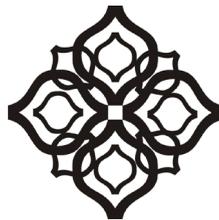


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Editorial Office

Ruang Jurnal Shirkah

Lantai Dasar, Sayap Barat, Fakultas Ekonomi dan Bisnis Islam,
IAIN Surakarta

Jln. Pandawa No. 1, Kartasura, Sukoharjo, Jawa Tengah Kode Pos. 57168

Phone (+62271) 781516 Fax: (+62271)782336

E-mail: shirkahjournal@iainsurakarta.ac.id; shirkahiainsurakarta@gmail.com

Website: <http://shirkah.or.id/>

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Generation XYZ's Perception on *Zakat Mal* and Tax The Planned Behavior Perspective

Arfah Habib Saragih

Department of Fiscal Administration
Faculty of Administrative Science Universitas Indonesia
arfah.habib11@ui.ac.id

Abstract

The research aims to implement the theory of planned behavior to predict respondent's intention to participate in offering wealth *zakat* and tax payment. The research used questionnaires, which aims to generate a descriptive research. Technique of analysis being applied is the Partial Least Square (PLS) with SmartPLS software. The final samples used constitute 99 respondents. The descriptive statistics results show that respondents understood that *zakat* is religious obligation; agreed that paying wealth *zakat* and tax might help reducing poverty and improving social welfare; more respondents knew that wealth *zakat* could be used as deducting factor in tax calculation; agreed that they would still pay tax regardless whether the wealth *zakat* and tax can be a deducting factor for their taxed income or not; respondents paid the wealth *zakat* directly to *mustahik* for reasons such as its primacy status, easiness, and proximity/location; other respondents paid their wealth *zakat* via transfer to the *amil zakat* institution's account, for its comfort (online payment), professionalism/trustworthiness of the institution. Meanwhile, the analysis results using PLS revealed that attitude, subjective norm, and behavioral control influence one's intention to pay wealth *zakat* and tax; furthermore, behavioral intention affects actual behavior in paying wealth *zakat* and tax.

Keywords: *Zakat*, Tax, Theory of Planned Behavior

Introduction

Poverty and social welfare remain a serious problem that Indonesia faces. To reduce poverty and enhance social welfare, active roles from

various stakeholders are critical, including government and general public. In Islam, it is expressively mandated that every capable Muslim that meets the threshold shall pay *zakat*, both *zakat fitrah* (*zakat* of the body) and wealth *zakat* to the *mustahik* (beneficiary of the *zakat*). In Surah At-Taubah verse 60, the Qur'an sets forth eight categories of *mustahik*, namely *fakir* (needy), *miskin* (poor), *amil zakat* (*zakat* collector), *muallaf* (convert), slave, debt-bound person, person in jihad, and traveler (*musafir*). Islam enjoins its followers to help each other reducing poverty and enhance social welfare, including by mandating the *zakat* for those who meet the requirements.

To distribute the wealth *zakat*, the *zakat* donators (*muzakki*) can pay it directly to the *mustahik* as well as to the *amil zakat* institution (*lembaga amil zakat/LAZ*) Submission of wealth *zakat* to the LAZ can be performed by directly visit the institution as well as indirectly (by making bank transfer to the LAZ account). The LAZ is the one that distributes the wealth *zakat* to the *mustahik*. The *mustahiks* will receive direct and tangible benefits as it is directly given to them. In Islamic teaching, *muzakkis* are allowed to offer their wealth *zakat* directly to the *mustahik* as well as indirectly through the LAZ. However, Islam encourages that wealth *zakat* is prioritized for one's closest relatives, before giving it to others. Once there is no more relative that falls into *mustahik* category, the wealth *zakat* can be distributed to other people in the community, primarily in the *muzakki's* neighborhood. However, should there be no more people in the nearby neighborhood that falls into *mustahik* category, *muzakki* may bring the *zakat* to the LAZ which will distribute it to the *mustahik* in other areas.

In today's world, people are divided by generation, i.e. according to their birth year, namely: traditional generation, baby boomers, X, Y, Z, and Alpha (Wiedmer, 2015). All these generations are currently living in digital era, in which internet-based information technology grows so

rapidly. The proportion of internet usage by age group is presented on Table 1.

Table. 1 Proportion of Internet Usage by Age Group

Age Group	Proportion of Individual Using Internet by Age Group (in Percent)	
	2015	2016
>15	9.76	9.86
15-24	51.83	58.21
25-64	17.56	21.53
65+	0.83	1.18
Total	79.98	90.78

Source: Central Bureau of Statistics (BPS) (2018)

All the aforementioned facilities have made it easier for people to perform their duties, including in paying wealth *zakat* to *mustahik* and tax to the government. Nowadays, wealth *zakat* can not only be given directly to the *mustahik*, or paid to the nearby *amil zakat* institution, yet it can also be transferred to the account of various *zakat* institutions all around the world (via internet banking, mobile banking, etc.). This makes it easier to the *muzakkis* to pay their *zakat* to LAZ, which will distribute it to the designated *mustahik*. The phenomenon should further encourage actual behavior of the Muslims to pay their wealth *zakat* and tax in order to improve social welfare and contribute to poverty reduction, as it can reach out wider areas. According to the Theory of Planned Behavior (TBP), one's behavior is influenced by his/her intention. Whereas, one's intention is shaped by his/her attitude toward the behavior, subjective norm, and perceived behavioral control through his/her faith/belief.

In addition to paying *zakat*, Indonesian Muslims are also bound to taxation duties as mandated by the prevailing laws, particularly the income tax which applies for those who have job and satisfy the criteria. According to the Law No. 6 of 1983 regarding General Provisions and Procedure of

Taxation, which had been substituted by law No. 16 of 2009, tax is defined as a mandatory contribution to the state which is payable by individual or institution that is mandatory in nature in accordance with the law, which does not provide any direct compensation in return and which is used for the state's needs to bring optimum impact for the people. From both types of obligations, a clear difference stands out, i.e. *zakat* benefit can be felt immediately by the *mustahik*, while tax benefit cannot. However, both share the same long-term goal, which is creating public prosperity by reducing poverty and increasing social welfare.

Upon observance of such double obligations (wealth *zakat* and tax), the government passed Law No. 23 of 2011 on *Zakat* Management, in Article 22 of which sets forth that *zakat* (*zakat fitrah/zakat* of body and wealth *zakat*) paid by *muzakki* to BAZNAZ or LAZ can deduct taxable income, hence making the tax payable smaller. However, *zakat* facility as the taxable income (PKP) deductor cannot be used if the *muzakki* offers the *zakat* directly to the *mustahik*. In addition, up to now, not everyone knows that *zakat* paid to BAZNAZ or LAZ can result in taxable income deduction, despite various available information in numerous media that are practically accessible with their mobile gadget.

