

Analyzing the Influence of Taxpayer Awareness and Sanctions on Compliance in Motor Vehicle Tax Payments: Evidence from Jayapura City

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ABSTRACT

Motor vehicle tax is a vital source of Local Own-Source Revenue in Jayapura City, yet low taxpayer compliance continues to hinder optimal revenue collection. This study examines how taxpayer awareness and tax penalties influence compliance with motor vehicle tax payments. Using a quantitative approach, data were collected through questionnaires and analyzed with multiple linear regression to assess both partial and simultaneous effects of the independent variables. The results reveal that taxpayer awareness does not have a significant impact on compliance, as shown by a significance value of 0.886, which is higher than the 0.05 threshold. Conversely, tax penalties demonstrate a positive and statistically significant effect, with a significance value below 0.001. Furthermore, simultaneous testing indicates that both variables significantly affect compliance, with an F value of 31.470 and an R² value of 0.473, meaning that 47.3% of the variation in compliance is explained by the model. These findings suggest that strict and consistent enforcement of tax penalties is more effective in improving taxpayer compliance than relying solely on awareness efforts, offering valuable insights for local governments to enhance motor vehicle tax revenue.

Keywords: Compliance, Jayapura City, Motor Vehicle Tax, Sanctions, Tax Awareness

JEL Classification: H26; H71

INTRODUCTION

Tax compliance has become a central concern for governments around the world, as it directly determines the ability to finance development programs and provide essential public services. In Indonesia, motor vehicle tax serves as one of the most important sources of Local Own-Source Revenue (PAD), particularly in urban areas where vehicle ownership rates are relatively high. Despite its crucial role in strengthening local fiscal capacity, compliance with motor vehicle tax obligations remains a persistent challenge in several regions, including Jayapura City. This situation highlights the need to better understand the determinants of taxpayer behavior in order to enhance both revenue collection and the efficiency of local tax administration.

Previous studies have shown that taxpayer compliance is not shaped by a single factor but rather by a combination of enforcement mechanisms and voluntary attitudes. Awareness of tax obligations is a key element in promoting voluntary compliance, as individuals who understand deadlines, procedures, and the broader social benefits of taxation are more likely to fulfill their responsibilities willingly (Kholagi & Hidayah 2025; Franata & Khairudin, 2025; Indriyanto, 2021). Recent empirical evidence confirms that taxpayer awareness plays a vital role in fostering voluntary compliance (Martadinata 2023; Apriwanto, 2024; Soetjahyo 2024). Taxpayers who understand deadlines, procedures, and the role of taxes in public welfare are more likely to comply willingly (Apriwanto 2024; Martadinata & Yasa 2023; Soetjahyo & Sanosra 2024). At the same time, tax sanctions serve as a deterrent mechanism that increases the cost of non-compliance, thereby encouraging enforced compliance (Rahman et al., 2024; Podolian 2023). Tax sanctions, including both rewards for compliance and penalties for violations, are crucial in building a fair and effective tax system (Rahman et al., 2024; Podolian 2023).

The research highlights that excessive or unfair enforcement can undermine trust in authorities, leading to decreased voluntary compliance among taxpayers (Shehryar et al., 2025). This finding is framed within the Slippery Slope Framework, which posits that effective compliance relies on a balance between trust (awareness) and power (sanctions). The study specifically examines the interplay between taxpayer awareness and the imposition of sanctions on motor vehicle tax compliance in Jayapura City. The insights garnered aim to enhance local tax administration and boost revenue collection efforts. Ultimately, the research underscores the importance of maintaining this balance to ensure sustainable tax compliance.

LITERATURE REVIEW

Tax Compliance

Tax compliance refers to the degree to which taxpayers fulfill their obligations to report, calculate, and pay taxes in accordance with prevailing laws and regulations (Alkhatib et al., 2020; Apriwanto, 2024; Cardenas & Codnita, 2024). It encompasses both voluntary compliances, driven by awareness and responsibility, and enforced compliance, achieved through monitoring and sanctions. Voluntary compliance is often linked to taxpayers' perceptions of fairness, trust in government, and the simplicity of tax regulations. (Apriwanto, 2024; Kantohe & Kambey, 2021) When taxpayers perceive that the tax system is transparent and equitable, they are more likely to comply willingly. (Apriwanto, 2024; Kantohe & Kambey, 2021) Conversely, complex procedures and a lack of understanding about tax obligations can discourage compliance, even among those who are willing to pay (Apriwanto, 2024; Alkhatib et al., 2020).

