
REVIEW OF THE PROVISION OF TAX FACILITIES IN MANAGEMENT OF MSMEs IN THE TIME OF THE COVID-19 PANDEMIC

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Abstract

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To maintain stability in economic growth and people's purchasing power, as well as productivity in the business sector, the government has issued several policy instruments in the taxation sector. This thesis discusses the review of the provision of tax facilities in the context of handling the Covid-19 pandemic for the Micro, Small and Medium Enterprises (MSME) sector. The purpose and use of this research is to find out the form of tax facilities in the context of handling the Covid-19 pandemic for the MSME sector, how to provide these tax facilities and also to find out the obstacles in the implementation and implementation of the provision of tax facilities. The method used in this research is normative juridical, namely an approach that emphasizes the law which is conceptualized as what is written in the legislation, with regard to the subject matter to be discussed in relation to practice in the field so that it can solve a problem by collecting data and analyzing . The results of the study can be concluded that the form of tax facilities provided by the government in the context of handling the Covid-19 pandemic for the MSME sector is in the form of Final PPh borne by the Government. This means that the income received by the MSME actors is not calculated as income that is subject to tax. However, there are still many MSME actors who have not taken advantage of the tax facilities provided by the government. This is due to the lack of socialization carried out by the government, and the low level of tax literacy in the community. In addition, to be able to take advantage of this tax facility is still difficult for MSME actors because most of the administrative processes are carried out online, where MSME actors are still accustomed to fulfilling their tax obligations manually. As a suggestion, DGT is expected to cooperate with several strategic partners in conducting socialization and training on the implementation of procedures for utilizing tax incentive facilities..

Keywords: Tax Incentives, Covid-19 Pandemic, MSMEs

1. INTRODUCTION

The Corona virus or Covid-19 was first discovered in Wuhan, China at the end of 2019. The spread of the virus for which a cure has not been found is currently uncontrolled (Anggraeni et al., 2021; Prawira et al., 2021). The World Health Organization (WHO) has upgraded the status of the corona virus to a global pandemic on Wednesday, March 11, 2020. The determination of the corona virus as a global pandemic is based on the increase in the number of cases outside China by 13 times and the number of infected countries. As of Wednesday, 118 countries have confirmed cases of Covid-19. "In the coming days or weeks, we will see a much higher increase in the number of cases, deaths and infected countries," said WHO Director-General Tedros Adhanom Ghebreyesus. A pandemic status describes a disease that is spreading among people in many countries at the same time.

According to Apriliasari (2021), the first case of a positive Covid-19 patient in Indonesia was announced by the President of the Republic of Indonesia on Monday, March 2 2020. Since that day, the number of positive cases of Covid-19 has been increasing day by day. There are patients who died, many also tested negative and eventually recovered. Data as of Saturday, March 28, 2020, the number of residents who tested positive for the corona virus reached 1,155 and 102 of them died. The entry of the corona virus into Indonesia caused a high level of panic. The panic did not only occur in terms of health, but also had an impact on social, economic and community welfare aspects (Aziz, 2020).

Last week, the IMF even predicted the arrival of a global economic recession that could be worse than the 2008 global financial crisis. The shadow of the recession seems to have also been considered by governments in many countries. In the journal Hernat (2021) states that "various tax policy instruments were launched in order to prevent unemployment, stabilize investment, maintain cash flow in the business sector, encourage consumption, and so on. Indonesia is no exception, the quick response through tax policy comes through two regulations. First, relaxation of tax administration as regulated in the Director General of Taxes Decree Number KEP-156/PJ/2020 concerning Tax Policy in connection with the Spread of the Corona-19 Virus Outbreak (KEP-156/2020). Through this policy, the government has determined March 14, 2020 to April 30, 2020 as a state of force majeure in the tax sector.