Based on the above background, the author found it necessary to conduct a research on inter-generational perception on wealth *zakat* and tax in digital era to achieve better social welfare by using the Theory of Planned Behavior (TPB). The TPB indicates that one's behavior is influenced by his/her intention, while one's intention is shaped by his/her attitude toward the behavior, subjective norm, and perceived behavioral control through his/her set of belief. The behavior of the three generations (XYZ) becomes important to be raised since the majority of Indonesian population consists of this age group, which is expected to play significant role to create social welfare both through wealth *zakat* and tax.

Furthermore, the three generations live in a digital era that eases mobility of information and fund in the cyber-world. Knowledge on obligation to pay *zakat* for every Muslim is absolutely important, and so is the case with that of paying tax. Such knowledge may influence Muslim citizens of the country to pay *zakat* and tax as their concrete contribution to reduce poverty, enhance social welfare, and create public prosperity. Discussion on the TPB implementation in this research is expected to provide some critical information on the problems being faced in paying *zakat* as well as giving recommendation to regulators and *zakat* institutions.

In Indonesia context, some studies related to compliance in paying *zakat* and tax have been conducted. Alpriyamah and Adityawarman (2017) found that attitude and subjective norm toward behavioral intention to pay *zakat* were significant. Moreover, they found that intention to pay *zakat* was positively significant toward *zakat* compliance behavior. Lesmana, Panjaitan, and Maimunah (2017) also concluded that in terms of tax compliance, the variables that affecting positively the intention to pay were the control behavioral and moral obligation, while the attitude and subjective norms did not influence it. Yusuf and Ismail (2017) also proved that there was a significant impact of knowledge in taxation and *zakat* on taxpayers' compliance in paying tax. Saad and Haniffa (2014) found that intention was significant predictor for *zakat* compliance behavior. Intention was proved to be influenced by attitude and subjective norm.

Theoretical Framework and Hypothesis Development

Zakat. *Zakat* constitutes the fourth pillar of Islam. *Zakat* is divided into two: *zakat fitrah* (*zakat* of the body) and wealth *zakat*. The Qur'an in Surah At-Taubah verse 103 states "take *zakat* from a part of their wealth to clean and purify them, and supplicate for them. Verily, your prayer will (serve) as a peace of soul for them, and Allah is Most Hearing and Most

Knowing.” The requirements for anyone to be considered as subject to pay *zakat* are: a Muslim, free (not slave), sane and has reached the age of puberty, and whose asset meets the minimum threshold (*nishab*). *Nishab* constitutes the lowest measure or limit set forth by Islam, the exceeding of which makes it mandatory for a person to pay the *zakat*. *Nishab* consists of two requirements, namely: a. the wealth is no longer needed for fulfilling one’s need, such as food, clothing, housing, vehicle, and tools used for his/her livelihood, and b. the wealth has been in his/her possession for at least one year (has passed the minimum duration of possession/haul). This is in line with the hadiths narrated by Tirmidzi, Ibnu Majah, which was proclaimed as *hasan* (sufficiently legitimate) by Syaikh Al Albani. The payer of *zakat* (*muzakki*) shall pay his/her *zakat* to those entitled to receiving it (*mustahik*). In Surah At-Taubah verse 60, the Qur’an sets forth eight categories of *mustahik*, namely *fakir* (needy), *miskin* (poor), *amil zakat* (*zakat* collector), *muallaf* (convert), slave, debt-bound person, person in *jihad*, and *musafir* (Saad and Haniffa, 2014).

Tax. According to the Law No. 6 of 1983 regarding General Provisions and Procedure of Taxation, which had been substituted by law No. 16 of 2009, tax is defined as a mandatory contribution to the state which is payable by individual or institution that meets the requirements according to the law, which does not provide any direct compensation in return and which is used for the state’s needs to bring optimum impact for the people. From both types of obligations, a clear difference stands out, i.e. *zakat* benefit can be felt immediately by the *mustahik*, while tax benefit cannot. However, both share the same long-term goal, which is creating public prosperity. The current taxable income (PKP) for individual income tax is 5% for those earning up to IDR50,000,000; 15% for taxable income above IDR50,000,000 to IDR250,000,000; 25% for taxable income above IDR250,000,000 to IDR500,000,000; and 30% for taxable income

above IDR500,000,000. This tariff indicates that the higher one's taxable income (PKP) is, the higher the amount of tax that should be paid will be.

Zakat as Deductor of Taxable Income (PKP). Due to the double obligations borne by Muslims, the government passed Law Number 23 of 2011 on Zakat Management, the Article 22 of which sets forth that *zakat* (both *zakat fitrah* and wealth *zakat*) paid by *muzakki* to BAZNAS or LAZ will be a deductor to his/her taxable income. However, direct payment of *zakat* from *muzakki* to *mustahik* cannot be a deductor to taxable income. To observe whether there is impact from *zakat* as deductor to taxable income, the author provides a simple illustration on Table 2.

Table 2. Illustration of Zakat as Deductor of Taxable Income (PKP).

Component	Not Paying Zakat	Paying Zakat Directly to Mustahik	Paying Zakat through BAZNAZ/LAZ
Gross Income	IDR360,000,000	IDR360,000,000	IDR360,000,000
Deduction	IDR6,000,000	IDR6,000,000	IDR6,000,000
Zakat	-	IDR12,000,000 (however, it cannot be used as deductor to taxable income as it does not go through BAZNAZ/LAZ)	IDR12,000,000
Net Income	IDR354,000,000	IDR354,000,000	Rp342.000.000
Other expense	IDR6,000,000	IDR6,000,000	IDR6,000,000
PTKP (Non-Taxable Income)	IDR54,000,000	IDR54,000,000	IDR54,000,000
PKP (Taxable Income)	IDR294,000,000	IDR294,000,000	IDR282,000,000
Paid Tax	IDR30,000,000	IDR30,000,000	IDR30,000,000
Tax Payable	Tax Payable 5%*50,000,000 + 10%*200,000,000 + 25%*104,000,000 = IDR48,500,000	Tax Payable 5%*50,000,000 + 10%*200,000,000 + 25%*104,000,000 = IDR48,500,000	Tax Payable 5%*50,000,000 + 10%*200,000,000 + 25%*92,000,000 = IDR45,500,000

