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**INCREASING THE REVENUE OF POST TAX AMNESTY IN BALI  
REGIONAL OFFICE OF DIRECTORATE GENERAL OF TAXATION  
(DGT)**

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**Abstract:**

*The application of tax amnesty in the world has different results in every country there are successful there are also failed. For that research to know the advantages of tax amnesty as an effort to stimulate national income, to know the magnitude of the tax amnesty contribution in increasing state revenues; to analyze the effect of several influencing factors as an effort to increase the tax post revenue of Tax Amnesty. This research was conducted in two stages, firstly doing a quantitative if and secondly doing a qualitative study. The result showed that: the number of taxpayers who took tax amnesty with an amount of 974,058 based on Declaration of Treasure report, it is still a little amount compared to the potential tax in the country. The amount of state revenue of Tax amnesty was 107 Trillion among the total of 1,104.9 tax revenue realization of Post Tax Amnesty in 2016. So, the important points that should be immediately done are: Administration upgrading related to data and information management with IT systems integrated with all stakeholders, coordination of constitution enforcement through taxation examination, and institutional transformation.*

**Keywords:** Post Tax Amnesty; Inter-Agency Information Disclosure; Inspection and IT System and Tax Information Updating.

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## **1. Introduction**

During last five years, the government set a target for tax revenue in a continually uneasy range of amount to be fulfilled by the Directorate General of Tax. Determined target is not a fancy number, but it is a financial need of the country that should be cultivated comes from the ability of the community. Taxation by the state is a mechanism of equitable development from one party to another in a country. State only helps allocate fairly to the needs to be funded. As a society, it is a duty of society to the state which has provided protection, through awareness in paying taxes.

Meeting the target of state revenue is the responsibility Directorate General of Taxes, but recurrently the Directorate General of Tax must felt deep disappointment because of non-fulfillment of state revenue target. Various efforts have been made by the Directorate General of Taxes such as: increasing the volume of activities socialization, intensification through

consolidation of income from taxpayers has been registered and extensification through the expansion of the number of taxpayers. The last step was to apply Tax Amnesty system. By the application of Tax Amnesty taxpayers are expected to be open in the future and are willing to disclose assets that was already held until 2015 by paying ransom on such disclosure.

On July 1st 2016, the Government enacted constitution No. 11 of 2016 on Tax Amnesty. This Act had several times undergone a delay, after a tough discussion in the House since 2015. Not achieving tax revenues for last few years has become a trigger for the enactment of this new constitution just after the government found that tax revenues were still low due to lack public awareness in reporting the tax. Even, recent years the government was seriously expecting state revenue derivation from tax revenue.

Table 1: Realization of Tax Revenue from 2009 to 2015 (trillion in Rupiah)

Year	Target	Realization	Percentage (%)
2009	Rp 652	Rp 620	95,09%
2010	Rp 743	Rp 723	97,31%
2011	Rp 879	Rp 874	99,43%
2012	Rp 1.016	Rp 981	96,55%
2013	Rp 1.148	Rp 1.077	93,81%
2014	Rp 1.246	Rp 1.143	91,73%
2015	Rp 1.489	Rp 1.235	91,73%

Source: Directorate General of Tax

Some notes on tax revenue are: The low realization of tax revenue or tax ratio in Indonesia Low level of taxpayer compliance, World Bank noted that Indonesia's tax ratio recorded for 2014 was only amounted to 10.84% of Gross Domestic Bruto, while the average of tax ratio of countries in the world is 14.81%. So the level of tax collectability in Indonesia is still very limited number, so it is quite difficult to sustain the state expenditure. Even if compared to neighboring countries, Indonesia tax revenue is still at below average number. For instance, tax revenue of Malaysia is 14.8%, Singapore is 13.9%, Philippine is 13.6%, Thailand is 16%, and Cambodia is 14.6%. In Indonesia the tax revenue has a share of 86.26% of the total state revenues of Rp. 1,539 trillion from 1,784 trillion. It is the prompting aspect to the need for some breakthroughs for the government to encourage tax revenue enhancement. The objectives of this research are: to know the benefits of tax amnesty as an effort to stimulate national income, to know the amount of tax amnesty contribution in increasing state revenue, and to analyze the influence of several factors in an effort to increase tax revenue post Tax amnesty.