Enforced compliance, on the other hand, relies on deterrence theory, which emphasizes the role of audits, penalties, and legal enforcement in shaping taxpayer behavior (Alm et al., 2023; Jin et al., 2022). Sanctions and penalties act as external motivators by increasing the cost of non-compliance. Research shows that stricter enforcement tends to raise compliance levels, but excessive reliance on punishment may also reduce voluntary compliance by eroding trust in the authorities (Alm et al., 2023).

In practice, tax compliance is the outcome of the interaction between voluntary and enforced mechanisms. A balanced approach where enforcement measures are complemented by efforts to build taxpayer awareness, trust, and education has been found to be the most effective strategy for sustaining long-term compliance (Putri et al., 2025, Lidya et al., 2024). This dual perspective is particularly relevant for local tax contexts, such as motor vehicle taxes, where both awareness campaigns and effective enforcement policies play critical roles in achieving compliance.

Motor Vehicle Tax in Local Context

Motor Vehicle Tax refers to a compulsory levy imposed on the ownership and use of motorized vehicles, generally regulated at the regional or local government level. It serves as a significant source of Local Own-Source Revenue, which is used to finance regional development and public services. The tax is usually collected annually and is based on factors such as vehicle type, engine capacity, vehicle age, and sometimes market value.

In Indonesia, the imposition of Motor Vehicle Tax is governed under Law No. 28 of 2009 on Regional Taxes and Levies, which grants provincial governments the authority to administer and collect this tax. The rates and procedures may vary across provinces, but the objective remains the same: to generate revenue for regional budgets while also promoting responsible vehicle ownership (Direktorat Jenderal Pajak, 2020).

Compliance with Motor Vehicle Tax obligations is influenced by several factors, including taxpayer awareness, the ease of payment systems, and the effectiveness of enforcement mechanisms such as fines or vehicle registration sanctions for non-payment (Franata & Khairudin, 2025). Since vehicles are visible and easily traceable assets, enforcement of motor vehicle taxes is relatively straightforward compared to other local taxes (Telaumbanua & Sidharta, 2025).

The importance of Motor Vehicle Tax lies not only in its revenue-generating capacity but also in its role as a policy tool. By adjusting rates or penalties, governments can encourage compliance, discourage excessive vehicle ownership, and contribute to environmental and traffic management objectives. Therefore, effective administration and taxpayer compliance in Motor Vehicle Tax are essential for achieving both fiscal and non-fiscal policy goals at the local government level.

Tax Awareness and Tax Compliance

Tax awareness is a central determinant of voluntary tax compliance, yet its conceptualization varies across contexts. Anto et al. (2021), examining Indonesian taxpayers, define tax awareness as an understanding of the meaning, function, and purpose of tax payments. They highlight three key dimensions: (1) awareness that taxes represent citizens' participation in national development, (2) awareness that delaying or reducing tax obligations harms state finances, and (3) awareness that taxes are legally binding and enforceable. This perspective is highly relevant for regional taxes such as motor vehicle tax, which directly supports local government revenue.

Bornman and Ramutumbu (2019) expand this framework by distinguishing between general, procedural, and legal tax awareness. General awareness relates to understanding the fiscal role of taxes, procedural awareness refers to knowledge of compliance procedures, and legal awareness reflects the necessity of understanding tax regulations. This is particularly applicable in motor vehicle tax administration, where compliance depends not only on willingness but also on knowledge of renewal procedures and legal consequences for non-compliance.

Tiala et al. (2019) argue that taxpayer attitudes, beliefs, and knowledge shape awareness, with awareness further influencing compliance behavior. Similarly, Zhang et al. (2018) define tax awareness as a process of realizing the necessity of paying taxes and complying with legal regulations. In the context of motor vehicle taxation in Jayapura City, awareness can determine whether taxpayers voluntarily renew vehicle tax obligations on time.

