The Role of Utilizing Tax Amnesty Taxation

by Detak Prapanca

The Role of Utilizing Tax Amnesty Taxation Facilities in Indonesia

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Abstract:
The purpose of this study to determine the effect of tax facilities utilization tax amnesty in tax control efforts agains compliance rate tax payment case study at tax office south Sidoarjo. Awareness of paying taxes, knowledge and understanding again tax regulation taxpayers. Good peceptions of tax system effectiveness to be independent variables in yhis study, while tax amnety becomes a dependent variable. The population taken in this study is taxpayers at the primary Sidoarjo tax service office as many as 58 respondents. The sampling technique used was purposive sampling 62 questionnaires distributed, obtained 58 respondents who could be included in data processing. Data analysis in this study using multiple linear regression whit the help of SPSS sofware (Statistical package of Social Science) 16.0 to process questionnaire data. The results showed that tax paying awareness had an influence on the tax amnesty with a significant value of 0,002, Knowledge and Understanding of Taxpayer Taxation Regulations had an influence on tax amnesty with a significant value of 0.003, Good Perception of the Effectiveness of the Tax System had an influence on tax amnesty with significant value of 0.021.

Keywords: awareness of paying taxes, knowledge of tax laws, perceptions of tax system effectiveness, tax amnesty.

I.   INTRODUCTION

Indonesia is one of the developing countries in the development sector, in this case the government needs a lot of money to realize development. Development carried out by the government always requires funds for each implementation, therefore from several sources that can be used as fulfillment of these needs, namely taxes. Tax is a source that is "independent", because the tax can be managed and managed by the collecting country. The importance of taxes continues to be made by the government to increase revenues from the tax sector (A. I Kesuma, 2016).

Prof. Dr. Rochmat Soemitro, S.H states that taxes are people's contributions to the state treasury under the law (which can be forced) by not receiving lead services (contravention), which can be directly shown and used to pay for public expenditure

(Mardiasmo, 2011). The tax sector is the largest state revenue. Approximately 75% of State Revenues are currently taxable. The dominance of taxes as a source of revenue is one thing that is very reasonable, especially when natural resources, especially petroleum are not reliable. Revenues from natural resources have a relatively limited age, one day they will run out and cannot be renewed. It is different from the tax that is relatively the age of unlimited acceptance, especially the increase in population (Ratung&Adi, 2009). The tax law requires taxpayers (WP) to pay taxes to achieve Indonesian welfare. Every citizen, from birth to death, enjoys facilities originating from the government obtained from taxes. Use of tax funds to build facilities, project development to the expenditure of civil servants. Tax also plays an important role in supporting the expenditure of the State Expenditure Development Budget (Antonius,

2004) s. Taxes are basically obligations that must be paid by taxpayers without getting compensation that can be enjoyed immediately, because it is an obligation and can be said to burden taxpayers trying to reduce / delay even trying not to pay taxes (AgusIwanKesuma, 2016).

Awareness of taxpayers in paying taxes on time will affect the lowest level of taxpayer compliance. The problem that is often related to tax collection is that there are still many tax arrears. The level of taxpayer compliance to fulfill its tax payment obligations in Indonesia is still quite low. The awareness of taxpayers to fulfill their obligations is still low, both for reporting suerat (SPT) and paying taxes. This condition makes the acceptance of the state not optimal. State revenues from taxes account for only 75%. If state revenues can be more than that then, development in Indonesia can be more optimal and create justice for all levels of society (N Rahayu, 2017)

For taxpayers who already know and fulfill the provisions of the tax law, they can immediately come to the tax service office (KPP) to report. However, many of the Indonesian people who work as private and public taxpayers do not understand or know about tax reporting. In Indonesia, the potential for taxation is very large, but it is not fully optimal for tax reporting. Based on the records of www.pajak.go.id until 2015, the working population of Indonesia was 120.8 million. However, individual taxpayers who attempt to submit annual notification letters are only 10,269,162 WP OPs consisting of 9,432,934 WP employee OPs and 837,228 WP OP non employees. In this case it is known that the level of compliance of the WP OP (seen from the submission of SPT) is only 63.22% of the employee's OP OP and 40.75% of the non-employee WP OP. It is very inversely proportional to the number of OP WP who submit SPT only 794,418 WP OPs pay (N Rahayu, 2017).