Remaining Unpaid Tax	IDR18,500,000	IDR18,500,000	IDR15,500,000
Total <i>Zakat</i> and Tax Obligation	IDR48,500,000 (IDR0+IDR48,500,000)	IDR60,500,000 (IDR12mio+IDR48.5mio)	IDR57,500,000 (IDR12mio+IDR45.5mio)
Religious Sanction	Sinful because he/she is capable but does not pay <i>zakat</i>	Not sinful since he/she already paid the <i>zakat</i>	Not sinful since he/she already paid the <i>zakat</i>

Source: Data Processed by Author

The simple illustration shows that the government is serious in its efforts to reduce taxation obligation for the Muslims who pay the *zakat* through BAZNAZ/LAZ. *Zakat* obligation is still paid at the amount of IDR12,000,000, yet the tax paid is deducted from IDR48,500,000 to IDR45,500,000, with tax saving amounting IDR3,000,000. Up to now, the *zakat* that can deduct taxable income is the one officially distributed through BAZNAZ/LAZ which is proven with transfer proof to the *zakat* institution as well as receipt from it. If the *zakat* is directly distributed to *mustahik*, *muzakki* will not get taxable income deduction as he/she won't have any sufficient evidence that can get him/her tax deduction. This causes dilemma, because in Islam, it is considered more preferable (*afdhal*) if the wealth *zakat* is paid directly to the eight categories of people who live closest to our neighborhood; only when there is no more of those 8 categories who need it, we can submit the money to the *zakat* institution that can reach out farther and wider *mustahik*.

Generational Development. In today's world, people are divided by generation, i.e. according to their birth year, namely: traditional generation, baby boomers, X, Y, Z, and Alpha. All these generations are currently living in digital era, in which internet-based information technology grows so rapidly. This research focuses on generation X, Y, and Z. The behavior of the three generations (XYZ) becomes important to

be raised since the majority of Indonesian population consists of this age group, which is expected to play significant role to create social welfare both through wealth *zakat* and tax. Furthermore, the three generations live in a digital era that eases mobility of information and fund in the cyber-world. Knowledge on obligation to pay *zakat* for every Muslim is absolutely important, and so is the case with that of paying tax. Such knowledge may influence Muslim citizens of the country to pay *zakat* and tax as their concrete contribution to reduce poverty, enhance social welfare, and create public prosperity.

Generation X is a generation bornt in 1961-1980, while generation Y was bornt between 1981-1994, while generation Z is those who were bornt in 1995-2015. When converted, consecutively, the ages between generations in 2018 are as follows: 3-23 years-old for generation Z; 24-37 years-old for generation Y; and 38-57 years-old for generation X. Generation X and Y are the one dominating the employment today, and thus are expected to meet the threshold of wealth *zakat* and tax. Swanbrow (2012) in Wiedmer (2015) concluded that Generation X (Post-Boomers) are highly educated, happy, active, balanced, and family oriented. Compared to other generations, Generation Y (Millennials) tend to be less independent, more social and confident, and more inclusively community oriented (Gibson, 2015 in Wiedmer, 2015). While, Generation Z (Digital Natives, iGeneration) are highly connected to the internet, communication, and technology. They tend to be more environmentally and socially aware than previous generations X and Y.

Theory of Planned Behavior (TPB). The theory was developed by Ajzen (1980, 1985, and 1991). According to this theory, one's behavior is influenced by his/her intention. Whereas, one's intention is shaped by his/her attitude toward the behavior, subjective norm, and perceived behavioral control through his/her faith/belief. Attitude toward the

behavior. Attitude is the product of a sensitization process, in which a person reacts in accordance with the stimulation he/she receives. Attitude is a form of feeling evaluation. One's attitude to an object is a supportive or favorable feeling and non-supportive or unfavorable feeling toward the object. Attitude plays a critical role in explaining one's behavior in his/her environment, although there are many more factors influencing it, such as stimulus, individual's background, motivation, and personality. Reciprocally, environmental factor also influences attitude and behavior. Ajzen (2002) said the attitude toward the behavior is determined by the behavioral beliefs of an individual.

Subjective norm. Subjective norm refers to an individual's perception on the social influence in forming certain behavior (Ajzen, 1980, 1985). Subjective norm is a function of hope that is perceived by an individual, in which one of more persons around the individual (such as relative, peer) agree on certain behavior and motivate the individual to obey them (Ajzen, 1991). Ajzen (2002) suggested that subjective norm is determined by normative beliefs of an individual that causes social pressure or subjective norm.

Perceived behavioral control. Behavioral control that is perceived in this context reflects how strong a control of a taxpayer is in showing a certain behavior, such as reporting his/her income to be lower than the real one, improperly deduct his/her income, as well as other incompliant behaviors. This means, the stronger one's level of control is, the more he/she can influence the compliance behavior. Ajzen (2002) argued that behavioral control that is perceived gives motivational implication to the individual that will perform such behavior. This means, intention will be formed when the individual feels capable of showing a particular behavior.

Behavioral intention. Behavioral intention is an intermediary variable in shaping behavior (Ajzen 2002). In the Theory of Planned

Behavior (TPB), a behavior performed by an individual emerges due to his/her individual to perform the behavior. Meanwhile, the occurrence of behavioral intention is determined by 3 key factors, namely behavioral beliefs, normative beliefs, and control beliefs. Generally, human acts in accordance with his/her intention/tendency. Actual behavior. Actual behavior is the real behavior materialized from the previously formed behavioral intention. It is this actual behavior that is key to determine whether the behavioral intention to pay wealth *zakat* and tax is truly implemented or not to reduce poverty and increase social welfare.

The Theory of Planned Behavior (TPB) is a theory that has been frequently tested in various behavioral researches around the world. According to this theory, one's behavior is influenced by his/her intention. Whereas, one's intention is shaped by his/her attitude toward the behavior, subjective norm, and perceived behavioral control through his/her faith/belief. Thus, the hypotheses of this research are as follows:

- a. H1: Respondent's attitude influences his/her compliant behavioral intention to pay wealth *zakat* and tax
- b. H2: Respondent's subjective norms influences the compliant behavioral intention to pay wealth *zakat* and tax
- c. H3: Behavioral control felt by respondent influences one's behavioral intention to pay wealth *zakat* and tax
- d. H4: Respondent's intention influences his/her compliant behavior to pay wealth *zakat* and tax

Research Method

Research Population and Sample. The initial sample of this research consisted of 133 respondents filling out online questionnaire by using google-form. Data sampe collection was conducted randomly in July 2018. Due to screening process conducted (to those who had paid wealth

zakat and had taxpayer number/NPWP), the final samples of this research were 99 respondents. The use of this number of respondents has been met the minimum criteria in conducting the research which is 30 respondents (Sekaran, 2003).