Empirical evidence reinforces the importance of tax awareness. Nguyen et al. (2024), using Vietnamese data, found that tax awareness significantly improves compliance, accounting for 37.3% of behavioral variance. Studies in Indonesia also show that tax awareness is positively correlated with regional tax compliance, including motor vehicle tax payments (Anto et al., 2021). Kantohe and Kambey (2021) suggested that Kantohe and Kambey (2021) suggested that taxpayer awareness efforts are most effective when paired with improvements in tax administration especially better service quality, clearer communication, simpler procedures, and greater institutional transparency and trust. Similarly, Siwi et al. (2020) found that higher taxpayer knowledge (and income) significantly increases compliance with Land and Building Tax in Pulutan Village. Taken together, these findings indicate that strengthening taxpayer awareness campaigns through formal education, community socialization, and digital information systems while simultaneously improving administrative quality, can meaningfully improve compliance levels.

Tax Sanctions and Tax Compliance

Tax sanctions refer to punitive measures imposed on taxpayers who fail to fulfill their tax obligations, such as late payments, underreporting, or deliberate tax evasion. Sanctions are designed as a deterrent mechanism, ensuring compliance by increasing the cost of non-compliance relative to the benefits of evasion (Allingham & Sandmo, 1972). In Indonesia, tax sanctions include administrative penalties such as fines, interest charges, and increases in tax payable, as well as potential criminal sanctions for severe violations (Mardiasmo, 2019).

The rationale behind sanctions lies in deterrence theory, which posits that individuals are less likely to engage in non-compliant behavior when the probability of detection and the severity of punishment are high (Becker, 1968). Empirical studies have consistently shown that the presence of strict and consistent sanctions has a positive effect on taxpayer compliance, especially when combined with effective enforcement mechanisms such as audits and monitoring (Kirchler et al., 2008).

However, sanctions alone may not guarantee long-term compliance. Excessively harsh penalties can reduce taxpayers' intrinsic motivation to comply by fostering resentment or mistrust toward tax authorities (Braithwaite, 2009). Therefore, sanctions should be applied proportionally and fairly, complementing awareness-building initiatives to create a balanced approach. In the context of local taxation, such as motor vehicle tax, sanctions like late payment fines or restrictions on renewing vehicle registration documents serve as practical enforcement tools to encourage timely compliance (Turambi et al., 2022).

Thus, tax sanctions function as an external motivator for compliance, reinforcing the legal authority of the tax system. When implemented alongside awareness campaigns and simplified payment procedures, sanctions can significantly enhance overall compliance and strengthen revenue collection at both the national and local levels.

Hypotheses Development

The development of hypotheses in this study is grounded on the idea that both internal and external factors influence taxpayer behavior. Taxpayer awareness reflects the level of understanding and responsibility in fulfilling tax obligations, which is expected to encourage voluntary compliance. On the other hand, tax sanctions act as a deterrent mechanism, discouraging non-compliance by imposing costs and consequences on those who fail to meet their obligations. When combined, awareness and sanctions are assumed to reinforce one another, creating stronger incentives for taxpayers to comply. Based on these considerations, the following hypotheses are formulated:

H1: Taxpayer awareness has a positive effect on compliance with motor vehicle tax payments in Jayapura City.

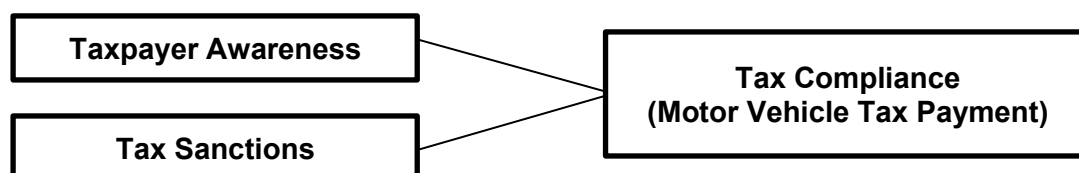
H2: Tax sanctions have a positive effect on compliance with motor vehicle tax payments in Jayapura City.

H3: Taxpayer awareness and tax sanctions simultaneously have a positive effect on compliance with motor vehicle tax payments in Jayapura City.

