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Effects of Engagement Rate and Endorsement Rate on Social Media Endorsement Services on Indonesian Tax Compliance

Agus Arianto Toly[1], Michellyne Angel[2], Jessica Fionna Roedyanto[3]
Petra Christian University[1, 2, 3]
Jl. Siwalankerto No. 121-131, Siwalankerto, Kec. Wonocolo, Surabaya, Jawa Timur, 60236[1, 2, 3]
Correspondence Email: michellyneangel27@gmail.com
ORCID ID: 0009-0000-7339-6470

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ABSTRACT

As a matter of fact, the Indonesian tax compliance level is still low compared to the taxpayer population. Tax compliance is a mandatory requirement that must be met by taxpayers, who have met the subjective and objective tax requirements, including endorsers. Nowadays, endorsement services are becoming a popular job among Generation Z and Alpha, especially in Indonesia. Endorsement service income is influenced by the endorsement rate set by the endorser based on engagement rate on the endorser's social media. This paper aims to examine how engagement rate and endorsement rate on social media platforms contribute to Indonesian tax compliance with the endorser's income as a moderator. The results show that with the endorser's income as a moderator, engagement rate and endorsement rate significantly strengthened their influence on tax compliance. Furthermore, the endorser's income itself did not significantly influence tax compliance, which means taxpayers' tax compliance behavior is not fixed by the endorser's income. The possible impact of this study is to assess taxpayers understanding regarding endorsement service, especially endorsers, and to educate endorsers regarding the imposition of endorsement service tax to increase the tax compliance of Indonesians.

Keywords: Engagement Rate, Endorsement Rate, Endorser Income, Tax Compliance

INTRODUCTION

The modern era triggered the technology innovation to be more sophisticated and the Internet easier to reach. Halim and Karami (2020) revealed that approximately 175.4 million Indonesian people use the Internet, resulting in an increase of 17% or around 25 million Internet users from the previous year. The rise in internet users and supported data from CPC Strategy research found that 44% of social media consumers have trusted influencers on social media since 2018. So many people have switched their professions to be influencers. Influencers can also be called endorsers because they promote goods or services on social media or so-called endorsement activities. Social media commonly used are Instagram, YouTube, and TikTok because they are easily accessible to many people.

The number of micro, small, and medium enterprises (MSMEs) that have emerged trigger endorsers become increasingly popular because all MSMEs in the goods and services sectors need product marketing and advertising to increase sales. When professional endorsers carry out endorsement activities, it will result in a very rapid increase in MSME sales revenue. Therefore, many MSMEs need endorsement services to increase sales, affecting job opportunities as endorsers will increase.

Several things can be considered when carrying out endorsement activities. The number of followers, likes and comments an endorser owns will trigger a high engagement rate on social media. The higher the engagement rate of an individual, the higher the endorsement rate will result. The engagement rate shows how the performance of an endorser is, which can later become a portfolio of the endorser to be assessed by product owners/endorsed service users. The engagement rate can be a factor in how big the opportunity for an individual to get an endorsement project.

The most important and dominant tool in state control is taxation (Soebroto, Puspita, Damayanti, Lase, & Mufid, 2023). All work that generates income for an individual will be taxed, including endorsement services. Radvan's research (2021) reveals that all activities carried out by endorsers on social media will be subject to income tax. In addition, Radvan (2021) also revealed that taxes imposed on endorser activities could be one of the revenue states. In Prihatiningtias and Karo (2021) research explain that the tax treatment of transactions carried out on social media platforms implemented by endorsers is regulated by the applicable tax laws. All endorsers who carry out endorsement activities and earn income should report their tax obligations via a Tax Letter of Notification (SPT). All taxation regarding endorsement services is regulated in the Circular Letter of the Director General of Taxes Number SE/62/PJ/2013 concerning Confirmation of Tax Provisions for e-Commerce Transactions, while endorsement services are included in one of the classified ads businesses or what can be called classified ads in promotional media (Ortax, 2013). This case has been regulated in Law Number 7 of 2021 concerning Harmonization of Tax Regulations, which states, "The object of the tax is income, namely any additional economic capacity received or obtained by a Taxpayer, both originating from Indonesia and from outside Indonesia, which can be used for consumption or to increase the wealth of the Taxpayer concerned, in whatever name and form…" (Arma, 2021).