Flowchart Diagram and Research Model. The flowchart diagram and research model use the following Theory of Planned Behavior (TPB). Notes that the description for all items are as follows: S = *Sikap* = Attitude; NS = *Norma Subjektif* = Subjective Norms; KP = *Kontrol Perilaku Persepsian* = Perceived Behavioral Control; MP = *Minat Perilaku* = Behavioral Intention; and PA = *Perilaku Aktual* = Actual Behavior.

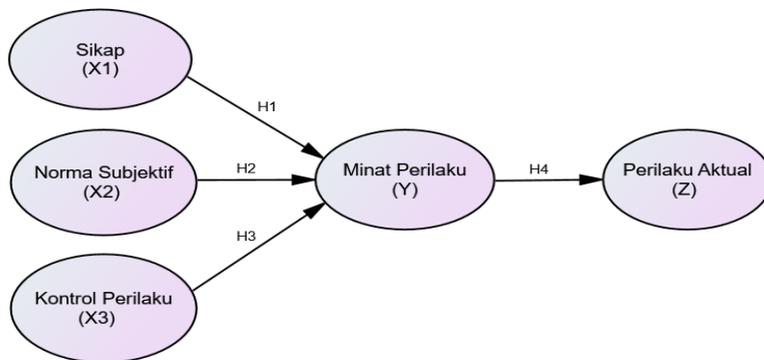


Figure 1. Flowchart Diagram of the Research

Source: Processed with SmartPLS

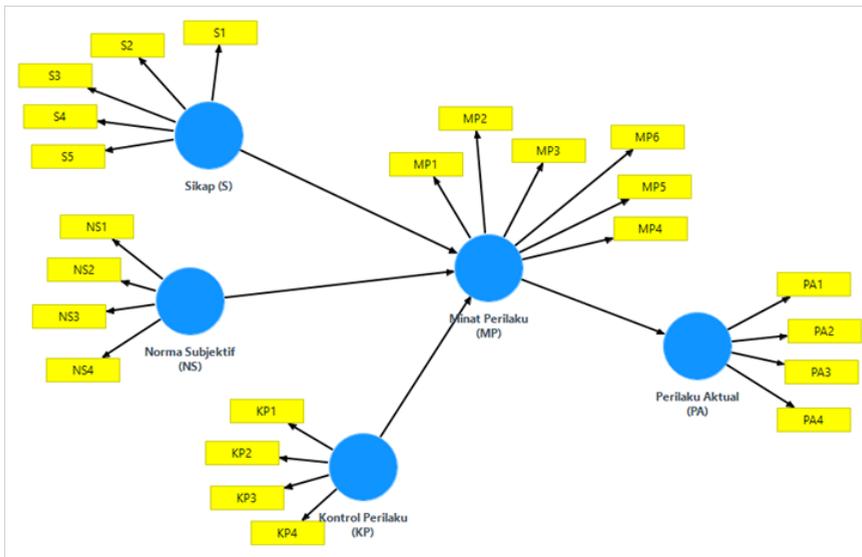


Figure 2. Research Model
Source: Processed with SmartPLS

Data Processing Technique. The data processing techniques in this research consist of descriptive statistic and Structural Equation Model (SEM), in form of Partial Least Square (PLS) which is assisted by SmartPLS software. SEM is an analysis method that is frequently used to describe model that comprises relations between various variables. One of the advantages of SEM is its ability to analyze relationship pattern directly between latent variable and indicators, latent with latent, as well as calculate level of error in measurement. The level of trust used in this research is 95%. The steps in using PLS are as follows:

1. Evaluation of measurement model (outer model), Convergent Validity, Discriminant Validity, Composite Reliability
2. Evaluation of structural model (inner model), R-Square Test, Q-Square Test
3. Designing flowchart diagram, drawing a Full Structural Model
4. Developing a model equation system (equation table and model)

Result

Descriptive Statistics. Final respondents in this research consisted of 99 people, with demographic data as follows: The composition is dominated by Generation Y (50% of the sample) and more female than male (Table 3). Table 4 also shows that the majority of respondents are from bachelor-degree background, followed by master-degree and diploma-degree.

Tabel 3. Respondents' Data

Generation	Age	Male	Female	Total	Percentage
X	38-57	24	18	42	42.42%
Y	24-37	18	32	50	50.50%
Z	≤ 23	4	3	7	7.08%
Total				99	100%

Source: Data Processed by Author

Tabel 4. Respondents' Degree Background

Generation	Age	Senior High School	Diploma	Bachelor	Master	Doctor
X	38-57	0	4	17	19	2
Y	24-37	0	9	35	5	1
Z	≤ 23	1	3	2	1	0
Total		1	16	54	25	3
Percentage		1.01%	16.16%	54.55%	25.25%	3.03%

Source: Data Processed by Author

Table 5 shows respondents' way to distribute their wealth *zakat*, and out of the 99 respondents, 51 paid their *zakat* directly to *mustahik*, 44 transferred to LAZ, and 4 answered others (took the money directly to LAZ or mosque). The fact that this generation lives in digital era doesn't

necessarily change their pattern of paying wealth *zakat*. This is shown from their behavioral pattern that still prefer to pay the *zakat* directly to *mustahik*, followed with transfer to LAZ.

Table 5. Way to Distribute Their Wealth Zakat

Gen	Age	Direct to <i>Mustahik</i>	Transfer to LAZ	Other	Total
X	38-57	21	20	1	42
Y	24-37	27	21	2	50
Z	≤ 23	3	3	1	7
Total		51	44	4	99

Source: Data Processed by Author

Respondents said that they prefer to pay the wealth *zakat* directly to *mustahik* due to the following reasons:

1. It's more preferable (*afdhal*) since it complies more with the Qur'an and hadits that encourage prioritizing closest relatives, and meet directly with the *mustahik*,
2. Cheaper, practical, directed, and effective, because it is given directly to the *mustahik* who needs it, as well as as a means to develop their own neighborhood,
3. It's more useful for the *mustahik* domiciling close to him/her,
4. Already knows the *mustahik's* real condition well,
5. Many *mustahiks* in the need, but not reached out yet by *zakat* institution.

Meanwhile, respondents who prefer to pay the wealth *zakat* through transfer to *zakat* institution account suggested the following reasons:

1. Easier, practical, flexible, and simple, since it is directly transferred to the *zakat* institution,

2. *Zakat* institution is considered more credible/trustworthy, and thus they trust the *zakat* institution to act as the *amil zakat* (*zakat* collector),
3. It is more well-organized and can reach out wider *mustahiks*,
4. Busy working, hence prefer to entrust the distribution to a professional *zakat* institution,
5. Make use of the existing internet and mobile banking facilities.