Conceptual Framework

The study framework model is depicted in [Figure 1](#).

Figure 1. Research Framework



RESEARCH METHOD

This study employs a quantitative research design with a survey approach. The quantitative method is suitable because it enables the testing of hypotheses regarding the influence of taxpayer awareness and tax sanctions on compliance with motor vehicle tax payments. The design is explanatory, as it aims to identify and explain the causal relationships among the studied variables.

The population of this research consists of all motor vehicle taxpayers in Jayapura City. Using the Slovin formula with a margin of error of 10%, the sample size was determined to be 100 respondents. The sampling technique used is purposive sampling, in which respondents were selected based on the criteria of being motor vehicle owners with active registrations and obligations to pay motor vehicle tax. This ensures that the data gathered are relevant to the research objectives.

Primary data were collected using structured questionnaires distributed to the 100 respondents. The questionnaire was designed with a Likert scale of five response

options, ranging from “strongly disagree” to “strongly agree.” The instrument consisted of items measuring three main constructs: taxpayer awareness, tax sanctions, and tax compliance. Taxpayer awareness was measured through indicators such as knowledge of tax obligations, sense of responsibility, and understanding of the benefits of paying taxes. Tax sanctions were measured through perceptions of fines, penalties, and enforcement mechanisms. Tax compliance was assessed through indicators of accuracy, timeliness, and completeness of tax payments.

Multiple linear regression was employed to analyze the dataset, allowing the assessment of the partial as well as simultaneous influences of the independent variables on compliance. As a prerequisite for regression, the model was examined through classical assumption test covering normality, multicollinearity, and heteroscedasticity to ensure it fulfilled statistical conditions. The t-test was employed to examine the individual effect of each independent variable, while the F-test was used to analyze the simultaneous effect of taxpayer awareness and tax sanctions on motor vehicle tax compliance. The significance level was set at 0.05. Additionally, the coefficient of determination (R^2) was calculated to determine the extent to which the independent variables could explain variations in taxpayer compliance.

RESULTS

The descriptive results provide a clear overview of the characteristics of the 100 respondents. Based on gender, the sample consists of 42% are man and 31% are women, reflecting a relatively balanced distribution. In terms of age, the majority (55 respondents) are between 18–25 years old, followed by 16 respondents aged above 30 years, and 35 respondents in the 26–30 age group. This distribution indicates that most respondents are in the younger age bracket, which may affect their levels of maturity, decision-making, and awareness of tax obligations.

Regarding occupational background, the respondents represent diverse groups: 50 are students, 23 are self-employed, 19 are civil servants, 6 are entrepreneurs, and 2 are state-owned enterprise employees. This diversity highlights the inclusion of both formal and informal sector participants, whose perspectives on motor vehicle taxation may differ depending on their economic activities and financial responsibilities.

The income profile shows that 39% respondents earn less than Rp 3 million per month, 19% earn between Rp 3–5 million, and 14 earn above Rp 5 million. This suggests that the majority fall within the lower- to middle-income brackets, which may influence their compliance behavior with respect to motor vehicle tax. In terms of vehicle ownership, 58 respondents own one motorcycle, nine own two motorcycles, and one owns three motorcycles, while only four do not own any. For car ownership, 79% respondents do not own a car, while 32% own one unit, and a small number own two to three units. This indicates that motorcycles are the dominant means of transportation, whereas car ownership is less prevalent.

Overall, the descriptive statistics illustrate that respondents are predominantly young, middle-income individuals, with motorcycles serving as their primary mode of transportation. These characteristics provide important context for interpreting the findings on taxpayer awareness, sanctions, and compliance with motor vehicle tax payments in Jayapura City. However, descriptive statistics alone cannot establish causal or predictive relationships; therefore, the analysis proceeded to inferential techniques, specifically regression analysis, to test the hypothesized effects of taxpayer awareness and sanctions on compliance.

Prior to the regression analysis, a series of classical assumption tests were undertaken to ascertain the adequacy and reliability of the statistical model. These encompassed assessments of normality, and multicollinearity, heteroscedasticity. the outcomes of which verified that the model fulfilled the requisite statistical assumptions necessary for subsequent inferential testing.