In Amalia, Ruslan and Hambali (2019) research, data was collected regarding endorsers' income obtained from endorsement activities. The sample data used in this study are the components of the endorsement, such as the number of followers, the number of endorsements per month, the endorsement rate, and total income. Existing data is only used to determine whether endorsers' income from endorsement activities is subjected to tax or not when considered from a regulatory perspective and non-taxable income

(PTKP). However, this study did not conduct further research on how endorsement factors such as the engagement rate affect the amount of income tax that must be paid and the endorser's tax compliance. There has been no other research besides that of Amalia, Ruslan, and Hambali (2019) that conducts endorsement factors as data for deeper research. For this reason, research in this journal was carried out. This study analyzes the engagement and endorsement rates on endorsement services that affect the endorser's tax compliance. The results of this study are expected that endorsers can understand better and realize how engagement and endorsement rates affect income levels and impact tax compliance that must be implemented.

LITERATURE REVIEW

This research uses Institutional Theory because the tax system in Indonesia is included in the legal and regulatory framework, cultural norms, and socioeconomic factors. Institutional Theory discusses structures such as schemes, rules, norms, and routines, becoming authoritative forms for social behavior, which will deepen social structures. Institutional theory in the Indonesian tax system is formed based on several factors, such as the legal and regulatory framework for taxation, cultural norms in tax compliance, and the economic and political environment in tax operations.

The Indonesian tax system is greatly influenced by the country's legal and regulatory framework, which relates to tax laws and regulations, tax administration policies and procedures, and enforcement mechanisms. According to Hermawan, Abigail, Martowidjojo, and Tohang (2019), Institutional Theory involves public trust in law. The country's cultural norms in tax compliance that shape tax practices in Indonesia include the importance of paying taxes and the stigma attached to tax avoidance. Institutional theory is closely related to the research discussed, namely the imposition of income tax on endorsement services, a form of tax compliance. This study discusses how engagement rates and endorsement rates on endorsement services affect tax compliance, which is related to the country's cultural norms regarding tax practices in Indonesia.

Engagement Rate

The engagement rate measures the influence of marketing communications-related activities on the Internet. The index level of this engagement rate determines whether the audience responds to marketing messages and is involved by assessing and commenting (Yew, Suhaidi, Seewochum, & Sevamalai, 2018). Engagement refers to the interaction between the endorser and followers through the views, likes, and comments given to the endorser. Combining exposure measures on social media used by someone whose measurement shows engagement can produce a list that can make an endorser on the list of the most popular individuals on the Internet (Kozielski, Mazurek, Miotk, & Maciorowski, 2017).

Various studies have measured engagement rates on social media and produced various formulas for obtaining them. However, the formula obtained for one type of social media cannot be implemented for other social media. Using the same formula for various types of social media will cause errors or invalid results. For example, the engagement rate formula on Instagram cannot be used to get the engagement rate on TikTok. As for research that has examined the formulation of engagement rates, one of them is Azmi and Budi (2018) using total likes and shares variables. However, the formula is inaccurate because no follower comparison value depicts the participants' level. The level of engagement is related to the level of participation in the form of a percentage ratio between the followers involved (likes and comments) and the number of followers. Therefore, Yew, Suhaidi, Seewochum, and Sevamalai (2018) invented a formulation with more representative measurements. The engagement rate formula is obtained by using the formula:

$$Instagram\ Engagement\ Score = \frac{(Number\ of\ Likes + Number\ of\ Comments)}{Number\ of\ Followers\ x\ 1.000}$$

The engagement rate reflects the credibility of an endorser or the level of public trust given to the endorser through likes, comments, and shares. According to Shimp and Andrews (2013), endorser credibility is one of the main factors in selecting endorsers by users of endorsement services. Endorsers with credibility are considered trustworthy and capable of convincing others to take certain actions. Nathanel and Setiawan (2022) stated that the engagement rate influences the distribution of prices in endorsement rates. The percentage level of engagement rate is directly proportional to the endorsement rate, which will affect the amount of income tax that the endorser must pay. It is proven in research by Rifiani, Dharta, and Oxcygentri (2022) that the endorsement rate of one endorser classified as high comes from adjustments to the endorsement rate of the endorser's account.