Respondents who answered with other means stated the following reasons:

1. Directly take the money to the mosque and *zakat* institution since it is easier and the location is close,
2. Already trust the *zakat* institution.

Table 6 shows the descriptive statistics results for some significant indicators. In accordance with the descriptive analysis on the respondents' answers in this research, it was also found out that 98% of respondents agreed to pay the wealth *zakat* as mandated by the religion, and 75% agreed to pay tax according to the law. In addition, 83% of respondents agreed that wealth *zakat* and tax that they paid could increase social welfare, and 78% of respondents agreed that wealth *zakat* and tax that they paid might reduce poverty.

Table 6. Descriptive Statistics for Some Significant Indicators

Indicator	Gen	Strongly Disagree	Disagree	Rather Disagree	Rather Agree	Agree	Strongly Agree	Total
I want to pay my wealth zakat in accordance with the religion	X	0	1	0	1	1	39	42
	Y	0	0	0	0	4	46	50
	Z	0	0	0	0	0	7	7
	Total	0	1	0	1	5	92	99
Percentage		0%	1%	0%	1%	5%	93%	100%
I want to pay my tax in accordance with the taxation law	X	1	1	7	2	9	22	42
	Y	2	2	3	6	9	28	50
	Z	0	1	0	0	2	4	7
	Total	3	4	10	8	20	54	99
Percentage		3%	4%	10%	8%	20%	55%	100%
I feel that the wealth zakat and tax I pay can improve social welfare	X	0	2	2	7	5	26	42
	Y	0	0	3	3	7	37	50
	Z	0	0	0	0	1	6	7
	Total	0	2	5	10	13	69	99
Percentage		0%	2%	5%	10%	13%	70%	100%
I feel that the wealth zakat and tax I pay can reduce poverty	X	0	2	2	8	6	24	42
	Y	0	0	5	4	6	35	50
	Z	0	0	0	1	0	6	7
	Total	0	2	7	13	12	65	99
Percentage		0%	2%	7%	13%	12%	66%	100%
I know that wealth zakat can be used as a tax deductor	X	2	1	2	6	6	25	42
	Y	8	2	5	6	5	24	50
	Z	0	0	0	0	2	5	7
	Total	10	3	7	12	13	54	99
Percentage		10%	3%	7%	12%	13%	55%	100%
I will still pay my tax with or without wealth zakat as tax deductor	X	1	3	4	3	7	24	42
	Y	3	0	3	8	9	27	50
	Z	0	0	1	0	1	5	7
	Total	4	3	8	11	17	56	99
Percentage		4%	3%	8%	11%	17%	57%	100%

Sources: Processed by Author

From the data on Table 6, overall, it can be described that respondents understood that *zakat* is a religious obligation; respondents also agreed that paying wealth *zakat* and tax might help reducing poverty and improving social welfare; more respondents knew that wealth *zakat* could be used as deducting factor in tax calculation; more respondents

agreed that they would still pay tax regardless whether the wealth *zakat* and tax can be a deducting factor for their taxed income or not; respondents paid the wealth *zakat* directly to the *mustahik* (beneficiary) for reasons such as its primacy status, easiness, and proximity/location; other respondents paid their wealth *zakat* via transfer to the *amil zakat* institution’s account, for its comfort (with online payment), professionalism and trustworthiness of the institution. Meanwhile, the analysis results using Partial Least Square revealed that attitude, subjective norm, and perceived behavioral control influence one’s intention to pay wealth *zakat* and tax; furthermore, behavioral intention affects actual behavior in paying wealth *zakat* and tax.

Partial Least Square. Interpretation of outer model result. The calculation result of the Partial Least Square (PLS) Algorithm (outer model) of the valuation of outer model measurement/Partial Least Square (PLS) aims to identify the validity and reliability of the indicators measuring latent variables.

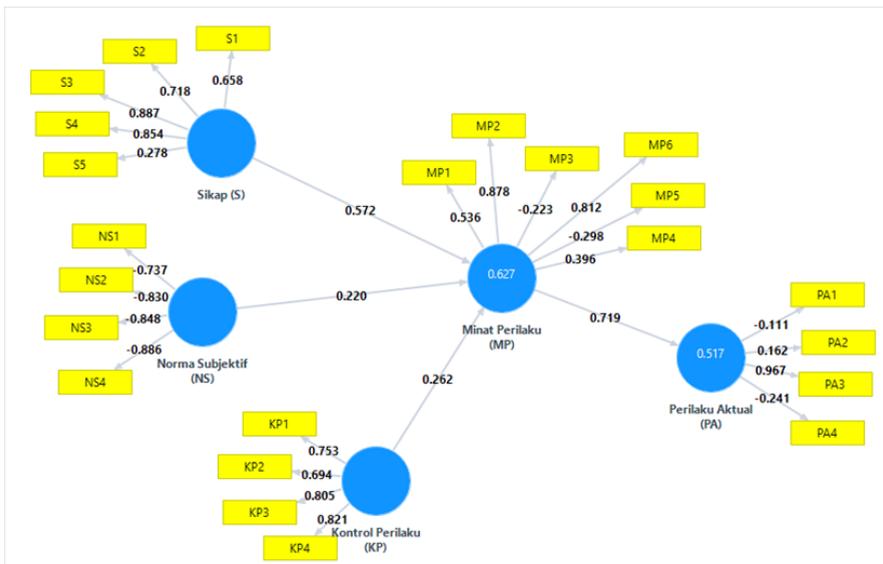


Figure 3. Diagram of the First Stage
Source: Processed by using SmartPLS

The validity testing criteria in a research refers to the size of outer loading of each indicator toward its latent variable. It is shown in the following diagram on the first stage research model and outer loading output.

Table 7. Outer Loadings of the First Stage

	Perceived Behavioral Control (PBC)	Behavioral Intention (BI)	Subjective Norms (SN)	Actual Behavior (AB)	Attitude (A)
PBC1	0.753				
PBC2	0.694				
PBC3	0.805				
PBC4	0.821				
BI1		0.536			
BI2		0.878			
BI3		-0.223			
BI4		0.396			
BI5		-0.298			
BI6		0.812			
SN1			-0.737		
SN2			-0.830		
SN3			-0.848		
SN4			-0.886		
AB1				-0.111	
AB2				0.162	
AB3				0.967	
AB4				-0.241	
A1					0.658
A2					0.718
A3					0.887
A4					0.854
A5					0.278

Source: Processed by using SmartPLS

Analysis of Convergent Validity. Convergent Validity is the measurement of reflective indicator validity as a variable measurer which can be seen from the outer loading of each variable indicator. An indicator's reliability is considered good when its outer loading value is above 0.70 (Jonathan Sarwono, 2014). Meanwhile, outer loading value can still be tolerated until 0.50, while that below 0.50 can be dropped from the analysis (Ghozali, 2015). In accordance with the research diagram Stage_1 and above output of the Outer Loading it can be seen that there are indicators which have loading factor value below 0.5 (95%), which are **MP3 (-0.223), MP4 (0.396), MP5 (-0,298), PA1 (-0,111), PA2 (0.162), PA4 (-0,241), and S5 (0.278)**. Indicators which loading factors are below 0.5 are dropped from the subsequent research. The result is the second stage (Stage_2) Research Diagram with Outer Loading out as follows.

