows the direction of the diagonal line on the histogram chart. This shows that based on the PP Plot graph, the regression model meets the assumption of normality.

Multicollinearity Test

Based on the results, the tolerance for the profitability and impairment variables shows a value of 0 , 140 and 0 , 208, respectively, which is above the value of 0.01 (tolerance > 0.01) so it can be said that there is no multicollinearity of data on profitability and impairment variables . Next, the value of Variance Inflation Factor (VIF) on profitability and impairment shows a number of 7 , 144 and 4 , 802, respectively, which is below the value of 10 (VIF < 10), so it can be said that there is no multicollinearity of data on the profitability and impairment variables.

Heteroscedasticity Test

In the data distribution graph (scatterplot), it can be seen that the graph does not show a certain pattern and is scattered on the top and bottom of the origin point (number 0). So it can be stated that the data collected does not meet the heteroscedasticity element and can be used to test the hypothesis.

Multiple Regression Analysis (t-test) 1)

a. The effect of profitability (X 1) on tax compliance (Y)

In the profitability variable (X1) , the probability value is 0.000 . Because the probability value is less than 5% (0.000 < 0.050), partially the profitability variable (X 1) has a significant effect on the tax compliance variable (Y). Based on the coefficient value of -2.160, it means that it has a negative effect. This means that the greater the amount of profitability (X 1), the lower the level of tax compliance (Y). On the other hand, the smaller the amount of profitability (X 2), the higher the tax compliance (Y).

b. Effect of impairment (X 2) on tax compliance (Y)

Impairment variable (X 2) the probability value is 0.125. Because the probability value is greater than 5% (0.000> 0.050), partially the impairment variable (X 2) has no significant effect on the tax compliance variable (Y). Based on the coefficient value of 1.072, it means that it has a positive effect. This means that the greater the number of impairments or reserves for impairment losses (X 2), the higher the level of tax compliance (Y). On the other hand, the smaller the amount of impairment or allowance for impairment losses (X 2), the lower the level of tax compliance (Y).

Moderated Regression Analysis

a. The effect of profitability (X 1) on tax compliance (Y) moderated by corporate income tax (Z).

The profitability variable (X1) after interacting with the corporate income tax variable (Z) has a profitability value of 0.000 below the standard value of 0.05 significance. This shows that corporate income tax moderates the effect of profitability on tax compliance. The coefficient for the interaction of profitability (X 1) and corporate income tax (Z) is -8 , 436 indicating that it has a negative effect, which means that the variable of corporate income tax strengthens the effect of profitability on tax compliance.

b. Effect of impairment (X 2) on tax compliance (Y) moderated by corporate income tax (Z).

The impairment variable (X 2) after interacting with the corporate income tax variable (Z) has a profitability value of 0.176 above the standard value of 0.05 significance. This shows that corporate income tax moderates the effect of impairment on tax compliance but is not significant. The coefficient for the interaction of profitability (X1) and corporate income tax (Z) is 5.641 indicating that it has a positive effect, which means that the corporate income tax variable strengthens the effect of impairment on tax compliance.

V. DISCUSSION OF RESEARCH RESULTS

Profitability has a negative effect on tax compliance

The first hypothesis, based on the test results, is accepted. Thus the hypothesis which states that profitability has a negative effect on tax compliance can be proven on corporate taxpayers PT. South Sulawesi Bank. This means that the greater the amount of profitability, the lower the level of taxpayer compliance.

This study indicates that corporate taxpayers who earn large amounts of pre-tax profits tend to be disobedient in carrying out their tax obligations or in other words become aggressive in tax avoidance .

Obedience theory (Milgram, 1974) states that individuals tend to obey other individuals in positions of authority. However, Salamun (1993) states that there are at least 4 (four) things that can affect whether or not taxpayers comply with their tax obligations, namely (i) tax rates, (ii) proper billing, (iii) whether there are sanctions for violators; and (iv) the implementation of sanctions in a consistent, consistent and indiscriminate manner.

PT. Bank Sulselbar won a tax dispute in 2014 with the main dispute relating to the positive correction of Tantiem carried out by the tax examiner from the KPP Madya Makassar. An appeal against the correction submitted by PT. Bank Sulselbar was finally granted by the panel of judges of the tax court and has obtained a final and binding decision (inkracht) No Put-01395.15/2019/M20A Year 2020. However, PT. Bank Sulselbar is again in dispute with the DGT Kanwil Sulselbartra for the 2016 fiscal year with the same subject matter as the 2014 fiscal year examination. This shows that there is legal uncertainty for taxpayers even though previously there was an inkracht judge's decision regarding the subject matter of the dispute.

Impairment has a positive effect on tax compliance

The second hypothesis, based on the test results, is accepted. Thus the hypothesis which states that impairment has a positive effect on tax compliance can be proven on corporate taxpayers PT. South Sulawesi Bank. This means that the greater the amount of impairment or reserves for impairment losses that cause the amount of profit before tax to decrease, the taxpayer will be more obedient in carrying out his tax obligations. Conversely, the smaller the amount of impairment , the lower the level of tax compliance. Das Gupta (2004) explains that individuals will not comply with taxes unless non-compliance can reduce their real income.

Although the amount of tax payable and paid on operating profit obtained after deducting a large amount of CKPN is in accordance with the provisions stipulated in Law no. 36 of 2008 concerning Income Tax, however, the tax authorities continue to examine the potential for underpayment. This is based on the fact that Allowance for Impairment Losses (CKPN) is often used as a tool to make income appear stable by making excessive CKPN when business is in good condition, and reducing CKPN when profit is depressed.