The presentation of results commences with an evaluation of the instrument's validity and reliability, thereby confirming the precision with which each item measured the designated constructs. This is subsequently followed by the principal findings concerning the effects of taxpayer awareness and the imposition of tax sanctions on compliance with motor vehicle tax obligations. The application of robust statistical techniques reinforced the rigor and credibility of the analysis, ensuring that the reported outcomes provide a systematic and empirically grounded response to the research objectives and hypotheses.

Furthermore, a pilot test was administered to a sample of 30 respondents prior to the distribution of the full survey. The results of this preliminary assessment substantiated the appropriateness, validity, and reliability of the questionnaire items in capturing the constructs of taxpayer awareness, sanctions, and compliance within the context of motor vehicle taxation in Jayapura City.

The validity of the research instrument was examined using the product moment correlation (R) to evaluate the extent to which each questionnaire item effectively measured the intended construct. In accordance with Ghozali (2012), an item is deemed valid if its correlation coefficient (R count) is positive and exceeds the critical R value derived from the R table. With a pilot sample of 30 respondents, the R table value at $n-2$ was 0.361. The analysis demonstrated that 36 out of 40 questionnaire items yielded correlation coefficients greater than the critical value, thereby confirming their statistical validity and appropriateness for inclusion in the full-scale study. Conversely, two items did not meet the minimum threshold and were subsequently excluded from further analysis.

Cronbach's Alpha was applied to perform reliability testing and evaluate the internal consistency of the measurement instrument. Following the guideline established by Ghozali (2012), a coefficient value exceeding 0.60 was considered indicative of acceptable reliability.

Table 1. Result of Reliability Testing of Variables

No.	Variabel	Number of Items	Cronbach's Alpha	Description
1	Tax Awareness	12	0.773	Reliabel
2	Tax Sanction	12	0.819	Reliabel
3	Tax Compliances	12	0.937	Reliabel

These table confirmed that the retained items achieved this criterion, thereby ensuring that the instrument was both valid and reliable for measuring taxpayer awareness, sanctions, and compliance behavior in the context of motor vehicle tax payments in Jayapura City.

Prior to conducting inferential statistical procedures, including the *t*-test and multiple linear regression analysis, it is imperative to ascertain that the data fulfill the underlying statistical assumptions. Among these, the assumption of normality is considered fundamental, as it ensures the validity of parameter estimates and hypothesis testing. The assessment of normality was undertaken through the Kolmogorov–Smirnov test, the results of which are presented in the following table.

Table 2. Result of Normality Testing

			Unstandardized Residual
N			100
Normal Parameters ^{a,b}	Mean		.0000000
	Std. Deviation		0.33622996
Most Extreme Differences	Absolute		.125
	Positive		.125
	Negative		-.083
Test Statistic			.125
Asymp. Sig. (2-tailed) ^c			.007
Monte Carlo Sig. (2-tailed) ^d	Sig.		.005
	99% Confidence Interval	Lower Bound	.004
		Upper Bound	.007
a. Test distribution is Normal.			
b. Calculated from data.			
c. Lilliefors Significance Correction.			
d. Lilliefors' method based on 10000 Monte Carlo samples with starting seed 2000000.			

(Source: SPSS)

The normality test results demonstrated that the data for all variables satisfied the assumption of normal distribution, as indicated by significance values exceeding the 0.05 threshold. This outcome confirms that the dataset is appropriate for the application of parametric statistical techniques. Accordingly, subsequent analyses, including the *t*-test and multiple linear regression, were undertaken with confidence that the normality assumption had been fulfilled.

Another essential assumption underlying the analyses is the absence of multicollinearity among the independent variables. To evaluate this, both the Tolerance values and the Variance Inflation Factor (VIF) were examined, as presented in the table below.

Table 3. Result of Multicollinearity Testing

Coefficients ^a			
Model		Collinearity Statistics	
		Tolerance	VIF
1	Total Tax Awareness	.706	1.416
	Total Tax Sanction	.806	2.216
a. Dependent Variable: Total Tax Compliance			

The table shows that each independent variable has a Tolerance value greater than 0.10 and a Variance Inflation Factor (VIF) value less than 10. These findings confirm the absence of multicollinearity within the regression model. Consequently, the assumption

of no multicollinearity is satisfied, thereby reinforcing the stability and reliability of the estimated regression coefficients.