Meanwhile, the results of the research by Ihza et al (2021) stated that the submission of the SPT and the report on the placement of tax amnesty assets was extended for a month. Not only that, there is a relaxation of the time limit for the application for objections, the application for the reduction or elimination of the second administrative sanction, and so on. All of them aim to ease the burden of carrying out tax obligations. Second, relaxation of tax policy through Minister of Finance Regulation Number 23/PMK.03/2020 concerning Tax Incentives for Taxpayers Affected by the Corona Virus Outbreak (PMK 23/2020). This regulation is part of the stimulus package volume II to anticipate the impact of Corona.

There are 4 (four) incentives provided. First, PPh Article 21 is borne by the government in the amount of 100% on the income of workers in the amount of up to Rp. 200 million in 440 manufacturing industry sectors and/or companies that get the Ease of Import for Export Destination (KITE) facilities. Second, the exemption of Article 22 Import PPh to 102 certain sectors and/or KITE companies. Third, a 30% reduction in Article 25 income tax for 102 certain sectors and/or KITE companies. Fourth, accelerated VAT refunds (preliminary returns) for 102 certain sectors and/or KITE companies. All these incentives are valid for 6 months (April-September 2020) and will be evaluated periodically (Kartiko, 2020).

According to Pakpahan (2020) there are various goals that PMK 23/2020 wants to achieve, namely maintaining people's purchasing power, providing company cash flow space, as well as compensation for switching costs (costs related to changes in the country of origin of imports and countries of export destination). The total tax expenditure policy is at least Rp 22 trillion. From a comparative study conducted by DDTC Fiscal Research (as of 27 March 2020), the government's steps are in line with global trends. Quick responses are generally given through a postponement of tax administration obligations that are extended between 1 (one) to 6 (six) months (Sugiri, 2020).

The types of levies that are relaxed by various countries also vary widely, including corporate income tax, personal income tax, VAT, other consumption taxes, property taxes, and various other levies. However, as is the case in Indonesia, the majority intend to ensure the availability of corporate cash flows. The various tax relaxations seem to keep changing in line with the dynamics of each country's economic development. One thing is certain, there is a correlation between the number of sufferers and the tax instruments launched. The higher the case, the more types and sizes of tax relaxation instruments are provided. So based on the description and elaboration of the background above, the researcher is interested in conducting research as a continuation of the research road map on the provision of tax facilities in the context of handling the COVID-19 pandemic for the micro, small and medium business sector. Therefore, this research is entitled Overview of the Provision of Tax Facilities in the Context of Handling the Covid-19 Pandemic for the Micro, Small and Medium

Enterprises Sector (MSMEs) in the Perspective of Indonesian Tax Law in relation to Law Number 36 of 2009 concerning Income Tax.

2. METHOD

This research is normative legal research or library research, because it is carried out by examining library materials or secondary data. On that basis, the data used as research is secondary data. In connection with this type of research, the specification of this research is descriptive analytical. According to Ronny Hanijoto Soemitro, analytical description aims to describe (describe) the existing reality followed by an analysis of the reality based on existing legal theories and applicable positive law. Descriptive research is research that aims to describe something in a certain area and at a certain time. The approach method used in this paper is normative juridical (doctrinal), namely law which is conceptualized as what is written in laws and regulations (law in books) or law is conceptualized as a rule or norm which is a benchmark for human behavior that is considered appropriate. Data collection techniques include primary, secondary, and tertiary legal materials (Sunggono, 2003).

3. RESULTS AND DISCUSSION

Micro, Small and Medium Enterprises (MSMEs) are not only different from Large Enterprises (UB), but within the MSME group itself there are differences in characteristics between Micro Enterprises and Small and Medium Enterprises in a number of aspects. These aspects include market orientation, profit from business owners, nature of job opportunities within the company, organizational and management systems applied in the business, degree of mechanism in the production process, sources of raw materials and capital, location of business premises, relationships external factors and the degree of involvement of women as entrepreneurs.

