

**THE EFFECT OF VALUE ADDED TAX (VAT) AND SALES TAX OF
LUXURY GOODS (PPnBM) ON CONSUMER PURCHASING POWER
(An Empirical Study of Four-Wheeled Vehicle Consumers in Cilacap City)**



Written by:

Mochamad Raihan Januarydy

20180420218

**INTERNATIONAL PROGRAM OF ACCOUNTING
FACULTY OF ECONOMICS AND BUSINESS
UNIVERSITAS MUHAMMADIYAH YOGYAKARTA**

2021

**THE EFFECT OF VALUE ADDED TAX (VAT) AND SALES TAX OF
LUXURY GOODS (PPnBM) ON CONSUMER PURCHASING POWER
(An Empirical Study of Four-Wheeled Vehicle Consumers in Cilacap City)**

UNDERGRADUATE THESIS

**This Undergraduate Thesis is submitted to obtain the Bachelor of Economics
degree at International Program of Accounting Department,
Economics and Business Faculty
Universitas Muhammadiyah Yogyakarta**



**By
Mochamad Raihan Januarydy
20180420218**

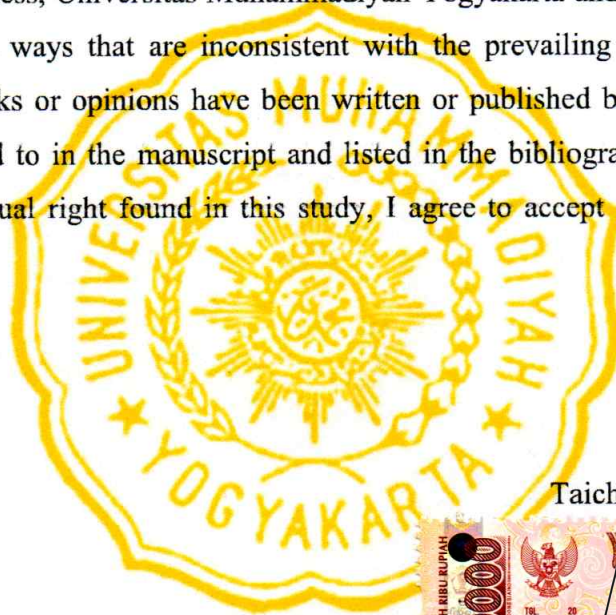
**INTERNATIONAL PROGRAM OF ACCOUNTING
FACULTY OF ECONOMICS AND BUSINESS
UNIVERSITAS MUHAMMADIYAH YOGYAKARTA
2021**

DECLARATION PAGE

Written by:

Name : Mochamad Raihan Januarydy
Student Number : 20180420218

I hereby declare that this undergraduate thesis entitled “**THE EFFECT OF VALUE ADDED TAX (VAT) AND SALES TAX OF LUXURY GOODS (PPnBM) ON CONSUMER PURCHASING POWER (An Empirical Study of Four-Wheeled Vehicle Consumers in Cilacap City)**” is my own research to fulfill the requirement for bachelor degree in faculty of economics and business, Universitas Muhammadiyah Yogyakarta and I did not plagiarize or do any quotation in ways that are inconsistent with the prevailing ethic in the scientific community. No works or opinions have been written or published by others in this thesis, except those referred to in the manuscript and listed in the bibliography. Therefore, if any violation of intellectual right found in this study, I agree to accept any relevant academic consequences.



Taichung, 17 February 2022




Mochamad Raihan Januarydy

ACKNOWLEDGEMENT

All praise and glory Almighty Allah (Subhanahu Wa Taala) who always gave us grace and guidance to carry out this thesis with the title **“THE EFFECT OF VALUE ADDED TAX (VAT) AND SALES TAX OF LUXURY GOODS (PPnBM) ON CONSUMER PURCHASING POWER (An Empirical Study of Four-Wheeled Vehicle Consumers in Cilacap City)”**. Peace and blessing of Allah be upon last Prophet Muhammad SAW. Thus, this undergraduate thesis can be finished. I dedicate this work to:

1. My beloved parents who always pray for and support the researcher during his life, from giving birth to the present. Without both of you, my life wouldn't be what it is. May Allah SWT always give blessings to all of you.
2. My big family from both parents who always opens their hands and supports me to pray for me in various circumstances.
3. Dra. Arum Indrasari, M.Buss., Ak., CA as my supervisor. Thank you for always guide and support me to complete my studies, especially my thesis.
4. Anisatul Karimah, S. Pd, M. Pd. as my English consultancy from LTC UMY. Thank you for always guide, communicative and support me to complete my thesis.
5. Amartya Nadhia Annisa as my partner. Thank you for the support that has been given during the study period at UMY, especially while working on this thesis
6. All IPACC family especially SUPERHERO Class 2018 who always supports and reminds while the researcher is studying.

7. FORMASCAP UMY family who always give me support and makes me feel at home in Yogyakarta while I am studying at UMY.
8. DPM KM FEB UMY 2019/2020. Thank you for your support.
9. HMPM family who give me unforgettable memories and always support me. Thank you.
10. All friends of KKN IT 162, thank you for the memories that have been painted.
11. All my Hiking Squad, thank you for your support.
12. Everybody who was important to the successful realization of this thesis, as well as expressing my apology that I could not mention personally one by one. Thank you.

FOREWARD

Assalamualaikum warrahmatullahi wabarakatu.

