

Factors Affecting Concern about Zakat as a Tax Deduction in Indonesia

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ABSTRACT: Historically, the Islamic state collected *zakat* (similar to the tithe of other regions) as national income. In Indonesia, the private sector can raise *zakat* funds more effectively than the government. In 2010, *zakat* became tax-deductible income. This paper tries to analyze some factors that affect preference for *zakat* as a tax deduction in Indonesia. The effectiveness of the regulation is also investigated. In addition, *zakat* can deduct tax is a plan for next regulation proposal. This research also aims to see for further action, *zakat* can deduct tax. Research methodologies were hard copy and online questionnaires and phone interviews with the tax office's customer service. Samples were taken from April through June 2012. Results showed that motivation and trust factors affected the preference for tax-deductible *zakat*, while most tax officers were not aware of the popular concern about *zakat* as a tax deduction. We propose involving human resources departments in companies' deductions of taxable income and promoting awareness of the issue among tax officers as solutions to this problem.

Keywords: *Zakat, Tax, Regulation, Indonesia, Deduction, Restitution*

INTRODUCTION

The growth and development of *zakat* funds in Indonesia is an interesting issue because, in the biggest Muslim country after India,¹ the amount of annual *zakat* collected is only Rp 1.2 trillion,² or 0.55%, from a potential Rp 217 trillion. This gap is an interesting topic to be explored further. Muslims in Indonesia are still reluctant to pay *zakat*. Even though it is obligatory. If *zakat* funds can be generated optimally, it will help greatly in poverty alleviation. To enhance *zakat* payment, incentives are given to *zakat* payers in the form of a deduction of taxable income. This regulation has been documented in Act No. 38/1999 on *zakat*

management and is supported by Act No. 17/2000 on taxable income, replacing Act No. 36/2008. However, the detail mechanism of such an incentive is clearly regulated by Governmental Regulation No. 60/2010. Eventually, it is not a surprise if only a few Muslims have been using that regulation to deduct taxable income by *zakat* or by a restitution (claim over *zakat* payment).

This paper aims to investigate factors affecting Muslims' preference to claim *zakat* as a tax deduction. Dominant factors from previous studies were conducted in the structural equation model (SEM) by Anugrah (2010), Rizal (2006), and Takidah (2004). Others employed regression

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1-<http://www.muslimpopulation.com/asia/index.html>
2-<http://www.hidayatullah.com/read/18116/21/07/2011/potensi-zakat-indonesia-tahun-2011-mencapai-rp.-217-triliun.html>

analysis (Hamidiyah, 2004; Jaelani, 2008; Sariningrum, 2011) or multivariate analysis such as discriminant analysis (Fatah, 2006; Muda et al. 2006; Dharma, 2007), while Barizah and Rashid (2010) employed descriptive statistics.

Theoretical Background

Zakat, as part of the five pillars of Islam, must be paid by Muslims who have met the requirements. Zakat is not a tax; Zakat is based on wealth, and tax is based on income. The problem may occur when Muslims have paid zakat and the amount is proposed to be credited to their taxes, which allows the government to use zakat as a finance tool in economic development, especially for the poor and needy. This also has been practiced in the taxation system.

In Indonesia, zakat has been tax-deductible income since 1999 (based on Act No. 38/1999 on zakat management). This legislation was supported by Ministry of Religious Affairs Decision No. 581/1999, which was then replaced by Ministry of Religious Affairs Decision No. 373/2003. Supporting regulation was issued by Ministry of Finance Act No. 17/2000 on taxable income, which was replaced by Act No. 36/2008. Then it was regulated under Governmental Regulation No. 60/2010 on zakat and religious charity and then described as the guidance on Regulation of the Minister of Finance No. 254/PMK.03/2010. It is regulated by Tax Office Regulation No. PER-6/PJ/2011 on payment practice and No. PER-33/PJ/2011 on institutions registered as zakat receivers (figure 1). Only 19 institutions are approved by the government for taxable income deduction. It takes a long time for the complete system to deduct the taxable income.

Apart from the issue of deduction of taxable income, Aceh, a province of Indonesia with special characteristics to have Islamic system, has issued Act. No. 11/2006 to make zakat tax deductible. In this act, zakat is called an original regional income and is allocated to the specific recipients. As a special region, Aceh can issue specific regulations to be implemented such as qanun (regulation) No. 10/2007 and Regional Regulation No. 60/2008. But the Ministry of Finance has not yet responded to such regulations, so those acts still cannot be

implemented by Muslims in Aceh (figure 2).

Some previous research has discussed factors affecting preference of paying zakat. Takidah (2004) used SEM (LISREL) to analyze the service quality of Baznas (National Zakat Institution of Indonesia) by satisfaction and trust factors (shared value, communication, and opportunistic behavior) reported by zakat payers. She found that quality service factors significantly affect the satisfaction variable as do trust and commitment factors. In her research, the trust factor is a mediating variable to the commitment factor.

Similarly, Rizal (2006) analyzed factors that can affect the preference to pay of zakat payers by SEM (LISREL). He used trust and satisfaction factors that can affect zakat payers' preference. The satisfaction factor had a supporting variable as was true in Takidah (2004) while trust had different variables such as credibility, competency, and courtesy. Each loading factor affected each variable significantly as well as the preference factor (consistent in payment through LAZ (Lembaga Amil Zakat), choose pay at LAZ than direct method to recipients and ask others to pay at LAZ).

Anugrah (2011) adopted research similar to Rizal's (2006) but with different sample data. Anugrah's sample was state employees who have selected zakat institution. This also can ease the restitution process as it was supported by the human resource division. The results show that satisfaction has a positive effect but is not significant while trust is significant.

Furthermore, Siswanto and Ganda (2011) identified nine out of 89 respondents who conducted restitution. Most of them are those who have at least an undergraduate degree. Even though the zakat institution is part of the employee remuneration system, the people who conducted restitution is still small.