In addition, there are several differences between Micro Enterprises and Small Businesses in the background or motivation of entrepreneurs to do a business. The difference in the motivation of entrepreneurs should actually be seen as the most important characteristic to distinguish between Micro, Small and Medium Enterprises and Large Enterprises, as well as between subcategories within the Micro, Small and Medium Enterprises group itself. Most of the micro-enterprises in Indonesia have an economic background, namely the main reason for carrying out these activities is to get an increase in income. This shows that micro entrepreneurs take the initiative to seek income to meet the daily needs of their families. The background of becoming a micro entrepreneur is due to heredity, namely continuing the family business (Pambudi & Riharjo, 2022).

It can be seen that the family factor is still dominant, where if the parents are fishermen, their children will also become fishermen and so on. Meanwhile, the ideal reason for micro-enterprises is to feel that they have been equipped with expertise. The reason for being a micro-entrepreneur is because there is no opportunity for a career in other fields. The backgrounds of small entrepreneurs are more diverse than micro businesses, although the economic background is also the main reason, but some others have a more realistic background by looking at future business prospects with limited capital constraints. Most of the small entrepreneurs in Indonesia have a reason to do business because of the business opportunities and a safe and large market share.

Basically, micro-enterprises are productive businesses owned by individuals and/or individual business entities that meet the criteria, namely, having a net worth of at most Rp. 50,000,000.00 (fifty million rupiah) excluding land and buildings for business premises and having annual sales of at most Rp. 300,000,000.00 (three hundred million rupiah). Meanwhile, small business is a productive economic business that stands alone, which is carried out by individuals or business entities that are not subsidiaries or not branches of companies that are owned, controlled, or become a part either directly or indirectly of a medium or large business that meets the criteria. that is, having a net worth of more than IDR 50,000,000 (fifty million rupiah) up to a maximum of IDR 500,000,000 (five hundred million rupiah) excluding land and building for business.

Meanwhile, medium-sized businesses are productive economic businesses that stand alone, which are carried out by individuals or business entities that are not subsidiaries or branches of

companies that are owned, controlled, or become part of either directly or indirectly with Small Businesses or Large Businesses with the following criteria: has a net worth of more than Rp. 500,000,000.00 (five hundred million rupiah) up to a maximum of Rp. 10,000,000.00 (ten billion rupiah) excluding land and building for business. With the many definitions that explain the meaning of MSMEs, it creates many different perceptions in terms of grouping or classifying MSMEs. According to Law no. 20 of 2008 as the basis for the classification of MSMEs based on the following criteria, the characteristics of micro-enterprises according to Law no. 20 of 2008 is, the type of business goods/commodities are not always fixed, can change at any time, the place of business is not always fixed, can change places at any time, has not carried out even simple financial administration and does not separate family finances from business finances and sources. human resources (entrepreneurs) do not yet have an adequate entrepreneurial spirit (Sitindaon & Bandiyono, 2021; Achmad et al., 2022).

The Micro, Small and Medium Enterprises (MSME) sectors include various business sectors, such as the agricultural sector, the mining and quarrying sector, the manufacturing industry sector, the electricity, gas and clean water sector, the trade sector, hotels and restaurants, the transportation and telecommunications sector, finance, leasing and services as well as other services. The industrial sector is further divided into several sections, namely food, beverages, tobacco, textiles, apparel, wood and wood products, paper and publications as well as chemicals including fertilizers. There are also products from rubber, cement and non-metallic mineral products, products from iron and steel, transportation equipment, machinery and equipment and other processed products.

MSMEs have various advantages, especially in terms of formation and operations. MSMEs have a major contribution to the rolling of the economy of a country, because MSMEs provide certain services for the community which large businesses consider less cost efficient, besides that MSMEs are usually managed by a small team, each member of which has the authority to make decisions. This makes MSMEs more flexible in their daily operations. In addition, most small and medium enterprises do not have a special workspace in office complexes. Some are run at home with their own family members as workers (Sili, 2021; Achmad, 2022).