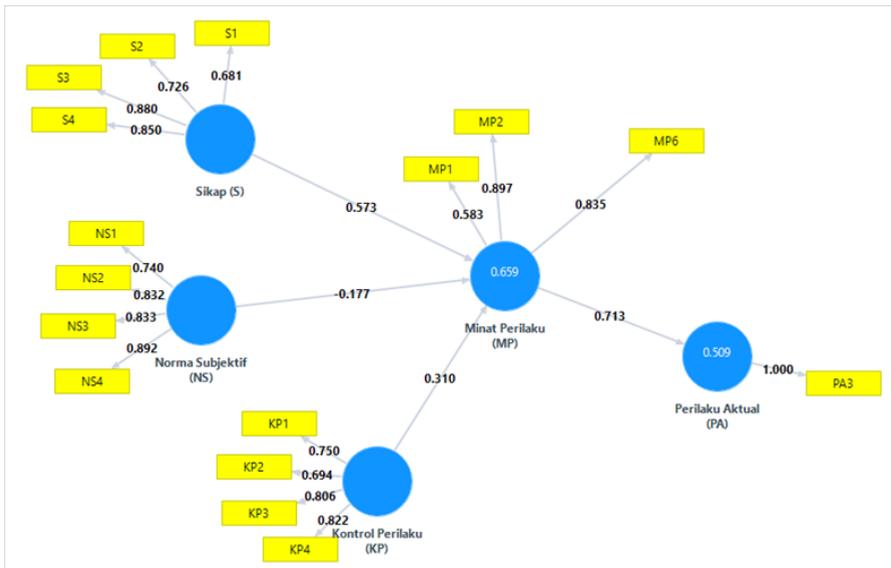


Figure 4. Diagram of the Second Stage
Source: Processed by using SmartPLS

Tabel 8. Outer Loadings of the Second Stage

	Perceived Behavioral Control (PBC)	Behavioral Intention (BI)	Subjective Norms (SN)	Actual Behavior (AB)	Attitude (A)
PBC1	0.750				
PBC2	0.694				
PBC3	0.806				
PBC4	0.822				
BI1		0.583			
BI2		0.897			
BI6		0.835			
SN1			0.740		
SN2			0.832		
SN3			0.833		
SN4			0.892		
AB3				1.000	
A1					0.681
A2					0.726
A3					0.880
A4					0.850

Source: Processed by using SmartPLS

Analysis of Discriminant Validity. The first criteria to measure discriminant validity of reflective indicator can be seen from the cross-loading between indicators and their construct. The table shows that the construct correlation between behavior control with its indicator is higher than the correlation of other construct indicators. This applies vice versa. This indicates that the latent construct predicts indicator in their block better than the other block indicators.

Table 9. Discriminant Validity

	Perceived Behavioral Control (PBC)	Behavioral Intention (BI)	Subjective Norms (SN)	Actual Behavior (AB)	Attitude (A)
PBC1	0.750	0.458	0.065	0.196	0.408
PBC2	0.694	0.338	0.037	0.243	0.331
PBC3	0.806	0.478	-0.105	0.317	0.414
PBC4	0.822	0.558	-0.137	0.451	0.389
BI1	0.410	0.583	-0.015	0.315	0.605
BI2	0.534	0.897	-0.251	0.722	0.699
BI6	0.477	0.835	-0.284	0.571	0.444
SN1	-0.122	-0.120	0.740	-0.160	-0.013
SN2	-0.099	-0.164	0.832	-0.187	-0.030
SN3	0.022	-0.144	0.833	-0.143	-0.034
SN4	-0.028	-0.306	0.892	-0.320	-0.161
AB3	0.404	0.713	-0.272	1.000	-0.537
A1	0.479	0.625	0.013	0.440	0.681
A2	0.377	0.563	-0.039	0.435	0.726
A3	0.377	0.603	-0.155	0.415	0.880
A4	0.325	0.532	-0.134	0.386	0.850

Source: Processed by using SmartPLS

Construct Reliability Test. Data reliability test (reliability test) is performed to measure consistency and stability of scores (measurement scale) from an instrument in measuring a certain concept and support the goodness value of a measurement instrument. Data quality test is performed by observing the composite reliability value produced from PLS calculation of the existing variables, namely: Attitude (S), Subjective Norm (NS), Behavioral Control (KP), Behavioral Intention (MP), and Actual Behavior (PA). To determine composite reliability, when the composite reliability value is $pc > 0.8$, it can be said that the construct has high reliability or reliable, while $pc > 0.6$ is considered fairly reliable (Ghozali, 2011), and Average Variance Extracted (AVE) > 0.50 .

Table 10. Average Variance Extracted, Composite Reliability, and Cronbachs Alpha

Description	Average Variance Extracted (AVE)	Composite Reliability (CR)	Cronbachs Alpha
Attitude	0.621	0.867	0.791
Subjective Norms	0.682	0.895	0.855
Perceived Behavioral Control	0.593	0.853	0.773
Behavioral Intention	0.614	0.822	0.671
Actual Behavior	1.000	1.000	1.000

Source: Processed by using SmartPLS

The reliability test result in the above shows that all research variables have good reliability level. This is visible from the Outer Model, as well as the composite reliability value of the cronbach alpha value, composite reliability result such as in the above Figure. Composite reliability for each construct is very good as they value above 0.80. In addition, it can also be seen from the cronbach alphavalue which is above 0.70. The validity of each construct is tested by using Average Variance Extracted (AVE) construct with good validity as it values more than 0.50 (Ghozali, 2015).

Discussion

Interpretation of Inner Model Result. The result of Calculate Partial Least Square (PLS) Bootstrapping (Inner Model). The inner model testing or structural model is conducted to identify the relation between variables, as well as the significance and R-square values of the research model. Hypothesis test is based upon values found in the structural model analysis, while the level of path coefficient significance is obtained from the t-value and the standardized path coefficient value.