Endorsement Rate

Endorsement rates are one of the basic data for determining an endorser's income. Saptoyo and Nugroho (2021) revealed that several internal and external factors influence the determination of endorsement rates for endorsers. First is the total number of followers. The more followers, the higher the rate offered by the endorser. Second, the level of engagement, which means whether an endorser is active or not on social media, causes the endorser's engagement to increase. As said by Monacho and Slamet (2023), the high response given by consumers through likes and comments on posts makes the endorsement or influencer's engagement rate higher and shows that the account is accurate. The third factor is the choice of social media because each has a different amount of public appeal, so the endorsement rates from one media to another will also different. Instagram social media is one platform that produces many influencers or endorsers for generations Y and Z. The fourth factor is the type of product. The more expensive or popular a product is, the higher the rate given by the endorser. The last factor is additional requests from the endorsement user to the endorser. The more numerous and complicated the requests for endorsement activities, the greater the rate the endorser gives.

Tax Compliance

Research from Jeandry and Mokoginta (2023) taxpayer compliance is the most important thing in the tax system, because avoidance and smuggling will arise if many taxpayers do not have a high level of compliance. As an example, payment and reporting of income tax is a form of tax compliance that must be obeyed by people who meet the criteria of a tax subject and object, including endorsers. Endorsers are individuals who meet the

criteria in laws and regulations and are categorized as tax subjects (Airidasari, 2023). The procedure for imposing income tax itself has been regulated in Law No. 36 of 2008 concerning Income Tax (PwC, 2011). Income from endorsement activities will be subject to income tax according to the applicable rates. According to Anggadha and Rosdiana (2020), the object of income tax is the additional economic capacity received by the taxpayer, which is used to increase the amount of wealth or for consumption in any form. The statement states that income received from endorsement activities is an object of income tax. Adelina's research (2019) explains that endorsers can be subject to one of 2 types of income tax (PPh), namely PPh article 21 or PPh article 23, depending on the taxpayer's condition based on the tax income. If an endorser stands in his name, he will be subject to Article 21 Income Tax. Conversely, an endorser who stands under management or a company will be subject to Article 23 Income Tax. The endorser's income will be subject to a certain tax rate to find the amount of income tax to be paid. All income tax rates will be regulated according to endorsers' high and low endorsement rates.

The Influence of Engagement Rate Contribution in Endorsement Services on Endorser Tax Compliance

Engagement rate is one of the important factors that influence the career path of an endorser. The endorser's professionalism can be seen from a good engagement rate portfolio through the number of likes, comments, shares, and followers. Roria and Sari (2020) support the statement that the number of followers positively affects monthly income. An increase in the number of respondents the client gives to the endorser will also increase the income received. An increase in the endorser's income will also be followed by the level of endorser awareness that a tax must be paid for a level of income received. In the study of Prihatiningtias and Karo (2021), there were endorser respondents who were obedient and aware that increased tax payments would follow increased income. However, the responses must be supported by the provision of tax education owned by the respondent or the endorser. Therefore, the first hypothesis of this study is:

H1: The level of engagement rate has a positive effect on endorser tax compliance.