Jaelani (2008) used regression analysis to study factors such as service quality and social marketing that affect the decision to pay zakat at LAZ. Results show that each factor affects significantly the decision to pay zakat at LAZ.

Fatah (2006) employed discriminant analysis to identify some factors that affect the determinant factor of paying zakat to LAZ. Some variables that were analyzed were understanding of religion, education, managerial

skills, income and age. Only understanding of religion and managerial skills affect the preference to pay zakat at LAZ.

Sariningrum (2011) analyzed some factors that affect zakat payment. They are faith, altruism, understanding of religion, and reward. The research was based on factor analysis.

The present research has the following hypotheses:

H1: Satisfaction significantly affects the preference for zakat as tax-deductible income and tax deduction positively.

H2: Trust significantly affects the preference for zakat as tax-deductible income and tax deduction positively.

H3: Motivation significantly affects the preference for zakat as tax-deductible income and tax deduction positively.

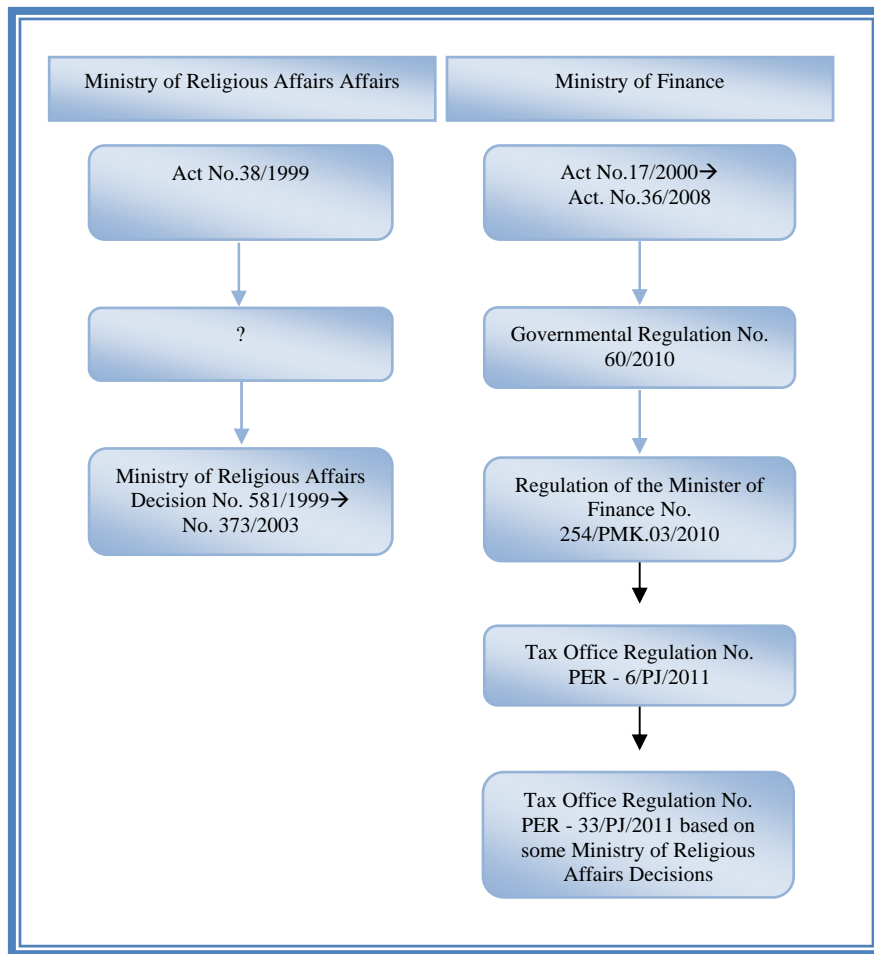


Figure 1: Regulation hierarchy of Zakat as tax-deductible income in Indonesia

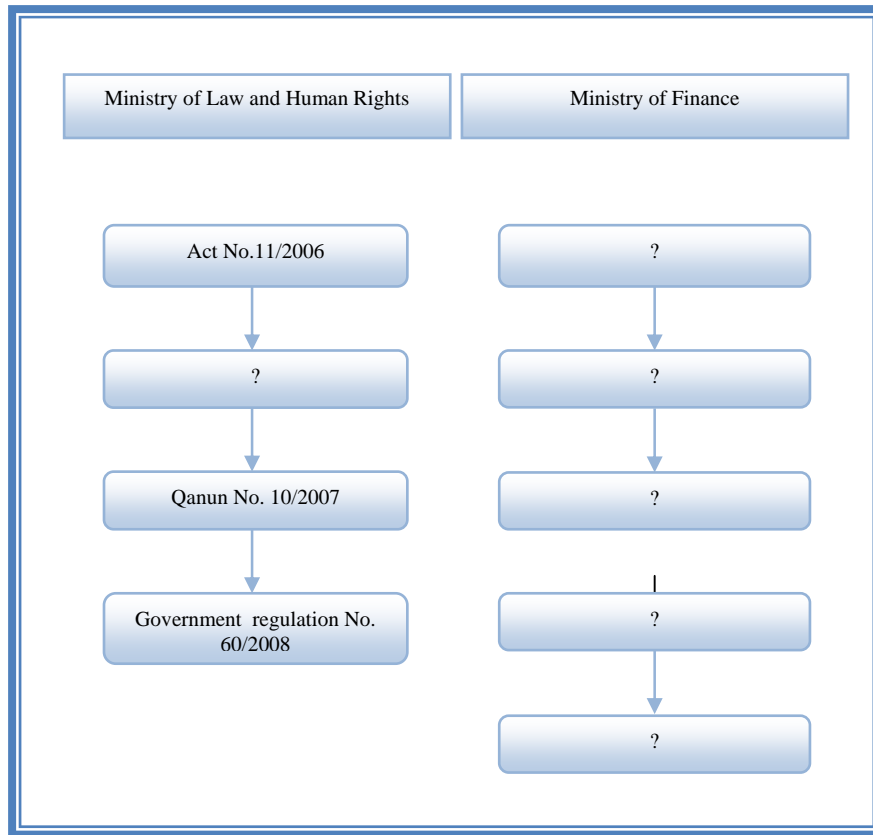


Figure 2.Regulation hierarchy of Zakat as tax deduction in Aceh

Table 1: Previous research on factors affecting Zakat payment

Independent variable	Dependent variable	Result	Source
Satisfaction	Commitment	(+) Sig. ***	Takidah (2004)
	Preference	(+) Sig. ***	Rizal (2006)
	ZakatPayment	(+) Sig. ***	Jaelani (2006)
	Preference	(+)	Anugrah (2011)
Trust	Commitment	(+) Sig. ***	Takidah (2004)
	Preference	(+) Sig. ***	Rizal (2006)
	Preference	(+) Sig. ***	Anugrah (2011)
Motivation	ZakatPayment	(+)	Saringrum (2011)

RESEARCH METHOD