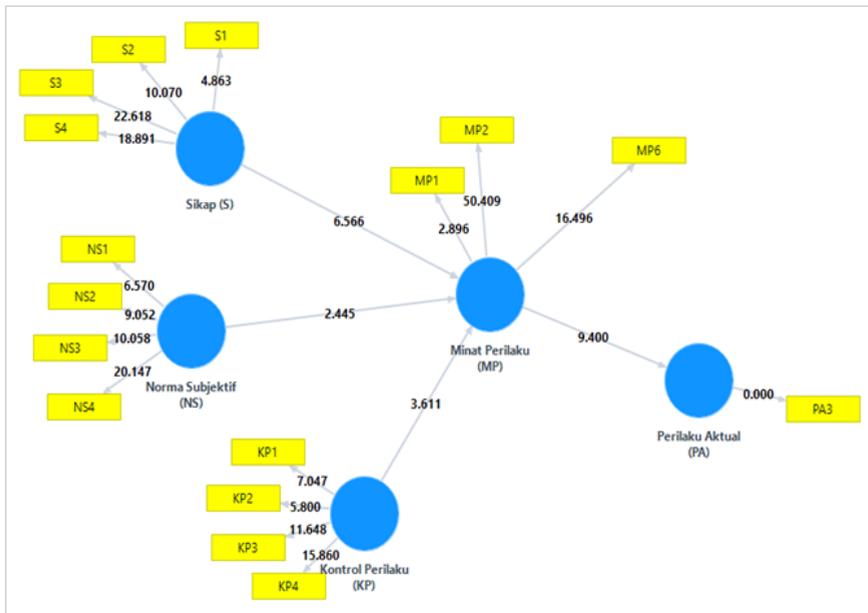


Figure 5. Final Diagram for Further Analysis
Source: Processed by using SmartPLS

Table 11. Path Coefficients

	Original Sample (O)	Sample Mean (M)	Standard Error (STERR)	T Statistics (O/STERR)	P Values
PBC -> BI	0.310	0.319	0.086	3.586	0.000
BI -> AB	0.713	0.712	0.082	8.693	0.000
SN -> BI	-0.177	-0.193	0.071	2.507	0.012
A -> BI	0.573	0.546	0.087	6.602	0.000

Source: Processed by using SmartPLS

The limit of hypothesis test value is when its factor loadings t-value is higher than the critical value (≥ 1.96). Inner model or structural model test is performed on the research diagram or model at Stage_2 in the above, which has dropped any indicators that have loading factor below 0.5. It is then run by using calculate \rightarrow bootstrapping on PLS. Model Equation:

$$\text{Actual Behavior} = 0,713 \cdot \text{Behavioral Intention} + 0,573 \cdot \text{Attitude} - 0,177 \cdot \text{Subjective Norm} + 0,310 \cdot \text{Behavioral Control} + \text{Error}$$

The structural model can be evaluated by using R-square for dependent variable. The above table shows the R-square value of Behavioral Intention variable at 0.659, which means that the Behavioral Intention variable that can be explained by variables of Attitude, Subjective Norm, and Behavioral Control are 65.9%. The same case applies with R-square of Actual Behavior variable, which is at 0.509, which means that the Actual Behavior variable that can be explained by the variables of Attitude, Subjective Norm, Behavioral Control and Behavioral Intention are 50.9%. The higher the R-square variable is, the higher the independent variable's ability to explain the dependent variable, making the structural equation better.

Table 12. R-Square

	R-square
Behavioral Intention (BI)	0.659
Actual Behaviour (AB)	0.509

Source: Processed by using SmartPLS

Based on the above structural model test result, it can be concluded that: First hypothesis: there is influence from Attitude toward Behavioral Intention, and the result of statistic t-value is $6.602 \geq 1.96$ (look Table in the above), so that it can be concluded that there are positive influences to Respondents' behavior to the behavioral intention of compliantly paying wealth *zakat* and tax. Respondents' attitude i.e. their understanding that wealth *zakat* is an obligation mandated by religion, paying tax is an obligation toward the law, and feeling that the wealth *zakat* and tax paid can improve social welfare and reduce poverty have encouraged them to have intention to pay the wealth *zakat* and tax. In accordance with the

descriptive analysis on the respondents' answers in this research, it was also found out that 98% of respondents agreed to pay the wealth *zakat* as mandated by the religion, and 75% agreed to pay tax according to the law. In addition, 83% of respondents agreed that wealth *zakat* and tax that they paid could increase social welfare, and 78% of respondents agreed that wealth *zakat* and tax that they paid might reduce poverty.

The second hypothesis: there is influence of Subjective Norms to the Behavioral Intention, and the statistic t-value result is 2,507 \geq 1.96 (see the above Table), hence it can be concluded that there are negative influences of the respondents' negative norms, which affect their compliance in paying the wealth *zakat* and tax. Subjective norms is being reflected by respondents' decision to pay wealth *zakat* and tax due to their family/friend's influence, paying wealth *zakat* and tax due to *zakat* officer and tax officer's influence, all of which bring negative influence to their intention to pay tax. This can be interpreted that respondents intend to pay the *zakat* not because of their family/friend, or *zakat* officer's influence, but rather, because they seek rewards from Allah.

The third hypothesis: there is influence from Behavioral Control to Behavioral Intention, with the statistic t-value result of 3.586 \geq 1.96 (see the above table), hence it can be concluded that there is positive influence from Behavioral Control felt by respondents toward their behavioral intention to pay wealth *zakat* and tax. Behavioral control in form of guilty feeling and feeling sinful if they don't pay wealth *zakat* will push respondents to pay their wealth *zakat*. So is the case with behavioral control, which refers to the possibility of respondents being investigated by tax officer and subjected to sanction if they don't pay the tax. This situation generates respondents' intention to pay tax to the government.

The fourth hypothesis: There is influence from Behavioral Intention to Actual Behavior, with statistic t-value result of 8.693 \geq 1.96

(see the above table), and hence it can be concluded that there is positive influence from respondents' intention toward their compliance in paying their wealth *zakat* and tax. This shows that the intention that the already formed intention influences positively their compliance in paying wealth *zakat* and tax, as well as respondents' behavior who will pay the tax, whether it would lead to deduction of their taxable income or not.

Overall, this result supports the previous studies executed by Alpriyamah and Adityawarman (2017) that found the attitude and subjective norm toward behavioral intention to pay zakat were significant; Lesmana, Panjaitan, and Maimunah (2017) that concluded in terms of tax compliance, the variables that affecting positively the intention to pay were the control behavioral; Saad and Haniffa (2014) that found intention was significant predictor for zakat compliance behavior, intention was proved to be influenced by attitude and subjective norm.