The Influence of the Endorsement Rate Contribution on Endorsement Services Toward Endorser Tax Compliance

Amalia, Ruslan, and Hambali (2019) collected data on the amount of influencer income processed for research. The data explains that the number of followers affects the engagement rate, while the engagement rate is directly proportional to the determination of the endorsement rate. An increase in the engagement rate will trigger an increase the endorsement rate likewise, where the increase in the endorsement rate will trigger an increase the amount of income tax that must be paid. Therefore, the income generated affects the tax that must be paid. However, high awareness of the obligation to pay taxes is not necessarily accompanied by high compliance. In addition, the portion of the level of tax compliance is also determined based on individual characteristics and public policy (Gioacchino and Fichera, 2020). According to Prihatiningtias and Karo (2021), most endorsers do not understand and know that income charged for endorsement services is subject to income tax because most endorsers do not understand the tax mechanism in Indonesia. Endorsers who understand their obligations as taxpayers and understand the tax mechanism in Indonesia tend to comply in carrying out their tax obligations. Therefore, endorsers who set high endorsement rates do not necessarily comply with their taxation. In other words, with a high endorsement rate, the income earned by the endorser will be even greater. It is supported by the research of Prihatiningtias and Karo (2021), who states that the greater the endorser's income, the less desire the endorser has to report his taxes for fear of being subject to large amounts of tax. Thus, the second hypothesis of this research is:

H2: The level of endorsement rate has a negative effect on tax compliance.

The Influence of Endorser Income in Moderating Engagement Rate and Endorsement Rate on Tax Compliance

A high Engagement Rate and Endorsement Rate will increase an Endorser's Income. Tax compliance is influenced by 14 main variables, including income (Jackson & Milliron, 1986). Research from Allingham and Sandmo (1972) and Yitzhakit (1974) concluded that the amount of income reported or avoided by Taxpayers is based on the amount of income. Tahar, Rizkia, and Hariyanto (2020) found that endorsers understand and agree that their income should be taxed when passing certain limits. On the other hand, the Engagement Rate and Endorsement Rate also influence the high level of Endorser Income. Therefore, Endorser Income strengthens the relationship between Engagement and Endorsement Rate on Tax Compliance. The third hypothesis of this research is stated as follows:

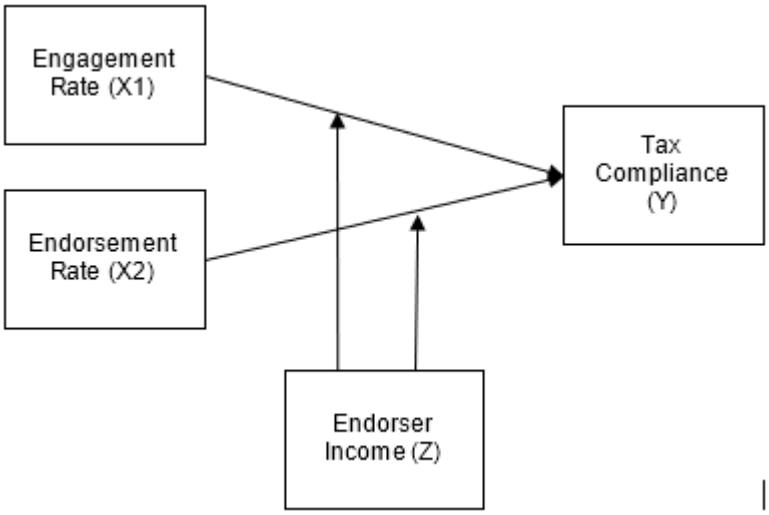
H3: Income endorser strengthens the relationship between engagement rate and endorsement rate on tax compliance.

RESEARCH METHOD

The stage of compiling research on endorser income analysis on social media for the treatment of income tax was carried out in several steps. The first step was to conduct a literature study, which was used to search for library sources. These library sources were used as references related to the selected topic.

This research was quantitative with the independent variables, namely engagement rates and endorsement rates. Then, the dependent variable was tax compliance with the moderating variable endorser income. The analytical model used in this study to test the hypothesis is described as follows:

Figure 1. Analytical Model of the Research



The sample in this research were endorsers with monthly income from their endorsement services. The sampling technique used in this study is a purposive sampling method by selecting endorsers based on predetermined criteria. It aimed to determine the correlation of each variable with the amount of income tax the endorser must pay. The data used in this study was quantitative data obtained primarily or directly by distributing the Google Form survey link to the survey targets. The survey contained total followers, the average number of likes, comments, and shares, the range of engaged accounts, a list of packages containing various endorsement rates, and a range of monthly income. The target survey in this study were endorsers who met three criteria: having minimum 1000 followers, carrying out endorsement activities at least two times in 1 month, and actively carrying out endorsement activities until 2023. The data type used was quantitative, which contains information in numbers or numbers and can be measured directly. This study used moderated regression analysis (MRA) in processing the collected data. The collected data will be processed using SPSS software. The MRA equation can be written as follows:

$$\boldsymbol{Y} = \alpha + B1X1 + B2X2 + B3X1X3 + B4X2X3 + e$$

RESULTS

Table 1. The Engagement Rate Interval Scale Data Tabulation

Data Tabulation X1 (Engagement Rate)									
No.	**ER Score**	**No.**	**ER Score**	**No.**	**ER Score**	**No.**	**ER Score**	**No.**	**ER Score**
1	2	28	4	54	2	81	5	108	1
3	1	29	5	55	2	82	2		
4	3	30	2	56	3	83	3		
5	1	31	2	57	3	85	3		

6	2	32	4	58	2	86	4		
7	3	34	3	59	2	87	3		
8	2	35	1	60	2	88	3		
9	2	36	1	61	1	89	3		
10	2	37	2	62	1	90	3		
11	1	38	3	63	1	91	4		
13	1	39	2	64	2	92	2		
14	2	40	3	66	3	93	3		
15	2	41	1	67	2	94	3		
16	1	42	1	68	2	95	2		
17	1	43	1	69	4	96	1		
18	1	44	2	70	6	97	3		
19	1	45	2	71	8	98	2		
20	1	46	4	72	4	99	3		
21	2	47	1	73	5	101	4		
22	1	48	1	75	4	102	5		
23	3	49	1	76	2	103	2		
24	2	50	1	77	3	104	2		
25	1	51	2	78	1	105	1		
26	2	52	1	79	4	106	3		
27	1	53	3	80	4	107	2		

The tabulation of engagement rate data is obtained through a portfolio of the number of likes, comments, and followers from each endorser, which is processed using the ER Score formula and converted into interval scale data.

Table 2. Endorsement Rate Interval Scale Data Tabulation

Data Tabulation X2 (Endorsement Rate)									
No.	**X2**	**No.**	**X2**	**No.**	**X2**	**No.**	**X2**	**No.**	**X2**
1	1	28	1	54	1	81	1	108	1
3	1	29	2	55	1	82	8		
4	1	30	1	56	2	83	1		
5	3	31	1	57	1	85	1		
6	1	32	1	58	1	86	1		
7	2	34	1	59	1	87	1		
8	4	35	1	60	1	88	5		
9	3	36	8	61	2	89	1		
10	1	37	1	62	6	90	3		
11	1	38	2	63	1	91	1		
13	1	39	1	64	4	92	1		
14	1	40	1	66	1	93	1		
15	1	41	1	67	1	94	1		
16	3	42	1	68	1	95	1		
17	2	43	3	69	1	96	1		
18	1	44	1	70	6	97	1		
19	2	45	2	71	1	98	2		
20	2	46	1	72	1	99	1		
21	1	47	3	73	1	101	1		
22	1	48	3	75	1	102	1		
23	2	49	1	76	3	103	1		
24	2	50	2	77	1	104	1		
25	6	51	1	78	1	105	1		
26	3	52	1	79	1	106	1		
27	3	53	3	80	1	107	1		

The tabulation results of endorsement rate data are obtained through the endorsement price range set by each endorser, which is processed into interval scale data.