The present research employed SEM is based on respondents, who were selected via random sampling. The research was based on questionnaires and taken from hard-copy and online systems. Before the questionnaire was sent to respondents, a pilot study was conducted. It was sent to 32 people who may have been aware of the zakat issue. Respondents were closely monitored when filling out the questionnaire and were asked to leave comments if there were unclear statements. The questionnaire was revised based on the responses of the pilot participants (final questionnaire can be seen in appendix A).

Respondents to the hard copy questionnaire were employees (student worker) in related jobs at Universitas Indonesia. In addition, the online questionnaire used Survey Gizmo, which has the benefit of being able to reach respondents who are difficult to reach by hard-copy questionnaire. The targeted respondents of online questionnaire were Indonesians obligated to pay tax and zakat.

The online system also detected the IP address of respondents so it could screen the appropriate respondents.

Total respondents were 490 people: 280 filling out the hard-copy survey and 210 the online survey with 88 surveys incomplete. Analysis was based on the final data from the 402 completed surveys (table 2). The period of data collection was from March 2012 through June 2012.

The research model refers to table 1. Three major variables were identified as affecting zakat as a deduction preference. Even though Anugrah (2011) did not find satisfaction to be significant factor, previous research showed its having a significant effect. Thus, satisfaction was tested. Motivation was added in this research due to positive results from previous research (Sariningrum, 2011). Some statements in the research were modified and revised based on the relevant issues in the research. The model framework can be found at figure 3.

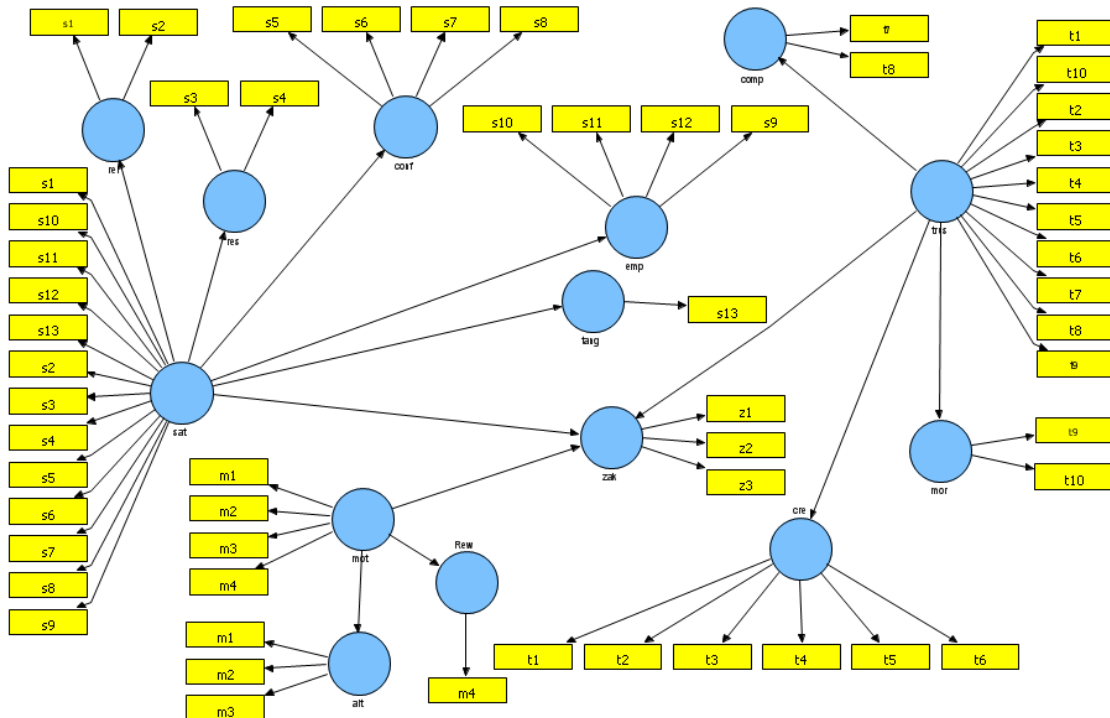


Figure 3: Research model

Table 2: Filter data

Description		Total
1	Hard-copy	280
	Online	210
	Total	490
	Incomplete online data	(48)
	Incomplete hardcopy data	(40)
	Data final	402