The descriptive statistics results show that respondents understood that *zakat* is a religious obligation; respondents also agreed that paying wealth *zakat* and tax might help reducing poverty and improving social welfare; more respondents knew that wealth *zakat* could be used as deducting factor in tax calculation; more respondents agreed that they would still pay tax regardless whether the wealth *zakat* and tax can be a deducting factor for their taxed income or not; respondents paid the wealth *zakat* directly to the *mustahik* (beneficiary) for reasons such as its primacy status, easiness, and proximity/location; other respondents paid their wealth *zakat* via transfer to the *amil zakat* institution's account, for its comfort (with online payment), professionalism and trustworthiness of the institution. Meanwhile, the analysis results using Partial Least Square revealed that attitude, subjective norm, and perceived behavioral control influence one's intention to pay wealth *zakat* and tax; furthermore, behavioral intention affects actual behavior in paying wealth *zakat* and tax.

In making decision, both *amil zakat* institution and regulator can adopt the Theory of Planned Behavior which covers attitude, subjective norm, and perceived behavioral control, which proved to influence one's intention to pay wealth *zakat* and tax; furthermore, behavioral intention affects actual behavior in paying wealth *zakat* and tax. Community's positive attitude toward the obligation of paying wealth *zakat* and tax is rooted from their knowledge, awareness, faith, and belief, that it will bring benefits to themselves as well as other people, which eventually transform into public prosperity. The questionnaire results also prove that subjective norm to pay tax is not influenced by family/friend or *zakat*/tax officer. This indicates that the respondents' level of religiosity is fairly high, because they seek rewards solely from Allah, and they believe that failure to pay the wealth *zakat* when they are able to will lead to sins. Perceived behavioral control in form of investigation and sanction for taxpayers who don't pay their tax also play critical role. The research results prove that both are highly influential to respondents' intention to pay tax.

The research results are expected to add to the research literatures regarding inter-generational perception toward wealth *zakat* and tax in digital era to be scrutinized from the Theory of Planned Behavior. Furthermore, the results can also serve as an input to taxation regulator to sensitize more about the regulations they made, as until now, there are still many citizens who are unaware that the *zakat* they paid through *amil zakat* institution can be used as deductor to their taxable income, which will decrease the amount of tax they will have to pay. *Amil zakat* institutions should be more professional, trust-worthy, able to collect data as well as reach out wider *mustahiks* in the future. This was expressed by some respondents, who still chose to pay their wealth *zakat* directly to their nearby *mustahik*, as they said that those *mustahiks* were never reached out by any *amil zakat* institution. To reduce poverty and increase

social welfare, good collaboration between elements of community, *amil zakat* institution, and government is crucial. Respondents who chose to pay directly their wealth *zakat* to *mustahik* can act as a temporary relief to complement the limitations of the *amil zakat* institutions which still cannot reach out all the needing *mustahiks*. This actually supports the *amil zakat* institution's works, which currently are still unable to distribute the wealth *zakat* to all *mustahiks* in all regions.

The *amil zakat* institution can also undertake various educative sensitizations both directly and indirectly through social media, to remind the Muslims that paying wealth *zakat* is compulsory for those who have met the criteria, as well as about the method to calculate the amount of wealth *zakat*, as well as coverage of wealth *zakat* as set forth in the Qur'an and hadits. Nevertheless, these generations also understood about the obligation to pay the *zakat* to eight groups of *mustahiks* as set forth by the religion.

It is recommended for taxation regulator to perform a more user friendly sensitization through various social media regarding various taxation regulations that have been made, so as to ensure that more people are updated about such information. This is even more relevant since almost all the existing generations are actually active in and familiar of using the internet and social media. It is hoped to bring positive impacts toward receipt of wealth *zakat* and tax in order to create social welfare for all Indonesian people. In addition, tax investigation needs also to be performed randomly and intensively to capture individual taxpayers who still don't pay their tax. Sanctions must be implemented firmly and consistently.

Conclusion

The research aims to implement the theory of planned behavior to predict respondent's intention to participate in offering wealth *zakat* and tax payment. The descriptive statistics results show that respondents understood that *zakat* is religious obligation; agreed that paying wealth *zakat* and tax might help reducing poverty and improving social welfare; more respondents knew that wealth *zakat* could be used as deducting factor in tax calculation; agreed that they would still pay tax regardless whether the wealth *zakat* and tax can be a deducting factor for their taxed income or not; respondents paid the wealth *zakat* directly to *mustabik* for reasons such as its primacy status, easiness, and proximity/location; other respondents paid their wealth *zakat* via transfer to the *amil zakat* institution's account, for its comfort (online payment), professionalism/trustworthiness of the institution. Meanwhile, the analysis results using PLS revealed that attitude, subjective norm, and behavioral control influence one's intention to pay wealth *zakat* and tax; furthermore, behavioral intention affects actual behavior in paying wealth *zakat* and tax.

The research results are expected to add to the research literatures regarding inter-generational perception toward wealth *zakat* and tax in digital era to be scrutinized from the Theory of Planned Behavior. Furthermore, the results can also serve as an input to taxation regulator to sensitize more about the regulations they made, as until now, there are still many citizens who are unaware that the *zakat* they paid through *amil zakat* institution can be used as deductor to their taxable income, which will decrease the amount of tax they will have to pay. *Amil zakat* institutions should be more professional, trust-worthy, able to collect data as well as reach out wider *mustabiks* in the future.

In the end, in order to achieve a better social welfare, through *zakat* and tax, all parties related should contribute and collaborative actively.

As based on this research, it is found that these three items (attitude, subjective norm, and perceived behavioral control) have significant impact on societies' intention to pay zakat and tax continuously. Zakat institution and tax regulator are required to execute effective socialization of regulation related to zakat and tax (including the information that zakat can be deducted from PKP if they pay the zakat to LAZ) to the society more aggressively in order to generate those three aspects of theory of planned behavior. The socialization can be maximized by using digital socialization through many kinds of social media used by citizen. Moslem citizen is also required to have a better initiative to increase the awareness and compliance to pay zakat and tax in order to be more engaged in generating social welfare to the society. The research supports the argument that in regulated environment like zakat and tax, the theory of planned behavior can still effectively explain the behavior of zakat and tax compliance.

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Hackett, Rosalind (2007). "Religious Dimentions of War and Peace: Introduction." Dalam Gerrie ter Haar dan Yoshio Tsuruoka (Ed.), *Religion and Society: An Agenda for the 21st Century* (h. 3-6). Retrieved from <http://brill.nl>.

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