Another critical assumption in regression analysis is the absence of heteroscedasticity. To evaluate this assumption, the Glejser test was employed, and the results are presented in the following table.

Table 4. Result of heteroscedasticity Testing

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	7.170	2.250		3.186	.002
	Total Tax Awareness	-.024	.117	-.028	-.206	.837
	Total Tax Sanctions	-.149	.078	-.260	-1.906	.061
a. Dependent Variable: ABS_RES						

The results of the Glejser test indicate that all significance (p) values for the independent variables exceed the 0.05 threshold. This outcome confirms the absence of heteroscedasticity within the regression model, thereby suggesting that the residuals exhibit constant variance and the assumption of homoscedasticity is satisfied.

From a statistical perspective, the dataset fulfills all prerequisites for conducting multiple linear regression analysis. Consequently, hypothesis testing can proceed to examine whether the independent variables—taxpayer awareness and tax sanctions—exert significant effects on compliance with motor vehicle tax payments, both individually through the t-test and collectively through the F-test.

The analysis provides a comprehensive understanding of the magnitude and direction of the influence exerted by each variable on taxpayer compliance. Beyond assessing the individual effects, the coefficient of determination (R^2) further evaluates the overall explanatory power of the model, as presented below:

Table 5. Regression Model Summary and Coefficient of Determination (R^2)

Model Summary		
R Square	Adjusted R Square	Std. Error of the Estimate
.473	.458	3.181
a. Predictors: (Constant), Total_Tax Awareness, Total_Tax Sanctions)		

Based on the output of the Model Summary, the R Square value of 0.473 indicates that the variables of Taxpayer Awareness and Tax Sanctions collectively explain 47.3% of the variation in Motor Vehicle Tax Compliance in Jayapura City, while the remaining 52.7% is influenced by other factors not included in this model.

The Adjusted R Square value of 0.458 further suggests that the model retains a strong explanatory capacity even after adjusting for the number of independent variables. In addition, the Standard Error of the Estimate of 3.181 implies that the average prediction error of the model remains within an acceptable range, thereby confirming its adequacy for explaining the relationship between the studied variables.

The t-test results presented in the table below:

Table 6. Results of t-Test for Taxpayer Awareness and Sanctions on Compliance

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.011	3.574		.842	.402
	Total_Tax Awareness	.027	.186	.015	.144	.886
	Total_Tax Sanction	.821	.125	.680	6.589	<.001
a. Dependent Variable: Total_Tax Compliance						

The results of the partial t-test, as presented in the Coefficients table, indicate that the variable of Taxpayer Awareness yielded a significance value of 0.886, which exceeds the conventional significance level of 0.05. This finding implies that taxpayer awareness, when examined in isolation, does not exert a statistically significant influence on compliance with motor vehicle tax payments in Jayapura City.

Conversely, the variable of Tax Sanctions produced a significance value of less than 0.001, substantially below the 0.05 threshold. This outcome demonstrates that tax sanctions exert a positive and statistically significant effect on compliance behavior, suggesting that the imposition of clear and consistent sanctions is an effective mechanism for enhancing taxpayer compliance.

Taken together, these results underscore that tax sanctions represent the dominant determinant of compliance within this study, whereas taxpayer awareness does not exhibit a meaningful or measurable impact. This pattern highlights the greater efficacy of enforcement-based measures over awareness-raising initiatives in shaping compliance behavior with respect to motor vehicle taxation in the context of Jayapura City.