Table 3: Descriptive statistics of respondent preference

Factor	Loading	Mean
Motivation(mot)	Altruism(m3)	4.4864
Motivation(mot)	Altruism (m2)	4.4119
Motivation(mot)	Altruism (m1)	4.3871
Satisfaction(sat)	Confidence(s6)	3.8834
Trust(tru)	Credibility(t5)	3.8734
Trust(tru)	Credibility (t1)	3.7643
Satisfaction(sat)	Reliability (s1)	3.7494
Satisfaction(sat)	Empathy (s9)	3.7444
Satisfaction(sat)	Empathy (s12)	3.6973
Trust(tru)	Credibility (t7)	3.6973
Trust(tru)	Morality(t10)	3.6948
Zakat(zak)	Zakat(z3)	3.6898
Trust(tru)	Credibility (t3)	3.6675
Satisfaction(sat)	Responsiveness(s4)	3.66
Satisfaction(sat)	Empathy(s10)	3.66
Satisfaction(sat)	Empathy (s11)	3.66
Trust(tru)	Credibility (t4)	3.6576
Satisfaction(sat)	Responsiveness (s3)	3.6551
Trust(tru)	Competency(t8)	3.6476
Trust(tru)	Morality (t9)	3.6402
Satisfaction(sat)	Confidence(s5)	3.6328
Trust(tru)	Credibility (t2)	3.6179
Zakat(zak)	Zakat (z2)	3.6079
Satisfaction(sat)	Confidence (s7)	3.5757
Satisfaction(sat)	Reliability(s2)	3.5509
Satisfaction(sat)	Confidence (s8)	3.5136
Satisfaction(sat)	Tangible(s13)	3.4839
Trust(tru)	Credibility (t6)	3.4726
Zakat(zak)	Zakat (z1)	3.4144
Motivation(mot)	Reward(m4)	2.3499

Analysis

From the descriptive statistics, the highest score is on the motivation factor, followed by the satisfaction and trust factors. However, the satisfaction factor put majorly in the lowest average number. This may show that respondents have lower scores compared to other factors. The lowest and maybe extreme score is on the motivation factor (reward). They do not think that someone else should know when respondents pay zakat. The interesting finding is that more respondents agreed on the statement that zakat should be tax-deductible than on the statement that it should be as taxable income deduction. The statement on the obligation to deduct tax is higher than the other

statements with similar issues to have zakat as taxable income deduction. This means that respondents can accept the statement of zakat as a tax deduction in general.

Table 4 and 5 shows 67.5% of respondents paid maal (wealth) zakat. Of male respondents, 69% paid zakat while only 65.5% of female respondents paid. The number of profession zakat payers was smaller than maal (wealth) zakat payers (47.2% of respondents). This may be because profession zakat is not so popular. Profession zakat is charged on salary payment date directly. However, the composition of profession zakat payers was more female than male (69.23% compared to 48.38%).

Table 4: Cross tabulation of Maal Zakat payers and sex

	Maal Zakat		Total	
	Yes	No		
Sex	Male	152	68	220
	%	38	17	55
	Female	118	62	180
	%	29.5	15.5	45
Total		270	130	400
	%	67.5	32.5	100

Table 5: Cross tabulation of profession Zakat payers and sex

	Profession Zakat		Total	
	Yes	No		
Sex type	Male	105	112	217
	%	26.6	28.4	55.1
	Female	81	96	117
	%	20.6	24.4	44.9
Total		186	208	394
	%	47.2	52.8	100

There is a correlation between age group and number of zakat payers. The older the age group, the higher percentage of zakat payers it contains. The groups of 41–50-year-olds and those above 50 years reported above 90% of respondents who paid zakat while the group of 31–40-year-olds reported 75.6% and 20–30-year-olds reported 60%. This may be caused by the accumulative income and ability to pay zakat based on their age maturity

A similar pattern applies to education level: the higher the education level, the higher percentage of zakat payers. Postgraduate respondents have the highest percentage of zakat

payers (98.24%) followed by undergraduate respondents (66.94%), diploma respondents (60.41%), and high school respondents (47.36%). Education level can be highly correlated with income level.

A similar pattern also applies at the income level (table 8). However, a problem may occur if there are respondents who have a monthly income of more than Rp10 million but have not paid zakat. The minimum wealth obligating maal zakat payment is around Rp45 million. This would be interesting if there were respondents who had income less than Rp5 million but paid maal zakat.

Table 6: Cross-tabulation of Maal Zakat payers and age

	Maal Zakat		Total
	Yes	No	
Age (Years)	<20	0	0
	%	0	0
	20–30	150	100
	%	37.3	24.9
	31–40	84	27
	%	20.9	6.7
	41–50	25	2
	%	6.2	.5
	>50	13	1
	%	3.2	.2
Total		272	130
	%	67.7	32.3

Table 7: Cross-tabulation of Maal Zakat payers and education

	Maal Zakat		Total		
	Yes	No			
Education	Junior	0	0	0	
	%	0	0	0	
	High	9	10	19	
	%	2.2	2.5	4.7	
	Diploma	116	76	192	
	%	28.9	18.9	47.8	
	Undergrad	81	40	121	
	%	20.1	10	30.1	
	Postgrad	66	4	70	
	%	16.4	1	17.4	
	Total		272	130	402
		%	67.7	32.3	100

Table 8: Cross tabulation of Maal Zakat payers and income

	Maal Zakat		Total		
	Yes	No			
Income (Rp inMillions)	<2	30	34	64	
	%	7.6	8.7	16.3	
	2–5	128	65	193	
	%	32.6	16.5	49.1	
	>5–10	58	21	79	
	%	14.8	5.3	20.1	
	>10–25	35	3	38	
	%	8.9	0.8	9.7	
	>25	18	1	19	
	%	4.6	0.3	4.8	
	Total		269	124	393
		%	68.4	31.6	100

In order to get restitution for overpaid tax, people must have a registered tax number. This can identify tax payer obligations and show how much they should be reimbursed. 79,9% of respondents had a registered tax number, but only 56.5% paid zakat. The 23.4% difference may be caused by respondents who do not reach a minimum wealth to pay zakat (table 9).

Only 29.3% of respondents paid zakat to a zakat institution. This small number would cause

fewer respondents to have received restitution. There should be aggressive action from zakat institutions and the government to increase the number of people who pay zakat to a zakat institution (table 10).

Only 0.8% of respondents receive restitution while the rest do not claim it. This may be caused by not paying zakat to the institution or complexity issues.