Table 3. Income Endorser Interval Scale Data Tabulation

Data Tabulation Z (Income Endorser)									
No.	**Z**	**No.**	**Z**	**No.**	**Z**	**No.**	**Z**	**No.**	**Z**
1	2	28	2	54	1	81	1	108	1
3	2	29	2	55	1	82	4		
4	2	30	1	56	2	83	1		
5	4	31	1	57	1	85	1		
6	1	32	1	58	1	86	1		
7	2	34	1	59	1	87	2		
8	3	35	1	60	1	88	4		
9	2	36	3	61	2	89	1		
10	1	37	1	62	2	90	1		
11	2	38	2	63	2	91	1		
13	2	39	1	64	2	92	1		
14	1	40	1	66	1	93	1		
15	1	41	2	67	1	94	1		
16	3	42	2	68	1	95	1		
17	1	43	3	69	1	96	2		
18	2	44	1	70	3	97	1		
19	2	45	1	71	1	98	2		
20	1	46	1	72	1	99	1		
21	1	47	3	73	1	101	1		
22	1	48	3	75	1	102	1		
23	2	49	2	76	2	103	2		
24	2	50	1	77	2	104	1		
25	3	51	1	78	2	105	1		
26	3	52	1	79	1	106	1		
27	2	53	4	80	1	107	1		

The tabulation results of endorser income data are obtained through each endorser's income range, which is processed into interval scale data.

Table 4. Tax Compliance Nominal Scale Data Tabulation

Data Tabulation Y (Tax Compliance)													
No.	**Y1**	**Y2**	**Y3**	**Y4**	**Y5**	**Total**	**No.**	**Y1**	**Y2**	**Y3**	**Y4**	**Y5**	**Total**
1	1	1	1	1	0	4	56	0	0	0	0	0	0
3	1	0	1	0	0	2	57	1	1	1	1	1	5
4	1	0	0	0	0	1	58	0	0	0	0	0	0
5	1	1	1	0	1	4	59	1	0	1	1	0	3
6	1	1	0	0	0	2	60	1	1	1	1	1	5
7	1	1	0	0	0	2	61	1	1	1	1	1	5
8	1	1	1	1	1	5	62	1	1	1	1	1	5
9	1	1	0	0	0	2	63	1	0	0	0	0	1
10	1	0	0	0	0	1	64	1	1	1	1	1	5
11	1	0	0	0	0	1	66	1	0	0	0	0	1
13	1	0	1	1	1	4	67	1	0	0	0	0	1
14	0	0	1	0	0	1	68	1	1	0	0	0	2
15	1	1	1	1	0	4	69	1	1	0	0	0	2
16	1	0	0	0	0	1	70	1	1	1	1	1	5
17	1	0	0	0	0	1	71	1	1	1	1	1	5
18	0	0	0	0	0	0	72	1	1	1	1	1	5
19	1	1	1	1	1	5	73	1	1	1	1	1	5
20	1	0	0	0	0	1	75	1	1	1	1	0	4
21	1	1	1	1	1	5	76	1	1	1	1	1	5
22	1	1	0	0	0	2	77	1	1	1	1	1	5
23	1	1	1	1	0	4	78	1	1	0	0	0	2
24	1	1	1	1	0	4	79	0	0	0	0	0	0
25	1	1	0	0	1	3	80	1	1	1	1	0	4
26	1	1	1	1	1	5	81	1	1	1	1	1	5
27	1	0	0	0	0	1	82	1	0	0	0	0	1
28	1	1	1	1	1	5	83	1	1	1	1	1	5

29	1	0	0	0	0	1	85	1	1	1	1	1	5
30	1	0	1	0	0	2	86	1	1	1	1	1	5
31	0	0	0	0	0	0	87	1	1	1	1	1	5
32	0	0	0	0	0	0	88	0	0	0	0	0	0
34	0	0	0	0	0	0	89	1	1	0	1	0	3
35	1	1	0	1	1	4	90	1	1	1	1	0	4
36	1	1	0	0	1	3	91	1	1	1	1	1	5
37	1	1	0	0	1	3	92	0	0	0	0	0	0
38	1	0	0	0	0	1	93	0	0	0	0	0	0
39	1	1	0	0	1	3	94	1	1	1	1	0	4
40	1	1	1	1	1	5	95	1	1	0	0	0	2
41	1	1	1	1	1	5	96	1	0	0	0	1	2
42	1	1	0	0	0	2	97	1	1	1	1	1	5
43	1	0	0	0	0	1	98	1	1	1	1	1	5
44	1	1	0	0	0	2	99	1	1	1	1	0	4
45	1	1	1	1	1	5	101	1	1	1	1	0	4
46	0	0	0	0	0	0	102	1	1	1	1	1	5
47	1	1	0	0	0	2	103	1	0	0	0	0	1
48	1	1	1	1	1	5	104	1	0	0	0	0	1
49	1	1	1	1	1	5	105	1	0	0	0	0	1
50	1	0	1	1	0	3	106	1	1	0	1	0	3
51	1	0	0	0	0	1	107	1	1	1	1	0	4
52	1	0	0	0	0	1	108	1	1	1	1	0	4
53	1	1	1	1	1	5							
54	0	1	0	0	0	1							
55	1	1	0	1	0	3							

