



ACCOUNTING DEPARTMENT

ECONOMICS FACULTY

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THESIS

**THE THEORITICAL RESEARCH ON THE EFFECT OF TAX
AMNESTY AND SANCTION STRICTNESS ON INDIVIDUAL
TAXPAYER'S COMPLIANCE**

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ABSTRACT

The level of taxpayer compliance in Indonesia is still quite low. Even though the government has made various efforts to increase taxpayer compliance, such as the implementation of tax amnesty and imposing sanctions. This thesis uses the literature review method, which aims to collect the results of previous research on the effect of tax amnesty and sanction strictness on individual taxpayer's compliance. The collection technique in this literature is the procedure for finding information from various previous studies, then all of which serve as a theoretical basis that determines the conclusions of the literature. The discussion contained in this literature provides an explanation of the level of compliance of taxpayers with inconsistent tax amnesty and sanctions. Previous studies have shown inconsistent results in the application of tax amnesty and sanctions, which are expected to increase tax compliance in carrying out their obligations. The conclusion of the previous research is that tax amnesty and sanction strictness have positive interactions but do not have a significant effect on increasing taxpayer compliance. This can occur because of the negative impact of tax amnesty previously reported and also the relaxation of sanctions that occurs.

Keywords: Tax Amnesty, Sanction Strictness, Taxpayer Compliance