(table 11)

Table 9: Cross-tabulation of Maal Zakat payers and registered tax number

	Maal Zakat		Total	
	Yes	No		
Registered Tax No.	Yes	225	93	318
	%	56.5	23.4	79.9
	No	45	35	80
	%	11.3	8.8	20.1
Total		270	128	398
	%	67.8	32.2	100

Table 10: Cross tabulation of Maal Zakat payers and payment destination

	Zakat Maal		Total	
	Yes	No		
Zakat Payment Destination	Direct	84	39	123
	%	21	9.8	30.8
	LAZ/BAZ	117	24	141
	%	29.3	6	35.3
Total	No pay	9	44	53
	%	2.3	11	13.3
Total	Informal	61	22	83
	%	15.3	5.5	20.8
		271	129	400
	%	67.8	32.3	100

Table 11: Cross tabulation of Maal Zakat payers and restitution

	Zakat Maal		Total
	Yes	No	
Restitution	Yes	3	4
	%	0.8	.3
Total	No	184	390
	%	46.7	52.3
		187	207
	%	47.5	52.5
			394
	%		99
			100

Of respondents, 67.8% agreed to have zakat as a tax deduction. This may be because the calculation process is simpler than zakat as tax-deductible income. Zakat can directly deduct tax that would be paid, but the problem of overpaid tax would still occur. This still needs a process of restitution. The complexity of the restitution process may be a reason it is so infrequently attempted (tables 12 and 13).

SEM analysis shows that some latent variables are below 0.7. Those variables are s1, s10, s13, s6, s9, t10, t7, and m4 (figure 4). All variables are repeater variables in the case of second-order confirmatory analysis. The lowest

loading factor result is m4 (-0.284), this means that respondents had negative responses when others knew that they had paid zakat. Muslims thought it would be better if others did not know when someone gives to charity. This is based on a hadith (prophet saying) 504, narrated by Abu Huraira, which says that one of the seven people who will be “shaded by Allah under His shade on the day when there will be no shade expect His” is the “person who practices charity so secretly that his left hand does not know what his right hand has given (i.e., nobody knows how much he has given in charity)”.

Table 12: Cross tabulation of Maal Zakat payers and tax deduction preference

	Maal Zakat		Total
	Yes	No	
Tax Deduction	Yes	207	306
	%	53.5	24.8
Total	No	56	85
	%	14.3	7.4
		265	126
	%	67.8	32.2
			391
	%		100

Table 13: Cross tabulation of profession Zakat payers and sex

	Reason Not to Restitute					Total
	Difficult	Complicated	Lazy	Disagree	Others	
Restitution	Yes	0	2	0	0	2
	%	0	0.5	0	0	0.5
	No	24	88	94	28	371
	%	6.4	23.6	25.2	7.5	99.5
Total		24	90	94	28	373
	%	6.4	24.1	25.2	7.5	100

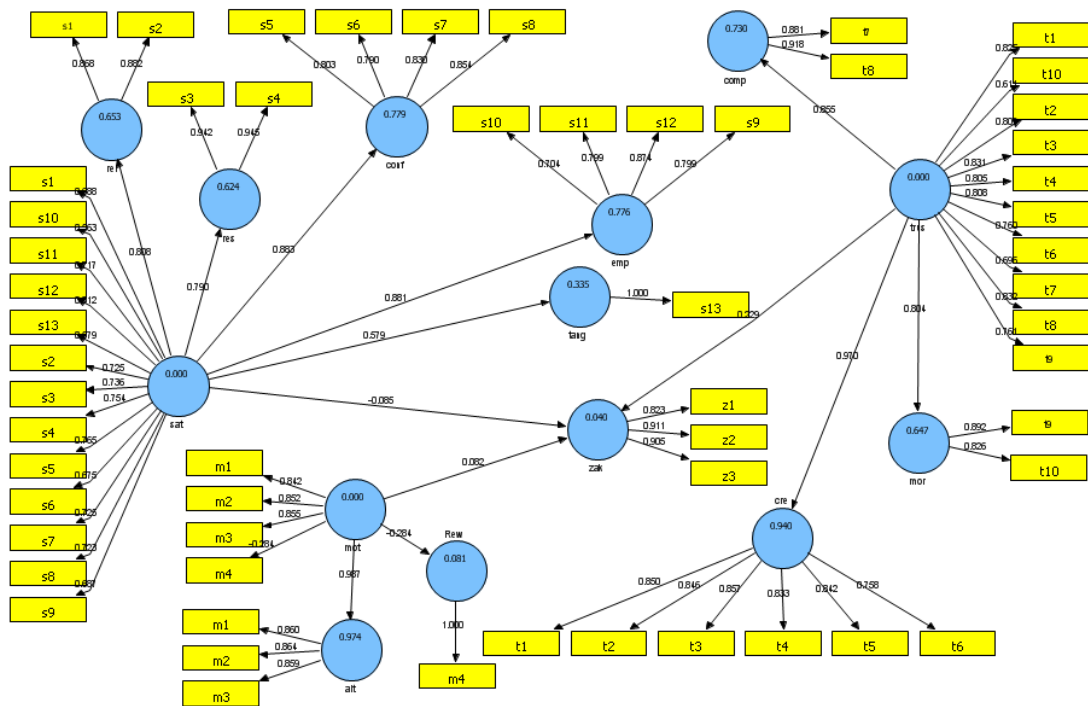


Figure 4: First model result

After latent variable loading < 0.7 was deleted, the model was run for a second time. There was one latent variable below 0.7 (s10, the repeater variable). To be consistent, it was deleted to comply with the normal procedure. However, it increased all second-order variables (satisfaction, motivation, and trust) of zakat (figure 5). This was good for the model analysis, but the removal of s10 did not affect the second-order variable score (figure 6).