Table 1 Individual Taxpayer Compliance Level In Indonesia

Explanation	Employee taxpayer	Non-employee tax payers	Number of WP OP
Indonesian residents working for OP WP are registered	22.332.086	5.239.385	120.800.000 27.571.471 (excluding treasurers, income taxpayers> PTKP, and the like)
The OP WP is required to submit a PPh SPT	14.920.292	2.054.732	16.975.024
OP WP that has submitted a PPh SPT	9.431.934	837.228	10.269.162
Compliance ratio	63,22%	40,75%	-
Individual taxpayers pay	181.537	612.881	794.418

Source : (Nurulita Rahayu, 2017)

In this regard, the government continuously issues policies in the context of tax revenues. One of the policies issued by the government is the implementation of the tax amnesty policy program. This policy is held because there are assets of citizens both inside and outside the country that have not or not all been reported in the Annual Income Tax Return (Ratung, T., &Adi, 2009).

The tax amnesty program is one of the programs implemented by the government to forgive taxpayers who committed violations in the past. This is done by the Directorate General of Taxes by involving the ministries of law and legislation, the police and competent parties. The purpose of this program is to provide an opportunity for taxpayers or taxpayers to pay taxes according to the object of the tax they have, not manipulate taxes, not delay taxes and have

the willingness to pay taxes properly and properly (Suryarini& Anwar, 2010). The efforts of the Directorate General of Taxes to give amnesty to taxpayers are still colored by the pros and cons of various parties. The tax amnesty parnah program was held twice in 1984 and 2008. The implementation of the tax amnesty in 1984 was a failure for the program because its implementation was ineffective, the taxpayer's response at that time was very lacking and was not followed by a complete tax administration system reform. Whereas, in 2008, several changes were seen with a number of 5.6 million new taxpayers, but after that the taxpayer's compliance rate was stagnant, the tax revenue realization declined, so did the tax ratio that did not increase significantly (Suyanto, S., &Putri, 2017).

In 2015, the government included a tax amnesty clause in the revision of the Law on General Provisions and Procedures for Taxation (KUP) which was a priority for the 2015 National Legislation Program (Prolegnas). President Joko Widodo approved the policy by giving tax amnesty to Indonesian citizens. which will attract funds from abroad and parked in the land (Hutasoit, 2017). This policy reaps the pros and cons given that the implementation of the tax amnesty in 1984 and 2009 did not have a significant effect on increasing taxpayer compliance in Indonesia. In addition, many parties are contra because this policy needs in-depth study to be carried out such as the power of law, an adequate administrative system to encourage taxpayers to pay taxes more easily (Gautama, M., &Suryono, 2014)(Nirwana, 2018).

II.   METHOD

In this study the approach used is a quantitative approach. (Sugiyono, 2017) According to Quantitative methods can be interpreted as a research method based on the philosophy of positivism, used to examine certain populations or samples, collecting data using research instruments, analyzing quantitative or statistical data, with the aim of testing predetermined hypotheses. This type of research is a type of survey research that is research that takes samples from a population and uses a questionnaire as a means of collecting the main data. With an individual taxpayer population that is still active in the Sidoarjo Regional Tax Service Office and the sampling technique to be tested in this study uses a purposive sampling method that is the method of selecting samples freely.

III.   RESULT

Descriptive Data Analysis
Characteristics of Respondents by Gender
The male respondents is 29 peoples or 50%. While female respondents are the same as male respondents as many as 29 people or by 50%.

The respondents aged 21 years - 30 years amounted to 31 people or 53.4%, 31 years - 40 years amounting to 16 people or 27.6%, and ages 41 years - 50 years amounted to 11 people or by 19.0%.
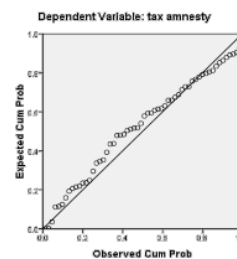*Characteristics of Respondents Based on Latest Education*

The majority of respondents have high school education. This can be seen from the percentage of 65.5%.

The majority of respondents work as private sector. This can be seen from the percentage percentage of 69%.
Classical Assumption Test
Normality Test

Source: Data Processed with SPSS Software
Figure 1 Normality Test

From figure 1, the data follows the direction of the diagonal line up which means it can be concluded that the research data is normally distributed.

a. Dependent Variable: tax amnesty

The Durbin-Waston value generated from regression is 1.925, with respondents 58 people and K = 3 (independent variables) the value of dL is 1.4692 and the dU value is 1.6860. The condition for not happening autocorrelation is the value of $dL \leq DW \leq (4\text{-}dU)$, then $1.4692 \leq 1,925$ 3 2,314. It can be concluded that this test does not occur autocorrelation.

