ABSTRACT

This research aims to analyze the factors that infuence the compliance of individual taxpayers to pay taxes. This is a replication from Alabede's research in 2011 in Nigeria. This research is also using financial condition and risk preferences of taxpayers as a moderating variable. This research must to analyze because taxpayers in Indonesia espesially in Semarang City have a low knowledge about tax laws.

Data were collected through questionnaire by random sampling distributed in the Primary Tax Office Candisari Semarang. Statistical tests were perfomed using Moderating test of regression. Statistic program in this research used SPSS 19.

The results of this research indicated that the taxpayers knowledge of tax laws have positive effect on tax compliance. Financial condition of taxpayers also have role as a pure moderator which is strengthen or weaken the relationship between the dependent variable with the independent variables. But for risk preferences of taxpayers have not role as a pure moderator which is strengthen or weaken the relationship between the dependent variable with the independent variables. Implication of this research showed that taxpayer's compliance in Indonesia was low. Socialization was needed to increase the taxpayer's compliance. The socilization can be done through advertising on television, radio and newspaper. Direktorat Jenderal Pajak also need to regularly hold events that educated and entertain the taxpayer to have the willingness to pay their taxes.

Keywords : Taxpayer's knowledge of tax laws, taxpayer's compliance, taxpayer's financial condition, taxpayer's risk preference