To test the quality of the model and data, some statistical tools were used. As stated above, the importance of the primary research was in the awareness of respondents filling out the questionnaires. Therefore, a pretest was conducted. Any unclear or ambiguous statements were revised and rewritten in appropriate and correct sentences. Some statistical tests were applied for

the same purpose of confirming validity and reliability. In the Smart PLS validity test, convergent and discriminated validity were evaluated. Convergent validity was a loading factor > 0.7 , average variance extracted (AVE) was > 0.5 , and communality was > 0.5 . In this research, all requirements for convergent validity were fulfilled. In discriminated validity, only cross loading fulfilled the requirement.

Another tool is comparing the AVE square root with latent variable correlations. The square root of the AVE should be greater than the latent variable correlations. Some scores did not meet this requirement (see appendix B). According to Ringle et.al. (2011), if one variable has met the validity requirement, it can be used as a representative. The R square then demonstrates the model's strength for each latent variable (table 14).

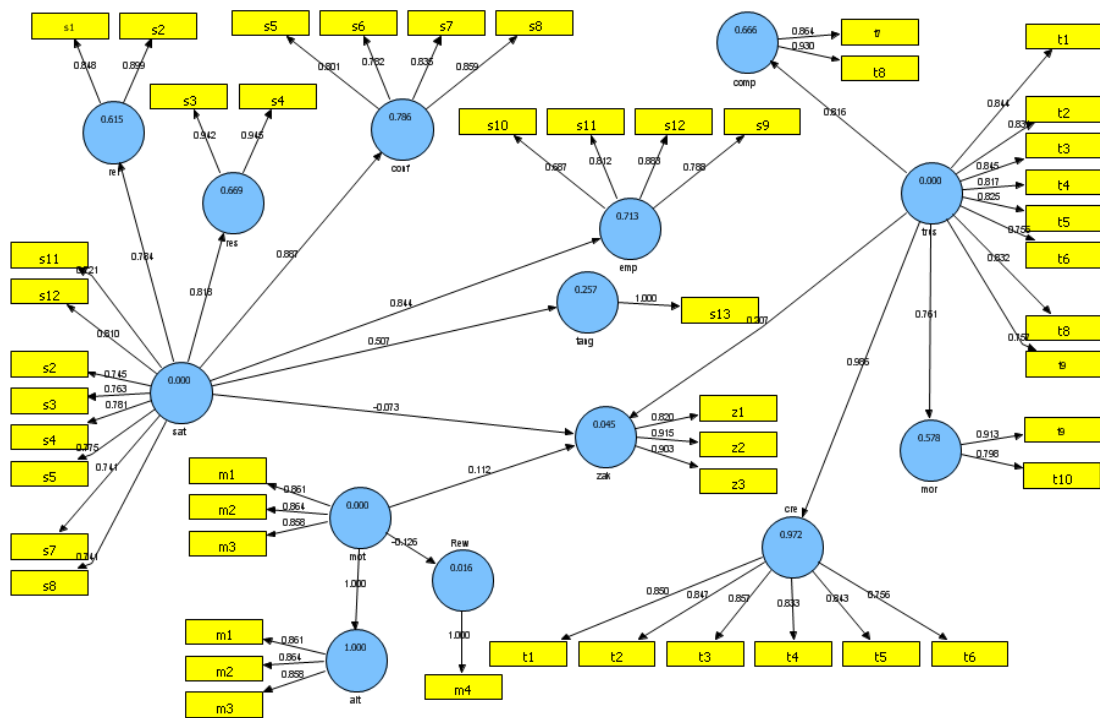


Figure 5: Model result after loading > 0.7

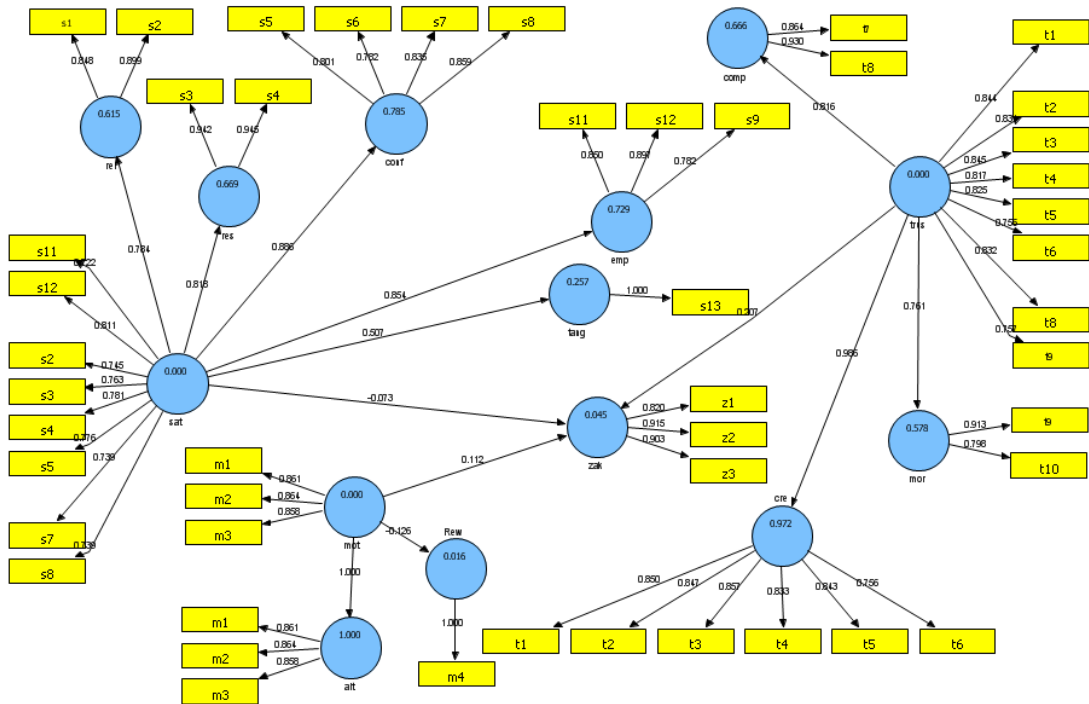


Figure 6: Second model result after loading > 0.7

Table 14: Results of smart PLS

	AVE	Communality	R Square	Composite Reliability	Cronbach's Alpha	Redundancy
Rew	1.000	1.000	0.016	1.000	1.000	0.016
Alt	0.741	0.741	1.000	0.896	0.826	0.741
comp	0.806	0.806	0.666	0.893	0.766	0.522
conf	0.672	0.672	0.785	0.891	0.837	0.524
Cre	0.692	0.692	0.972	0.931	0.911	0.673
Emp	0.713	0.713	0.729	0.881	0.798	0.516
Mor	0.735	0.735	0.578	0.847	0.651	0.413
Mot	0.741	0.741		0.896	0.826	
Rel	0.764	0.764	0.615	0.866	0.693	0.466
Res	0.891	0.891	0.669	0.942	0.877	0.596
Sat	0.578	0.578		0.916	0.895	
Tang	1.000	1.000	0.257	1.000	1.000	0.257
Trus	0.663	0.663		0.940	0.927	
