

## ABSTRACT

To enhance the community's contribution to taxes, government glanced micro, small, and medium enterprises (SMEs). The number of taxpayers SME sector increased from year to year, but the increase is not balance with tax compliance.

The method used in this research is descriptive verification method. The research was conducted by distributing questionnaires to taxpayers SMEs sector along Malioboro street listed on Tax Service Office Pratama Yogyakarta, with total sample of 40 respondents. Sampling technique with simple random sampling technique. Data were analyzed using multiple linear regression analysis and hypothesis testing. Statistical testing using SPSS 20.0 software.

The results of this study indicate that partially, knowledge of sanctions taxation, bookkeeping or recording, service of tax employee (fiscus) were negative effect on tax compliance SMEs sector along Malioboro street, while credit bank demand was positive effect. Simultaneously, knowledge of sanctions taxation, credit bank demand, bookkeeping or recording, service of tax employee (fiscus) positive effect on tax compliance SMEs sector along Malioboro street. Although the influence of only 32.1% and the remaining 67.9% is influenced by other factors not examined.

***Keyword: knowledge of sanctions taxation, credit bank demand, bookkeeping or recording, service of tax employee (fiscus) on SMEs sector tax payer compliance***