## 2. Materials and Methods

Tax Amnesty of tax is the abolition of taxes that should be payable, not subjected to the administration of taxation sanctions and criminal sanctions in the field of taxation, by disclosing property and paying ransom as stipulated in the law.

Tax Amnesty aims at: Accelerating economic growth and restructure through the transfer of assets, such as will to have an impact on increasing domestic liquidity, improvement of the rupiah exchange rate, decreasing interest rate and increasing investment. Encouraging taxation

reformation towards a more equitable taxation system and more valid, comprehensive, and integrated tax database extension. Increasing tax revenue to be used for development financing.

The tariff of ransom on property within the Republic of Indonesia territory or outside the territory of the unity of the Republic of Indonesia territory which is transferred into the territory of the Republic of Indonesia and invested in the territory of the united state of the Republic of Indonesia within a minimum 3 years period from the date of transfer, shall be:

2% (two percent) for the submission period of the Letter of Statement in the first month up to the end of the third month from the date the Act becomes effective. 3% (three percent) for the submission period of the Letter of Statement in the fourth month from the date this Act commences on December 31, 2016; and 5% (five percent) for the submission period of the Letter of Statement from 1 January 2017 to 31 March 2017. Rates of ransom on assets located outside the territory of the unitary Republic of Indonesia and not transferred into the unitary state of the Republic of Indonesia are: 4% (four percent) for the submission period of the Letter of statement for the first month up to the end of the third month from the time the Act becomes effective. 6% (six percent) for the submission period of the Letter of Statement in the fourth month from the date this Act commences on December 31, 2016; and 10% (ten percent) for the submission period of the Letter of Statement from 1 January 2017 to 31 March 2017. Rates of ransom for taxpayers whose business circulation up to 4,800,000,000 (four billion eight hundred million rupiah) in the last taxable year are as follows: 0.5% (zero point five percent) for the taxpayer expressing the value of the property up to 10,000,000,000 (ten billion rupiah) in the statement; or 2% (two percent) for the taxpayer who discloses the property value of more than 10,000,000,000 (ten billion rupiah) in the statement.

Repatriation is the main objective of the implementation of this tax forgiveness program; however repatriation is not the sole purpose of the program. Repatriation is expected to be a driver of economic growth; extra fresh funds obtained can be a source of development financing.

The long-term goal of this program is tax reformation. By expanding more valid and credible the database, it is expected that the level of tax compliance can be improved. All this time compliance of taxpayer is very difficult to proceed.

The subject of tax in Tax Amnesty program is each of taxpayer. In Regulation Of Minister Of Finance Of The Republic Of Indonesia No. 118/Pj.03/2016 and REG No. 11/Pj/2016 it is affirmed that, taxpayers entitled to tax pardons are taxpayers who have obligation to submit Annual Income Tax Returns, even for taxpayers who do not have *NPWP* 'Tax Identification Number' can follow the tax program pardon by first submitting *NPWP* as a means of tax administration.

Data collection technique using pre-determined list of questions in relation to the variables studied (Sugiono, 2010: 138). The variables studied include fiscal services, socialization, tax sanction, financial information and inspection. Interviews were conducted to 30 representative informants who were found as research samples (Hair, 2012: 110). Interviews were conducted on key informants to support the analysis of qualitative studies. In-depth interviews are conducted in an unstructured, flexible manner in an informal setting and can be repeated over and over. Interviewing the informants aimed at quarrying the information more fully, more deeply and more clearly especially related to the perception of efforts to increase state revenues. The term in-depth