Zak	0.775	0.775	0.045	0.912	0.854	0.017

To test the significance of variables in affecting the dependent variable, the bootstrapping algorithm was employed. Motivation and trust variables had a significant positive effect on the zakat variable (5%), while the satisfaction variable had a negative but insignificant effect (0.837%). This may indicate that respondents

thought that they were quite satisfied with the zakat institution's service and were not concerned about the issue of zakat as a tax deduction. This result may also have been caused by the complicated problem of claiming restitution. (Figure 7 and table 15).

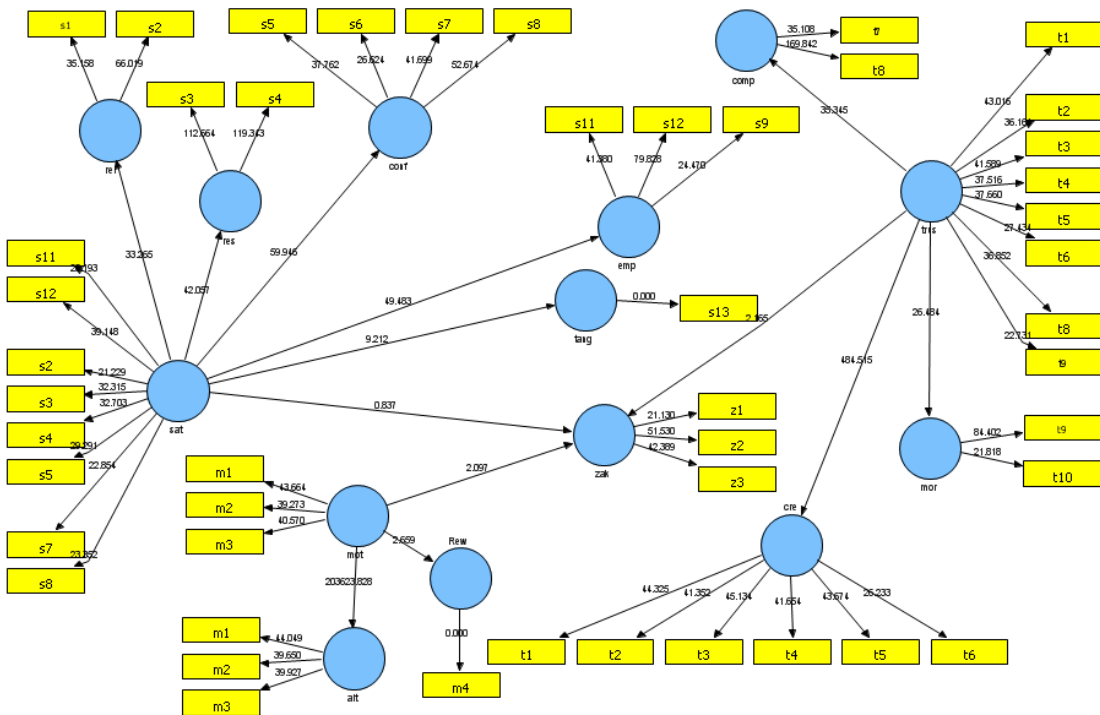


Figure 7: Bootstrapping test of second model result after loading > 0.7%

Table 15: Results of bootstrapping test

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	Standard Error (STERR)	T Statistics (O/STERR)
mot ->Rew	-0.126	-0.127	0.047	0.047	2.659
mot -> alt	1.000	1.000	0.000	0.000	203623.828
mot ->zak	0.112	0.113	0.053	0.053	2.097
sat ->conf	0.886	0.886	0.015	0.015	59.946
sat ->emp	0.854	0.854	0.017	0.017	49.483
sat ->rel	0.784	0.785	0.024	0.024	33.265
sat -> res	0.818	0.818	0.019	0.019	42.057
sat -> tang	0.507	0.504	0.055	0.055	9.212
sat ->zak	-0.073	-0.071	0.088	0.088	0.837
trus -> comp	0.816	0.815	0.023	0.023	35.345
trus ->cre	0.986	0.986	0.002	0.002	484.515
trus ->mor	0.761	0.759	0.029	0.029	26.484
trus ->zak	0.207	0.206	0.096	0.096	2.165

Two-Stage Approach for Robustness

Ringle et al. (2012) argued that a second-order model employing the repeated-indicator approach should use a two-stage approach. Wijayanto (2008) did not suggest the two-stage approach for second-order models, possibly because they are only recommended for LISREL

and the repeated-indicator approach. By applying the two-stage approach, the motivation variable became the most significant, which was different from previous tests. However, the different was not so big and the satisfaction variable was still insignificant. (Figure 8 and table 16).