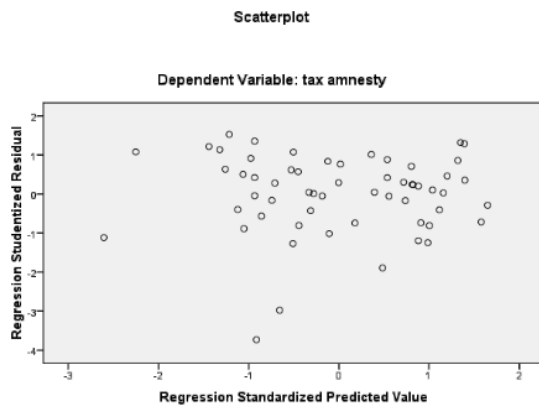**Scatterplot**

Dependent Variable: tax amnesty

Figure 2 Heteroscedasticity Test

Based on the figure 2 shows that visible points are scattered randomly, do not help a particular pattern and spread above or below 0 on the Y axis. It can be concluded that in this regression model there is no heteroscedatisity or free from heteroscedatisity, so the regression model is worth using to know the influence of independent variables on the dependent variable.

Test of Hypotheses

The constant value is 2.712. It means that if the independent variable is assumed to be constant or worth 0, then the tax amnesty is worth 2.712.

1. The Tax Paying Awareness (KMPWP) regression coefficient is 0.335, which means that the direction of a positive (unidirectional)

relationship is between the awareness of paying taxes and the tax amnesty policy. Because the positive sign shows the effect of awareness of paying taxes in the direction of the tax amnesty policy, which means that if the better awareness of paying taxes, it will also increase with the tax amnesty policy of 0.335.

2. The regression coefficient value of Knowledge and Understanding of Tax Regulations (PPWP) is 0.343 means that there is a positive (unidirectional) relationship between knowledge and understanding of tax regulations and tax amnesty policy. Because it shows a positive effect of the knowledge and understanding of tax regulations in line with the tax amnesty policy, which means that if the influence of knowledge and understanding of tax regulations is better, the tax amnesty policy will increase by 0.343.

3. Good Perception regression coefficient for Tax System Effectiveness (PESP) is 0.256, which means that there is a positive (unidirectional) relationship between good perceptions of the effectiveness of the tax system and tax amnesty policy. Because the sign shows positive, the influence of a good perception of the effectiveness of the taxation system is in line with the tax amnesty policy, which means that if the better perception of the effectiveness of the taxation system will also increase the existence of the tax amnesty policy.

Determinant Coefficient (R2 Test)

The value of R Square is 0.238 or 23.8%. This means that 23.8% of the Tax Amnesty policy can be explained or influenced by the variable awareness of paying taxes, knowledge and understanding of tax regulations and a good perception of the effectiveness of the tax system and the remaining 76.2% is explained or influenced by other variables.

The discussion of the results of hypothesis testing (t test) is as follows :

a. The first hypothesistest

H1: Awareness of Paying Taxpayers Taxes Positive Impact on Tax Amnesty policy. Based on the calculation of table 4.23, awareness of paying taxes has a regression coefficient of 0.335. So that it shows the direction of a positive (unidirectional) relationship between the awareness of paying taxes and the tax amnesty policy, it can be decided H1 is accepted. This identifies that if the better awareness of paying taxes, the better the tax amnesty policy will be generated. The variable awareness of paying taxes shows t count of 3.174 with a significant value of 0.002 <0.05.

b. The second hypothesis test

H2: Knowledge and Understanding of Tax Regulations on Taxpayers Influence Positively on Tax Amnesty policy. Based on the calculation of table 4.23, knowledge and understanding of tax regulations has a regression coefficient of 0.343. So that it shows the direction of a positive (unidirectional) relationship between knowledge and understanding of tax regulations with the tax amnesty policy, it can be decided that H2 is accepted. This identifies that if the variables of knowledge and understanding of tax regulations are better, then the tax amnesty policy will be good. The variable knowledge and understanding of tax regulations shows t count of 3.160 with a significant value of 0.003 <0.05.

c. The third hypothesis test

H3: A Good Perception of the Effectiveness of Taxpayers' Taxation System Has a Positive Impact on Tax Amesty Policy. Based on the calculation of table 4.23, a good perception of the tax system effectiveness of taxpayers has a regression coefficient of 0.256. So that it shows the direction of the positive relationship between, a good perception of the effectiveness of the taxpayer's taxation system and the tax

amnesty policy, it can be decided that H3 is accepted. This identifies that if the tax perception is better, a good perception of the tax system's effectiveness, then the tax amensty policy will be better. Variables, a good perception of the effectiveness of the taxpayer tax system shows t count of 2,382 with a significant value of 0.021 <0.05.

Based on the test results statistically shows that:

Classical Assumption Test Result

The results of the classical assumption test (normality test, linearity test, multicollinearity test, heteroscedasticity test, and autocorrelation test) can be concluded not to indicate a violation of classical assumptions.