While the partial *t*-test results provide insights into the individual effects of taxpayer awareness and tax sanctions on compliance, the *F*-test is employed to evaluate their joint influence within the regression model. The *F*-test results presented in the table below:

Table 7. Results of F-Test for Taxpayer Awareness and Sanctions on Compliance

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	636.771	2	318.386	31.470	<.001 ^b

	Residual	708.188	70	10.117		
	Total	1344.959	72			
a. Dependent Variable: Total Tax Compliance						
b. Predictors: (Constant), Total Tax Sanction, Total Tax Awareness						

Based on the results of the F-test presented in the ANOVA table, the calculated F value is 31.470 with a significance level of less than 0.001. Since this value is far below the conventional threshold of 0.05, it can be concluded that the regression model is statistically significant in its entirety. In other words, Taxpayer Awareness and Tax Sanctions, when considered simultaneously, exert a significant joint influence on compliance with motor vehicle tax payments in Jayapura City.

DISCUSSION

The results of this study indicate that taxpayer awareness does not significantly influence motor vehicle tax compliance in Jayapura City. Although awareness is often considered essential for shaping voluntary compliance, the findings suggest that in this context it is insufficient to motivate taxpayers to fulfill their obligations. By contrast, tax sanctions have a strong positive and significant effect, confirming that consistent enforcement and penalties remain the most effective tools for ensuring compliance. When tested together, awareness and sanctions show a joint influence, but sanctions emerge as the dominant factor in shaping taxpayer behavior.

These findings both support and diverge from prior research. Previous studies have consistently emphasized awareness as a determinant of voluntary compliance (Anto et al., 2021; Nguyen et al., 2024), yet in Jayapura, its effect is not significant. This discrepancy may reflect differences in institutional trust, perceptions of fairness, or socio-economic conditions across regions. On the other hand, the strong role of sanctions aligns with deterrence theory (Allingham & Sandmo, 1972), which underscores the importance of penalties in raising the cost of non-compliance. The interplay of awareness and sanctions is also consistent with the Slippery Slope Framework (Kirchler et al., 2008), which highlights the need to balance trust and power; however, in this case, compliance is driven more by sanctions than by awareness.

The implications of these findings are significant for policymakers. First, they suggest that strengthening and consistently applying tax sanctions is critical for improving compliance, particularly in regions where awareness has limited impact. Second, while awareness programs may not have immediate effects, they remain important as complementary strategies for fostering long-term voluntary compliance and reducing over-reliance on enforcement. Finally, the results offer valuable insights for designing integrated approaches that combine strict sanctions with educational initiatives to enhance local revenue collection.

This research has limitations. The results may lack generalizability to different contexts as the study focused solely on taxpayers in Jayapura City. Additionally, the analysis was restricted to only two variables, awareness and sanctions, while other significant factors such as trust in authorities, service quality, or socio-economic pressures were not considered. The cross-sectional nature of the design also hinders the ability to observe changes in compliance behavior over time. Subsequent studies should utilize longitudinal methods and incorporate a broader range of variables to better understand taxpayer compliance.

CONCLUSION

The study concludes that taxpayer awareness does not significantly influence motor vehicle tax compliance in Jayapura City. Although awareness has often been emphasized in previous research as a driver of voluntary compliance, in this context its role appears limited. In contrast, tax sanctions demonstrate a strong positive and significant effect, highlighting the critical role of enforcement in shaping taxpayer behavior and ensuring compliance.

When examined together, both awareness and sanctions are found to significantly affect compliance, though sanctions remain the dominant factor. This combined effect underscores the importance of adopting a balanced approach where enforcement mechanisms ensure compliance in the short term, while awareness initiatives serve as a foundation for promoting voluntary compliance in the long run. Such synergy ensures that reliance on punitive measures can gradually be complemented by more sustainable strategies rooted in education and trust.

Overall, these findings highlight the necessity for consistent enforcement complemented by targeted awareness programs. Policymakers are encouraged to not only apply sanctions fairly and consistently but also to simplify payment systems through digital platforms and run effective educational campaigns. By integrating these approaches, local governments can enhance taxpayer compliance and strengthen local revenue collection, ensuring a more sustainable fiscal base for development.

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DECLARATION OF CONFLICTING INTERESTS

The authors affirm that they have no competing interests regarding the research, authorship, or dissemination of this article. The study titled “*Analyzing the Influence of Taxpayer Awareness and Sanctions on Compliance in Motor Vehicle Tax Payments: Evidence from Jayapura City*” was conducted solely for academic purposes, without any financial, personal, or professional relationships that could be interpreted as influencing the findings or interpretations.

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