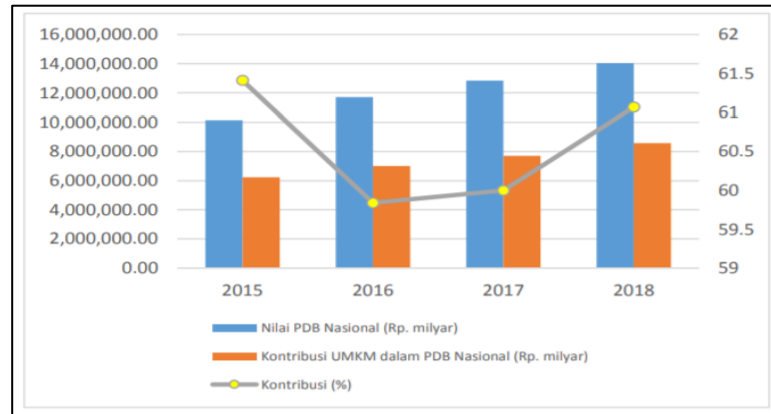
However, small and medium enterprises (MSMEs) in addition to having advantages also contain disadvantages that make their management difficult in carrying out their duties. Some of the problems faced in managing small and medium enterprises, among others, are limited time to complete needs, decision making in small and medium enterprises, they often force entrepreneurs to meet the basic needs of their business, namely production, sales, and marketing. In contrast to developed countries, MSMEs in Indonesia generally still use traditional technology in the form of old machines or manual production tools. The underdevelopment of this technology not only results in the low amount of production and efficiency in the production process, but also the low quality of the products made and the ability for MSMEs in Indonesia to be able to compete in the global market.

The contribution of MSMEs to the Indonesian Economy can be seen in the 2019 Annual Report of the Ministry of Cooperatives & MSMEs (KUMKM), which shows that the contribution of MSMEs in the formation of GDP (current prices) experienced an increasing trend from 59.84% in 2016 to 61.07% in 2016. 2018 as follows.

Table 1 Development of MSMEs in Indonesia in 2015 – 2018

Indikator	Data					
	2016	%	2017	%	2018	%
Jumlah UMKM (unit)	61,65 juta	99,99	62,92 juta	99,99	64,19 juta	99,99
Tenaga kerja (orang)	112,89 juta	97,04	116,67 juta	97,02	116,98 juta	97,00
PDB konstan th. 2000 (Rp. milyar)	5.171.063,6	57,17	5.425.414,7	57,08	5.721.148,1	57,24
PDB harga berlaku (Rp. milyar)	7.009.283,0	59,84	7.704.635,9	60,00	8.573.895,4	61,07
Ekspor non-migas (Rp. milyar)	255.126,1	14,38	298.208,7	14,17	293.840,9	14,37

Graph 1 Contribution of MSMEs in National GDP in 2015-2018



Based on the data above, the contribution of MSMEs in the value of non-oil and gas exports also decreased from 14.38% in 2016 to 14.37% in 2018. This condition is due to the growth rate of MSME output which tends to fluctuate and is still lower than with a large business output growth rate. There is considerable potential for Indonesian MSMEs to continue to grow, so maximum support from the Government and related stakeholders is needed. The productivity of the MSME sector per business unit per year has increased from Rp. 83.88 million in 2016 to Rp. 89.12 million in 2018. Meanwhile, productivity per worker per year increased from Rp. 45.83 million in 2016 to Rp. 48.91 million in 2018.

In taxation, the notion of MSMEs is not specifically regulated in the Income Tax Law (UU PPh), but implicitly in the calculation of tariffs in Article 31E of the Income Tax Law, provides tariff reduction facilities for corporate taxpayers (WP), with a gross turnover of up to 4, 8 billion rupiah at 50% of the applicable tariff. Considering that the total gross turnover of up to 4.8 billion is in the category of micro, small and medium enterprises according to Law no. 20 of 2008 concerning MSMEs, it can be concluded that this tariff is given to corporate taxpayers in the MSME category.