The results of the tax audit on the audited financial statements of PT. Bank Sulselbar in 2016 conducted by KPP Madya Makassar showed that there was an underpayment of Corporate Income Tax after the examiner made a positive correction on CKPN which was deemed not to meet the provisions in Article 2 paragraph (2) of the Regulation of the Minister of Finance number 81/PMK.03/2009 as last amended with PMK no. 219/PMK.011/2012 where the amount of collateral value that can be calculated as a deduction from the reserves as referred to in paragraph (1) is a maximum of 100% of the value of liquid collateral and 75% of the value of other collateral or the value determined by the appraiser company. While in calculating CKPN, PT. Bank Sulselbar refers to PBI no. 14/15/PBI/2012 article 46 which explains that the value of the collateral can be ....; means that the bank is allowed to take into account the value of the collateral or not to take into account the value of the collateral. This difference in interpreting the rules in calculating CKPN is what then creates a tax dispute.

Based on the review of legal objectives according to Gustav Radbrugh, the tax dispute settlement arrangement still does not fulfill a sense of justice because taxpayers have to spend a lot of money and a long time to get legal certainty (Hidayah, 2019; 10). This then makes taxpayers to be more careful in carrying out tax planning in order to continue to comply with tax provisions and regulations given the costs of non-compliance that must be prepared when facing tax disputes. Therefore, based on the results of the examination of the audited financial statements of PT. Bank Sulselbar for the 2018 and 2019 fiscal years, there is no longer any positive correction of CKPN or in other words, the calculation of CKPN has been carried out according to the applicable rules.

Income Tax (PPh) moderates the effect of profitability on Tax Compliance

The third hypothesis, based on the test results, is accepted. Thus, the hypothesis which states that corporate income tax (PPh) strengthens in moderating the effect of profitability on tax compliance can be proven on corporate taxpayers PT. South Sulawesi Bank.

Corporate income tax (PPh) is related to the company's main activity that aims to make profit (profit oriented). Therefore, almost every company that aims to make profit will be related to corporate income tax (Hidayat, 2015: 107). Santoso explained that from a utopia (macro perspective), taxes are seen as an obligation for citizens to fund government tasks and become the backbone of state revenue for development. On the other hand, for corporate taxpayers, taxes are seen as a form of transfer of resources. economic power from the private sector to the public sector which results in reduced spending (purchasing) power of taxpayers. Most corporate taxpayers (company) still identify the obligation to pay taxes as an expense (expense). Therefore, tax management (tax planning) becomes relevant considering these differences in perception.

Managers always think that reducing the tax burden means that the purpose of tax planning has been successful. Ompusunggu (2011; 4) states that this is not entirely true because the tax burden is not solely imposed on the business profits and wealth of the taxpayer.

Income Tax (PPh) moderates the effect of impairment on Tax Compliance

The fourth hypothesis, based on the test results, is accepted. Thus, the hypothesis which states that corporate income tax (PPh) is not significant in moderating the relationship between impairments to tax compliance can be proven on corporate taxpayers PT. South Sulawesi Bank.

In the calculation of Article 29 corporate income tax payable on the company's fiscal profit, based on the Regulation of the Minister of Finance number 81/PMK.03/2009 article 1 (a), fertilization or the formation of reserve funds that may be deducted as expenses are reserves for bad debts for bank businesses and business entity that disburses credit. If more and more operating expenses are paid by the company, it will be a deduction from the company's income tax, but must meet the loading requirements stipulated in the Income Tax Law (PPh).

One of the legal efforts to save the tax burden according to Ompusunggu (2011) is to take advantage of things that have not been regulated in tax regulations (loopholes) such as maximizing tax deductables or efforts to charge business costs, both those issued in cash and in the form of non-cash. to the maximum extent permitted by law.

Pohan (2015: 18) explains that there are several things that influence the behavior of taxpayers to minimize their tax payment obligations, both legally and illegally, one of which is the amount of tax paid (tax required to pay). The greater the amount of tax that must be paid, the greater the tendency of taxpayers to commit fraud by reducing the amount of tax payments.

VI. CONCLUSION

1. Profitability has a negative effect on tax compliance. These findings indicate that profitability significantly affects tax compliance. These results prove that the achievement of large operating profits or profits will make taxpayers become aggressive or disobedient to pay taxes by implementing tax planning which is often not in line with the opinion of the tax authorities (tax officials).
2. Impactful Impairment positive on tax compliance. This finding indicates that impairment affects tax compliance not significantly. This is based on the fact that Allowance for Impairment Losses (CKPN) is often used as a tool to make income appear stable by making excessive CKPN when business is in good condition, and reducing CKPN when profit is depressed. This means that the greater the amount of impairment or reserves for impairment losses that cause the amount of profit before tax to decrease, then taxpayers tend to be more obedient in paying taxes. On the other hand, the smaller the amount of impairment , the more taxpayers will not comply with paying taxes.
3. Corporate income tax (PPh) strengthens the effect of profitability on tax compliance. This is in line with what is explained by Pohan (2015: 18) that there are several things that influence the behavior of taxpayers to minimize their tax payment obligations, both legally and illegally, one of which is the amount of tax paid (tax required to pay).
4. Corporate income tax (PPh) strengthens the effect of impairment on tax compliance. This proves that income tax (PPh) moderates the relationship between impairments to tax compliance, which can not significantly be proven on corporate taxpayers PT. South Sulawesi Bank.

VII. SUGGESTIONS

1. Further research can add the variables studied to determine the factors that affect tax compliance.
2. In future research, the study population can be expanded.
3. Further research should use indicators other than those used in this study, to determine the effect of other indicators.
4. Further research on this topic should use methods other than quantitative methods, such as using qualitative methods or mix methods.

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