The data tabulation results were obtained from processed endorser answers to questions regarding tax compliance, distributed via Google Forms.

0 = No
1 = Yes

Table 5. Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Engagement Rate	101	1.00	8.00	2.3663	1.30171
Endorsement Rate	101	1.00	8.00	1.7327	1.44839
Income Endorser	101	1.00	4.00	1.5941	.81459
Tax Compliance	101	.00	5.00	2.8812	1.82914
Valid N (listwise)	101				

As an illustration of this research, the following is a descriptive statistical table to clarify the analysis. The study results from distributing Google Forms to endorsers were processed into interval and nominal scale data forms. The results of distributing the Google Form questionnaire to 101 respondents found that the minimum figure for tax compliance was 0.00, which indicated that some respondents did not understand or comprehend tax compliance. Interval scale data on engagement rate, endorsement rate, and endorser income shows the respondent's level of these variables in interval form. In addition, the standard deviation value is smaller than the mean, which proves that the item values have a narrow and accurate distribution.

Table 6. Model Summary without Moderator

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.231[a]	0.054	0.034	1.79755
a. Predictors: (Constant), Endorsement Rate, Engagement Rate				

Table 7. Model Summary with Moderator

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.345[a]	0.119	0.072	1.76163
a. Predictors: (Constant), Moderating2, Engagement Rate, Income Endorser, Moderating1, Endorsement Rate				

The influence of endorser income can be seen in the table above. Initially, before adding the moderating variable, the R-Square value was only 5.4%, which means that the engagement rate and endorsement rate had a 5.4% effect on tax compliance. However, after adding endorser income as a moderating variable, the R-Square value increased to 11.9%, which determines that endorser income strengthens the relationship between engagement rate and endorsement rate on tax compliance. Meanwhile, the Adjusted R Square value is 72%, which indicates that tax compliance can be explained by the existing independent and moderate variables in the form of engagement rate, endorsement rate, and endorser income. The remaining 28% (100% - 72%) is explained by other causes outside the model.

Table 8. ANOVA without Moderator

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	17.920	2	8.960	2.773	.067[b]
	Residual	316.655	98	3.231		
	Total	334.574	100			
a. Dependent Variable: Tax Compliance						
b. Predictors: (Constant), Tarif Endorsement, Engagement Rate						

Table 9. ANOVA with Moderator

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	39.759	5	7.952	2.562	.032[b]
	Residual	294.816	95	3.103		
	Total	334.574	100			
a. Dependent Variable: Tax Compliance						
b. Predictors: (Constant), Moderating2, Engagement Rate, Income Endorser, Moderating1, Endorsement Rate						

In the ANOVA research, the significance level was initially 0.067 (> 0.05), which indicates that the engagement rate and endorsement rate had little influence on tax compliance. However, after adding the moderating variable, income endorser, the significance value becomes 0.032 (< 0.05). It indicates that with the support of moderating variables, engagement rate, endorsement rate, and endorser income jointly influence tax compliance.