The tax rules related to Medium, Small and Micro Enterprises (MSMEs) in Indonesia consist of several tax rules which have been amended several times, as follows. MSMEs can be in the form of individual businesses or formed through a business entity. Based on the PPh Law No. 36 of 2018, the subject of income tax can be corporate taxpayers (corporate taxpayers) or individual taxpayers (WP OP). In taxation, MSMEs are categorized as businesses with a turnover/gross turnover below or not exceeding IDR 4.8 billion in one tax year. In Article 31E of the Income Tax Law no. 36 of 2008 it is stated that "Domestic Corporate Taxpayers with a gross turnover of up to Rp. 50,000,000,000 (fifty billion rupiahs) shall receive a facility in the form of a reduction in tariffs of 50% (fifty percent) of the rates as referred to in Article 17 paragraph (1) letter b and paragraph (2a) which are subject to PKP from the share of gross turnover up to Rp. 4,800,000,000.00 (four billion eight hundred million rupiah).

From the description of Article 31E above, it can be interpreted that MSMEs in the form of business entities (WP Badan) with a turnover/gross circulation of up to Rp. 4.8 billion will receive a tariff reduction of 50% from the normal tariff in accordance with Article 17 paragraph 2 of the Income Tax Law No. 36 of 2008 which is 25%, where with the reduction of the tariff, the effective tax rate becomes 12.5%. Meanwhile, for SMEs in the form of individual businesses (WP OP), the imposition of income tax is calculated by multiplying the Taxable Income with the income tax rate of Article 17 paragraph 1 of the PPh Law no. 36 of 2008. The income tax rate is in accordance with Article 17 paragraph 1 of the Income Tax Law no. 36 of 2008 is divided into four layers, namely for taxable income of up to 50 million rupiah at a rate of 5%, taxable income of between 50 million rupiah and 250 million rupiah at a rate of 15%, income between 250 million and 500 million at a rate of 25%, and finally for taxable income above 500 million rupiah at a rate of 30%. While the Taxable

Income is the net profit of the business minus the PTKP (Non-Taxable Income). To get a net profit for business WPOPs, it can be obtained by using books or norms for calculating net income which are further regulated in the Regulation of the Minister of Finance (Sinuraya, 2020).

On income from business received or obtained by MSME Taxpayers as referred to in Article 2 paragraph (2) based on the provisions of PMK No. 107/PMK.011/2013, withholding and/or collection of Income Tax which is final, may be exempted from withholding and/or collection of Income Tax by other parties. Exemption from withholding and/or collection of Income Tax by other parties as referred to above is given through a Free Certificate. The Certificate of Exemption as referred to is issued by the Head of the Tax Service Office where the MSME Taxpayer is registered on behalf of the Director General of Taxes based on the Taxpayer's application. In addition, according to Article 9 PMK No. 107/PMK.011/2013 is stated as follows, taxpayers who only receive or earn income subject to final Income Tax as referred to in Article 2 paragraph (1), are not required to pay tax installments as referred to in Article 25 of the Law. Income tax.

In the event that the Taxpayer in addition to receiving or obtaining income that is subject to final Income Tax as referred to in Article 2 paragraph (1) also receives or obtains income that is subject to Income Tax based on the general rate of the Income Tax Law, on income that is subject to Income Tax based on the general rate must be paid in installments of taxes as referred to in Article 25 of the Income Tax Law. The amount of tax installments as referred to in Article 25 of the Income Tax Law for Taxpayers who meet the provisions as referred to in Article 5 paragraph (2) in the first Fiscal Year the Taxpayer is not subject to Final Income Tax as referred to in Article 2 paragraph (1) .