All praise and glory Almighty Allah (Subhanahu Wa Taala) who always gave us grace and guidance to carry out this work. Peace and blessing of Allah be upon last Prophet Muhammad SAW who has guide us from the jahiliah to the innayah era, so that the author can finish this undergraduate thesis with the title of **“THE EFFECT OF VALUE ADDED TAX (VAT) AND SALES TAX OF LUXURY GOODS (PPnBM) ON CONSUMER PURCHASING POWER (An Empirical Study of Four-Wheeled Vehicle Consumers in Cilacap City)”** as a requirement for completing the Bachelor Program in International Program of Accounting, Faculty of Economics and Business, Universitas Muhammadiyah Yogyakarta.

The completion of this thesis could not be separated from the guidance and support of various parties, therefore on this occasion the author would like to thank as much as possible to:

1. Allah SWT who has provided me with easily and fluency in carrying out this study.
2. My beloved parents and my big family who always give me prayers and support for the researcher during his life, from giving birth to the present.
3. Prof. Rizal Yaya, M.Sc., Ph.D., Ak. CA as the Dean of the Faculty of Economics and Business at Universitas Muhammadiyah Yogyakarta, who has provided instructions, guidance, and convenience for the author to complete her studies.

4. Dr. Dyah Ekaari Sekar J, S. E., M. Sc., QIA., Ak., CA, as the Head of Accounting Departement at Universitas Muhammadiyah Yogyakarta, who has provided guidance and convenience for the author to complete the study.
5. Fitri Wahyuni, S. E, M.Sc., as the head of International Program of Accounting Departement at Universitas Muhammadiyah Yogyakarta, who has provided guidance and convenience for the author to complete the study.
6. Dra. Arum Indrasari, M.Buss., Ak., CA as my supervisor. Thank you for always guide, communicative and support me to complete my studies, especially my thesis.
7. Anisatul Karimah, S. Pd, M. Pd. as my English consultancy from LTC UMY. Thank you for always guide, communicative and support me to complete my thesis.
8. Everybody who was important to the successful realization of this thesis, as well as expressing my apology that I could not mention personally one by one. Thank you.

Wassalamualaikum Warrahmatullahi Wabarakatu.

Taichung, 26 December 2021



Mochamad Raihan Januarydy

LIST OF CONTENT

TITLE PAGE	i
SUPERVISOR APPROVAL	ii
STATEMENT OF AUTENTICATY PAGE	iii
DECLARATION PAGE	iv
MOTTO	v
ACKNOWLEDGEMENT	vi
ABSTRACT	viii
FOREWARD	ix
LIST OF CONTENT	xi
LIST OF TABLES	xiv
LIST OF FIGURES	xv
CHAPTER I	1
A. Research Background	1
B. Research Questions	5
C. Research Purposes	6
D. Research Benefits	6
CHAPTER II	8
A. Theoretical Framework.....	8
1. Planned Behavioral Theory	8
2. Definition of Tax.....	8
3. Value Added Tax (VAT).....	10
4. Sales Tax of Luxury Goods.....	16
5. Taxable Entrepreneurs.....	22
6. Purchasing Power.....	23
B. Hypothesis Development.....	24
1. The Effect of Value Added Tax (VAT) on The Purchasing Power of Car Consumers	24
2. The Effect of Sales Tax of Luxury Goods (PPnBM) on The Purchasing Power of Car Consumer	25
C. Research Model	26

CHAPTER III	27
A. Research Object and Subjects	27
B. Type of Data	27
C. Sampling Technique	27
D. Data Collection Technique	28
E. Operational Definition of Research Variable	29
F. Instrument and Data Analysis Technique	32
G. Classic Assumption Test	33
H. Hypothesis Testing	34
1. Coefficient of Determination Test (R ²)	35
2. Simultaneous Significant Test (F Test)	35
3. Partial Test (t Test)	35
CHAPTER IV	37
A. Research Object Overview	37
B. Respondent Description	38
1. Gender	38
2. Age	38
3. Occupation	39
C. Instrument Quality Test	40
1. Descriptive Statistics Test	40
2. Validity Test	42
3. Reliability Test	43
D. Classic Assumption Test	44
1. Normality Test	44
2. Multicollinearity Test	45
3. Heteroscedasticity Test	46
E. Hypothesis Testing	46
1. Coefficient of Determination Test (R ²)	46
2. Simultaneous Significance Test (F-Test)	47
3. Partial Test (t-test)	48
F. Discussion	50
1. The Effect of Value Added Tax (VAT) on Purchasing Power of Car Consumers	50

2. The Effect of Sales Tax of Luxury Goods (PPnBM) on The Purchasing Power of Car Consumer	51
CHAPTER V	53
A. Conclusions	53
B. Limitations	54
C. Suggestions	55
REFERENCES	56
APPENDIX	58

LIST OF TABLES

Table 3.1 Likert Scale Instrument	29
Table 3.2 Operational Definition of Research Variable.....	30
Table 4.1 Classification Respondent by Gender	38
Table 4.2 Classification Respondent by Age	39
Table 4.3 Classification Respondent by Occupation	40
Table 4.4 Descriptive Statistics	41
Table 4.5 The Result of Validity Test.....	42
Table 4.6 The Result of Reliability Test	43
Table 4.7 The Result of Normality Test	44
Table 4.8 The Result of Multicollinearity Test.....	45
Table 4.9 The Result of Heteroscedasticity Test	46
Table 4.10 The Result of Coefficient Determination Test.....	47
Table 4.11 The Result of Simultaneous Significant Test.....	48
Table 4.12 The Result of Partial Test (t-test).....	48

LIST OF FIGURES

Figure 2.1 Research Model	26
---------------------------------	----