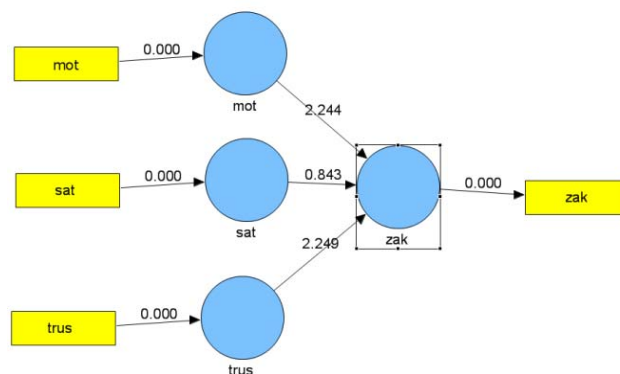


Figure 8: Two-stage approach

Table 16: Results of bootstrapping test for two-stage approach

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	Standard Error (STERR)	T Statistics (O/STERR)
mot ->zak	0.111946	0.116617	0.049876	0.049876	2.244491
sat ->zak	-0.07345	-0.067896	0.08718	0.08718	0.842554
trus ->zak	0.207496	0.196956	0.092271	0.092271	2.248775

CONCLUSION AND SUGGESTIONS

Only the trust and motivation factors significantly and positively affected the preference for zakat as tax-deductible income and tax deduction. On the other hand, the satisfaction factor had a negative but insignificant result. This means that respondents were quite satisfied with the zakat institution and assumed that zakat has a different relationship to taxes. They were not concerned with zakat being tax-deductible income or a tax deduction.

The motivation factors yielded higher responses than others. This means that motivation can push respondents to pay zakat because it had a significant and positive effect on the preference for zakat as a tax deduction.

Age, education, and income level had positive correlation with zakat payment ability. On the other hand, only a small portion of respondents paid zakat to a registered zakat institution (29.3%), and only a very small number of respondents collect the restitution for surplus tax payment (0.8%). Despite different perceptions, 53.5% respondents approved of zakat as a tax deduction.

The Indonesian government should impose zakat as a tax deduction that would be collected by the government and disbursed to selected individual recipients. There must also be good coordination among the Ministry of Finance, the Ministry of Religious Affairs, and other government institutions that handle this issue.

Appendix A

List of Questions

No.	Group	Subgroup	Code	Statement
1	Satisfaction	Reliability	s1	Zakat reception procedure of zakat institution is quick and good.
2	Satisfaction	Reliability	s2	Zakat disbursement procedure is on the right target.
3	Satisfaction	Responsiveness	s3	Zakat officer gives zakat information responsively.
4	Satisfaction	Responsiveness	s4	Zakat officer gives zakat information comprehensively.
5	Satisfaction	Confidence	s5	Zakat institution manages the fund well.
6	Satisfaction	Confidence	s6	I believe zakat institution can be trusted and is professional in zakat management.
7	Satisfaction	Confidence	s7	Zakat institution has published zakat fund-reception report.
8	Satisfaction	Confidence	s8	Zakat institution has published zakat fund-disbursement report.
9	Satisfaction	Empathy	s9	I can contact zakat institution easily.
10	Satisfaction	Empathy	s10	I can use technology facility to pay zakat at zakat institution.
11	Satisfaction	Empathy	s11	Zakat institution always maintains good relationship with the zakat payer.
12	Satisfaction	Empathy	s12	Zakat institution always provides information easily.
13	Satisfaction	Tangible	s13	Zakat office is tidy and good.
14	Trust	Credibility	t1	Zakat institution can be trusted with zakat fund.
15	Trust	Credibility	t2	Zakat institution has delivered zakat funds to the right recipients.
16	Trust	Credibility	t3	Zakat institution has high credibility.
17	Trust	Credibility	t4	Zakat institution is trusted by society.
18	Trust	Credibility	t5	I believe in zakat institution.
19	Trust	Credibility	t6	Zakat institution has been transparent in financing.
20	Trust	Competency	t7	Zakat institution officer has knowledge, experience, and competence about zakat.
21	Trust	Competency	t8	Zakat institution officer can manage zakat fund well.
22	Trust	Morality	t9	Zakat institution management has good morals.
23	Trust	Morality	t10	Zakat institution staff always maintain the appearance
24	Motivation	Altruism	m1	I am pleased to be paying zakat for the poor.
25	Motivation	Altruism	m2	I sympathize when seeing other people in poverty.
26	Motivation	Altruism	m3	I feel comfortable after paying zakat.
27	Motivation	Reward	m4	I am pleased when others know I paid zakat.
28	Zakat	Zakat	z1	Zakat can be deducted from net income as a tax calculation.
29	Zakat	Zakat	z2	Zakat should be tax-deductible income.
30	Zakat	Zakat	z3	Zakat should deduct the tax paid.

Appendix B

Discriminated Validity

	Rew	alt	comp	conf	cre	emp	mor	mot	rel	res	sat	tang	trus	zak
Rew	1.000													
alt	-0.126	0.861												
comp	0.164	0.188	0.898											
conf	0.203	0.259	0.697	0.820										
cre	0.175	0.275	0.756	0.799	0.832									
emp	0.136	0.231	0.654	0.663	0.687	0.844								
mor	0.204	0.263	0.622	0.606	0.694	0.549	0.857							
mot	-0.126	1.000	0.188	0.259	0.275	0.231	0.263	0.861						
rel	0.195	0.178	0.628	0.702	0.709	0.602	0.591	0.179	0.874					
res	0.130	0.093	0.527	0.558	0.496	0.669	0.456	0.093	0.563	0.944				
sat	0.205	0.216	0.746	0.886	0.786	0.854	0.640	0.216	0.784	0.818	0.760			
tang	0.131	0.166	0.466	0.455	0.459	0.480	0.475	0.166	0.400	0.379	0.507	1.000		
trus	0.192	0.268	0.816	0.806	0.986	0.701	0.761	0.268	0.733	0.523	0.808	0.476	0.814	
zak	0.170	0.152	0.122	0.150	0.184	0.097	0.135	0.152	0.085	0.058	0.118	-0.018	0.178	0.881

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