Types of Tax Facilities for MSMEs in the Context of Handling the Covid-19 Pandemic

The MSME sector cannot be separated from the government's attention during the Covid-19 pandemic. This can be seen from the provision of tax facilities provided by the government for this sector. The form of incentive provided by the government is the Final PPh Incentive based on Government Regulation Number 23 of 2018. This regulation focuses on Small and Medium Enterprises. The tax which is usually paid by self-deposit or withheld or collected by the Withholder or Collector is 0.5% of gross income. With the Minister of Finance Regulation Number 44/PMK.03/2020, the Final PPh is borne by the government. This means that the income received by MSME actors is not counted as taxable income. This final income tax borne by the government is provided for the April 2020 Tax Period until the September 2020 Tax Period.

On July 16, 2020, the Minister of Finance Regulation Number 44/PMK.03/2020 has been revoked and replaced by the Minister of Finance Regulation Number 86/PMK.03/2020. The main changes in this regulation relating to the provision of incentives to the MSME sector are the elimination of the requirements for a Certificate to obtain the Government-borne Final Income Tax facility, as well as the extension of the period for granting these incentives until the December 2020 Tax Period.

The procedure for applying for a Certificate to be able to take advantage of the government-borne income tax incentives is to submit an application to the Director General of Taxes through certain channels on the www.pajak.go.id page. Once on the page, click the login menu and fill in your TIN and password to log in to the website. Then select the service menu listed in the menu box at the top. Select the menu Confirm Taxpayer Status or KSWP. In the "For Purposes" box, select the Certificate (PP 23) menu. In the event that the taxpayer does not meet the criteria, the Directorate General of Taxes does not issue the said Certificate. For taxpayers who have met the criteria can be issued a Certificate. When the taxpayer makes a transaction with a Withholder or Collector, the tax that appears during the transaction cannot be withheld or collected withholding Tax at the time of payment. For the PPh borne by the government, the Withholder or Collector is required to make a Tax Payment Letter (SSP) or a printed billing code that is stamped or written "FINAL PPH borne by the GOVERNMENT OF EX PMK NUMBER 44/PMK.03/2020".

The obligation for taxpayers who take advantage of this incentive is that the taxpayer must submit a Final Income Tax Realization Report borne by the Government through certain channels on the www.pajak.go.id page. To report this realization, taxpayers can access the www.pajak.go.id page,

click the login menu and start filling in the TIN and password. After that, click the profile menu then activate the service features. Put a check mark on the Covid-19 Incentive e-Reporting and click change service features. After the process displays the Covid-19 Incentive e-Reporting menu, the next step is to log back in and proceed to the service menu. In the service menu, select the "e-Reporting Incentive Covid-19" menu. Click the add button and select the reporting type for Realization of Final Income Tax DTP (PMK-44). Fill in the security code and press continue. For taxpayers who do not have the realization file format, they can download it in the Instructions column point 1 (one), "FormatRealisasiPPhFinalDTP.xlsx". If you have filled out the realization format completely, the process can be continued to upload files. After uploading the file, press submit to complete the report.

This report on the realization of final income tax borne by the government includes income tax payable on income received or obtained by the taxpayer, attached with an SSP or a printed billing code that has been stamped or written "Final Income Tax Borne by the Government of Ex PMK Number 44/PMK.03/2020" (in the case of there is a transaction with a tax withholder or collector). Reports and attachments must be submitted no later than the 20th of the following month after the end of the Tax Period. For Taxpayers who have met the criteria and are entitled to receive tax facilities for MSMEs in the Context of Handling the Covid19 Pandemic, the procedure for applying for facilities The tax returns are as follows, the taxpayer submits an Application for an MSME Certificate (Suket PP 23/2018). The submission can be done in two methods, namely online and manually, with the following explanation, the Taxpayer accesses the www.pajak.go.id page by the login stage at DGT Online. Fill in your taxpayer identification number and password. After that u fill in the security code (captcha):