Table 10. Coefficients without Moderator

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.927	0.456		4.227	0.000
	Engagement Rate	0.316	0.139	0.225	2.265	0.026
	Tarif Endorsement	0.119	0.125	0.095	0.952	0.343
a. Dependent Variable: Tax Compliance						

Table 11. Coefficients with Moderator

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-0.640	1.128		-0.568	0.571
	Engagement Rate	0.670	0.309	0.477	2.171	0.032
	Endorsement Rate	1.105	0.462	0.875	2.389	0.019
	Income Endorser	1.252	0.574	0.557	2.181	0.032
	Moderating1	-0.175	0.177	-0.246	-0.988	0.326
	Moderating2	-0.378	0.157	-1.089	-2.413	0.018
a. Dependent Variable: Tax Compliance						

Initially, the results of the T-test stated that the engagement rate significantly affected tax compliance with a value of 0.026 (<0.05). In contrast, the endorsement rate had a less significant effect on tax compliance, with a value of 0.343 (>0.05). The Moderating1 variable is obtained by multiplying the engagement rate and Endorser Income. The Moderating2 variable is obtained by multiplying the endorsement rate by the endorser's income. According to Table 11, it can be seen that the Moderating1 significance value is 0.326 (> 0.05), which indicates that the income of the endorser has no significant effect in moderating the effect of the engagement rate on tax compliance. However, if you look at the Moderating2 significance value of 0.018 (<0.05), this value indicates that the income of the endorser can significantly moderate the effect between the endorsement rate and tax compliance.

When viewed from the positive value on the independent variable's t-value, it is stated that the independent variable and the moderator positively affect tax compliance. However, with the moderation of the endorser's income on the dependent variable on tax compliance, the effect between the dependent and independent variables has a negative impact.

DISCUSSION

Based on data processing using MRA, several results were found as follows. Initially, in general, the influence of independent variables on tax compliance was considered less significant when seen from the results of the ANOVA test. When described and examined in more detail, the engagement rate significantly affects tax compliance, while the endorsement rate is considered the opposite. The endorsement rate does not have a significant effect on tax compliance. With the help of the income endorser's role as a moderator, this can strengthen the influence between the dependent and independent variables. It is stated in the coefficient of determination test results in the model summary table, which increased to 11.9%. Besides that, the income of the endorser can influence the relationship between the endorsement rate and tax compliance to be significantly influential. The existing data shows that the endorser's income cannot significantly moderate the effect of the engagement rate on the endorser's income.

Therefore, this study states that: (1) H_0 is rejected and H1 is accepted, the level of engagement rate has a positive and significant effect on the endorser's tax compliance; (2) H_0 is accepted and H2 is rejected, the level of endorsement rate has a positive and insignificant effect on tax compliance; and (3) H_0 is rejected and H3 is accepted, endorser income is affected by the relationship between engagement rate and endorsement rate on tax compliance.

The hypothesis that the level of endorsement rate has a negative effect on tax compliance is rejected based on the results of the research that has been done. Several reasons can make the endorsement rate positively affect tax compliance. An increase in the endorsement rate will increase the endorser's income, where a certain amount of income will begin to be taxed. The research results state that a high endorsement rate, which influences the high level of income of the endorser, will also influence the endorser's level of compliance with tax payments. It assumed that the endorser understands the taxes subjected to income received at a certain level. The results of this research are supported by the theory contained in the research of Prihatiningtias and Karo (2021), which shows that even though the income level of endorsers is high, they have a high level of tax compliance which is supported by the endorser's understanding of paying taxes for endorsement work as one of the obligations for paying taxes by taxpayers.

CONCLUSION

The research "The Effects of Engagement Rate and Endorsement Rate on Social Media Endorsement Services on Indonesian Tax Compliance" aims to analyze the engagement rate and endorsement rate on endorsement services that affect the endorser's tax compliance. The research results conclude that the level of engagement rate and endorsement have a positive effect on tax compliance. Income endorser as a moderator variable can moderate and strengthen the relationship between engagement rate and endorsement rate on tax compliance.

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DECLARATION OF CONFLICTING INTERESTS

While searching for respondents to fill out the questionnaire, the author was overwhelmed because he did not have much relationship with the endorsers. Therefore, the author must repeatedly contact endorsers who do not know how to complete the questionnaire and ensure that the respondent's data will not be misused.

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