T Test Results (Partial)

a. Effect of Tax Paying Awareness on Tax Amnesty Policy

The results of the statistical data processing conducted state that the first hypothesis (H1) on Tax Paying Awareness significantly influences Tax Anmnesty Policy. Based on table 4.21, it is known that the value of the variable awareness of paying taxes is equal to 3.174 with a probability value of 0.002, whereas the t-table value is 1.674, so t-count> t-table (3.174> 1.674) and from simple linear regression equations are known that the regression coefficient of variable awareness of paying taxes is positive at 0.073. This shows that H0 is rejected and H1 is accepted, and proves that the awareness of paying taxes (X1) has a positive effect on the tax amnesty (Y) policy. The results of this test show in line or in accordance with the research conducted by (Susanti, 2011) "The Influence of Sunset Policy Policy on Factors - Factors Affecting Willingness to Pay Taxes" which shows that awareness of paying taxes affects tax amnesty policy.

Knowledge and Understanding of Tax Regulations on *Tax Amnesty Policies*

From the results of processing statistical data carried out states that the first hypothesis (H2) about Knowledge and Understanding of Tax Regulations significantly influence Tax Anmnesty Policy. Based on table 4.21, it is known that the value of the variable awareness of paying taxes is equal to 3.160 with a probability value of 0.003, while the t-table value is 1.674, so t-count> t-table (3.160> 1.674) and from simple linear regression equations are known that the regression coefficient of variable awareness of paying taxes is positive at 0.074. It can be concluded that to improve the tax amnesty policy, knowledge and understanding of tax regulations by taxpayers is needed. The results of this study are in line with the research conducted by (Nugroho, 2016) "Factors Affecting the Will to Pay Taxes of Taxpayers Who Perform Free Work" which concludes that knowledge of taxes affects the willingness to pay taxes by taxpayers. With this variable knowledge and understanding of tax regulations used as research instruments, it can be explained that the implementation of sunset policy raises the desire for taxpayers to have a NPWP (for those who do not yet), are willing to submit SPT correctly, complete and on time, and are willing to make corrections if there was an error in filling out the SPT which had impacted the tax debt to be greater.

A Good Perception of the Effectiveness of the Tax System on *Tax Amnesty Policies*

From the results of the processing of statistical data carried out states that the first hypothesis (H3) about Good Perception of the Effectiveness of the Tax System has a significant effect on Tax Anmnesty

Policy. Based on table 4.21 it is known that the value of the variable awareness of paying taxes is equal to 2,382 with a probability value of 0,021, while the t-table value is 1,674, so t-count> t-table (2,382> 1,674) and from a simple linear regression equation that the regression coefficient of variable awareness of paying taxes is positive at 0.240. The results of this study are in line with the research conducted by (Ratung, T., & Adi, 2009) "The Impact of the Sunset Policy Program on Factors Affecting the Will to Pay Taxes" which shows that taxpayers want to pay if the amount of tax payable is not burdensome or difficult for taxpayers . Sunset Policy, which is the removal of witnesses from the administration, is expected to reduce the tax burden and not make it difficult for taxpayers who want to fulfill tax debt relief. Sunset Policy offers an easy offer for new taxpayers who wish to register to obtain a NPWP. This can finally generate a good perception by taxpayers regarding the taxation system.

F2 Test Results

Based on the results of statistical testing, the independent variables consisting of awareness of paying taxes, knowledge and understanding of tax regulations, and a good perception of tax effectiveness do not fully influence the tax amenesty policy because the tax amnesty policy is also influenced by other independent variables.

1. In this study if comparing the results of t count from the three independent variables, it is known that t counts the variable awareness of paying the largest tax among other independent variables and the significant value is smaller than the other independent variables. Then the hypothesis states that "Among the variables of awareness of paying taxes, knowledge and understanding of tax regulations, and a good perception of tax

effectiveness; variable awareness of paying taxes is the most significant effect on tax amnesty policy. So that it can be said that the awareness of paying taxes has a dominant influence on the tax amnesty policy. Which means that the more policies applied, especially in policy displays, will make the taxpayer's willingness to pay. This makes the policy implemented in Indonesia better on awareness of paying taxes.

IV. CONCLUSION

On the results of the research the influence of tax amnesty tax facilities utilization in an effort to control taxation on compliance with tax payments made at the Sidoarjo tax service office can be concluded that the willingness to pay taxes partially has the most significant effect on tax amnesty. Knowledge and understanding of tax regulation partially has a significant effect on tax amnesty. A good perception of the effectiveness of the taxation system partially has a significant effect on tax amnesty.

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