Figure 2 Login DGT Online

Source : www.pajak.go.id

After successfully logging in, the Taxpayer selects the Service menu and then clicks the Confirm Taxpayer Status (KSWP) menu. However, if the Taxpayer Status Confirmation (KSWP) menu does not appear, then you must activate it first. The Directorate General of Taxes (DGT) of the Ministry of Finance noted that only 201,880 micro, small and medium enterprises (MSMEs) took advantage of the income tax (PPh) relief facility borne by the government. This indicates that of the 2.3 million MSME actors who have the potential to receive Final Income Tax facilities borne by the government, only 8.7% have utilized this facility. The following are some of the obstacles in the implementation and application of tax facilities for MSMEs in the context of handling the Covid-19 pandemic. There is still a lack of socialization regarding tax facilities that MSME taxpayers are entitled to receive in the midst of the Covid-19 pandemic. Based on the results of the 2020 DDTC Fiscal Research study, it was stated that the socialization factor is one of the factors that must be considered to ensure the success of providing tax facilities related to Covid-19.

In addition, the results of the DDTC Fiscal Research study also stated that one of the challenges of the Indonesian tax sector is the low tax literacy of the people. Thus, there are allegations that many taxpayers do not realize that they are entitled to the tax facilities provided. Dissemination of information and literacy of tax rules is also more difficult in the midst of a pandemic than during normal conditions. More intensive socialization is absolutely necessary. This includes more detailed communication and guidance on the incentives provided. In this context, DGT cannot be left alone. Support from various parties, namely campuses, tax consultants, and business associations is absolutely necessary. This weak level of socialization was reinforced by the statement of the Minister of Finance Sri Mulyani Indrawati who stated that the utilization of tax incentives/facilities in the context of Covid-19 had not been optimal because socialization had not been maximized. Therefore, massive socialization will be carried out by involving all relevant stakeholders (Wahidah et al., 2020).

With the increasingly widespread spread of the Covid-19 virus in Indonesia, this has resulted in the Directorate General of Taxes (DGT) limiting service activities through face-to-face meetings between DGT employees and taxpayers. This has an impact on the implementation of tax facilities, which are mostly done through online mechanisms. The use of online mechanisms and the fulfillment of certain requirements before being able to take advantage of these tax facilities are certainly quite burdensome for MSME taxpayers who are accustomed to doing tax reporting manually. Director of Counseling, Services, and Public Relations of DJP Hestu Yoga Saksama said that the final DTP PPh incentive does not only apply to MSME taxpayers who have been registered as taxpayers and use the 0.5% final PPh scheme. However, in practice, in the DGT system, the status of new Taxpayers has not been synchronized so that AR (Account Representative) participation is needed to assist in the process of changing the Taxpayer's profile so that taxpayers can submit PP 23/2018 Certificate as a basis for utilizing Final PPh tax facilities. borne by the Government.

4. CONCLUSION

Based on the results of the study, the conclusions obtained by researchers include, among other things, the form of tax facilities provided to the MSME sector during the Covid-19 pandemic in the form of Final PPh Incentives based on Government Regulation Number 23 of 2018 in the form of Final PPh to be borne by the government. This Final PPh incentive is contained in the Minister of Finance Regulation Number 44/PMK.03/2020 which has been amended and replaced by the Minister of Finance Regulation Number 86/PMK.03/2020. The requirements and obligations to get the Final PPh tax facility borne by the government is to apply for a Certificate to be able to take advantage of the government borne PPh incentives. This application is submitted to the Director General of Taxes through certain channels on the www.pajak.go.id page. In addition, for taxpayers who take advantage of the Government borne Final PPh incentive, the taxpayer must submit a Report on the Realization of Final PPh borne by the Government through certain channels on the www.pajak.go.id page. The procedure for providing Final PPh tax facilities borne by the government is that it can be done by using an online application for an MSME certificate (Suket PP 23/2018). The obstacle to implementing and implementing tax facilities for MSMEs in the form of Final PPh borne by the government is the lack of socialization regarding tax facilities that MSME taxpayers are entitled to receive in the midst of the Covid-19 pandemic. This resulted in the low level of participation of taxpayers in the utilization of the Final PPh tax facilities borne by the government.

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