interview is FGD Focus group discussion. FGD is a data collection technique that is commonly done on quantitative research with the aim of discovering the meaning of a theme according to a group's understanding. This technique is used to reveal the meaning of a group based on the results of the discussion centered on a problem focus group discussion is to avoid bias and misunderstanding of a researcher to focus the problem on under investigation. Furthermore, this technique is used to draw conclusions on the meaning of intersubjective meaning that is difficult to interpret itself by the researcher because it is hindered by the researcher's ignorance of the real meaning of the people around a phenomenon being studied and as far as possible the researcher avoids himself from the encouragement of the subjectivity of the researcher. The focus group discussion model is built on assumptions: Individual limitations are always hidden in the ignorance of that personal weakness, each group member gives each other knowledge in group association. Each individual is controlled by another individual so he tries to be the best. Subjective weakness lies in the weakness of the individual that is difficult to be controlled by the individual concerned. Intersubjective always approaches the best truth.

The questionnaire validity test is conducted to determine the ability of a questionnaire to measure what exactly should be measured. List of questions used in this study has not known the level of validity and reliability. Therefore, the validity test of each item of question and reliability of the questionnaire used in this study. An invalid or unreliable measurement instrument will provide inaccurate information about the state of the subject or individual subject to the test. (SaifuddinAzwar, 2006: 2). Criteria for validity testing are to compare  $r_{count}$  with  $r_{table}$ . At a significant level of 95% or  $\alpha = 5\%$  According to Sugiono (2010: 115), the question item is called valid if the item has  $r_{count} > r = 0.30$ . In this case, the intended  $r_{count}$  for each item of question is the coefficient of product moment between the score of each item with the total score of all items denoted by corrected Item Total Correlation on the calculation of the SPSS program for each question item of a variable (SinggihSantoso, 2005: 277) To test the reliability of a question from a research. variable used Cronbach Alpha coefficient. The magnitude of the Cronbach's Alpha coefficient shows the reliability of the list of questions. A variable construct is said to be reliable if it has a Cronbach's value  $>$  of 0.60 The calculation of product moment correlation and Cronbach's Alpha coefficient is tested by SPSS version 21.0. This study uses questionnaires that include 3 variables of examination, information disclosure taxation, update data taxation. After the data obtained in order to achieve the purpose of research, then analyzed based on descriptive analysis techniques. Descriptive analysis is used to answer the problem formulation. Quantitative analysis is an analytical technique that uses inferential statistic with statistical test with multiple linear regression tests, with the formula:  $Y = a + bx_1 + bx_2 + bx_3 + e$

### 3. Results and Discussions

Amnesty Tax slogan is: express, redeem, relief. These three words are able to give trust to the people of Indonesia to participate in stimulating national development. Indonesia needs funds for development, where the largest source of funds comes from tax revenues, Customs and Non-tax, State Income. The development is done to achieve: Economic growth (Growth), Poverty Alleviation (Poverty), Reduce inequality. Amount of tax amnesty contribution in increasing state revenue is: Tax amnesty that ended in late March 2017 was quite good. The results are: the number of taxpayers who participated in Tax Amnesty was 974,058 Acknowledgement of Indebtedness report, the amount is still little compared with the potential tax in the country. The amount of state

revenue from Tax Amnesty is 107 trillion from 1,104.9 total in tax revenue realization in 2016. In this Tax amnesty program not all government targets can be achieved, but the most important thing of tax amnesties that show tax base more broadly and the achievement of tax amnesty this program became one of the main capital for the government to conduct a tax reform program. State Budget of 2017 period in targets tax revenue is 1,307.67 trillion. Following-up after tax amnesty becomes the key, where the general direction of technical policy security policy acceptance 2017 was already in the financial note.

Focus Group discussion presents: Head of Regional Office of DGT Bali. Regional Chairman of Indonesian Tax Consultant Association of Bali Region, NTB and NTT, Commission XI of the House of Representatives of the Republic of Indonesia Legal Affair of Expert Staff of the Minister of Finance of the Field of Tax Supervision on Reviewers of Bali Regional Office of Directorate General of Taxation (SenaJatiSemilir); Sub Directorate of Planning Inspection Directorate General of Tax, Lecturer and student of Warmadewa University, representative of tax consultant.

From the results of in-depth interviews with various parties deemed competent to provide information about how the DGT effort in increasing tax revenue post amnesty, it is known there are three main factors that must be done DGT namely: information disclosure between institutions (X1), Inspection (X2) and update the IT system and tax information. The three variables are then analyzed further by interviewing 30 taxpayers in the Bali DGT area, the result of questionnaires processed with SPSS program, found the following result.

Table 2: Multiple Linear Regression Test

Coefficients<sup>a</sup>

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Correlations			Collinearity Statistics	
		B	Std. Error	Beta			Zero-order	Partial	Part	Tolerance	VIF
1	(Constant)	3.114	1.393		2.235	.034					
	X1	.452	.170	.567	2.652	.013	.499	.461	.412	.529	1.890
	X2	.334	.150	.358	2.218	.036	.401	.399	.345	.925	1.081
	X3	-.165	.198	-.183	-.835	.411	.303	-.162	-.130	.503	1.987

a. Dependent Variable: Y

Based on Table 2 of multiple linear regression analysis results can be written multiple linear regression equation as follows:  $Y = 0,567 X1 + 0,358 X2 -0,183X3$ .

Regression coefficient variable information disclosure between institutions amounted to 0.567, which means that increased information disclosure among institutions will be followed by an increase in tax revenue, with a significance value of 0.013 smaller than 0.05. After Tax Amnesty information disclosure among institutions is getting brighter, because it is supported by law which obliges every institution having data related to taxation information, taxpayer must report to local Tax Office where the taxpayer is registered. This condition allows DGT to know the business circulation and taxpayer's wealth, so it is easier to do the effort to increase tax revenue.

The regression coefficient of the examination variable is 0.358, which means that the increase of inspection will be followed by an increase in tax revenue, with a significance value of 0.036 less than 0.05. The public has realized that the mistake committed in violation of the Tax Law will

result in the examination. If issuance of the Amnesty Tax Law was previously established, the functionality of the examiner is very limited in conducting the examination due to the limitations of inspecting personnel. But after the issuance of Law No. 36 of 2017 concerning the examination of concrete data, the Account Representative can also conduct examinations within a period of not more than one month. So the examination activity becomes higher after the enactment of Tax Amnesty, from the intensity of the examination more than the tax revenue becomes increased.

Regression coefficient variable updating of IT system and tax data information equal to -0.183 means improvement of updating of IT system and information of taxation data will be followed by decrease at tax revenue with significant value, in which 0,441 is bigger than 0,05. This condition indicates that the taxpayer will be highlighted in all activities done, so as not to give freedom in establishing the economic movement.

#### **4. Conclusions and Recommendations**

Law enforcement in the form of tax audit, preliminary evidence examination, as well as tax investigation is an integral part of government efforts to improve taxpayer compliance and achieve optimal state revenue post tax amnesty. Taxpayers' SPT reporting is often incorrect, incomplete and unclear in reporting its obligations, resulting from ignorance or omission. This ignorance begins with the non-renewal of the taxpayer's knowledge of the new tax regulations, while tax rules are dynamic rules and are constantly changing over time as a consequence of the demands of business development. The optimization of tax revenues in 2017 and efforts to improve the low Tax Ratio will be done through the help of data base taxation. Utilize data base result of amnesty bag to monitor tax payment from taxpayer. The data becomes the key to ensure correct tax payments. The integrated IT system that is the IT system of taxation must be fully integrated with many parties, not only internal ministries/agencies, but also across ministries/institutions.

Access to financial information for the purposes of taxation includes access to receive and obtain financial information in the framework of implementation of the provisions of the laws and regulations in the field of taxation and the implementation of international agreements in the field of taxation. The scope of article 1 of the Government Regulation in Lieu of Law and article 2 of Regulation of Minister of Finance is international agreements of foreign Customers and the implementation of tax regulations (domestic customers), while the nature of providing financial information is automatic (unasked) and for certain purposes the DGT may request such financial information. The reporting financial institution in accordance with Chapter 2 verse (1) Government Regulation in Lieu of Law is: Custodian institution, Deposit Institutions (Banking, capital market), Insurance company, and Investment Entity

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