

THE CONSEQUENCES OF TAX COLLECTION ON THE DISCUSSION OF TAX ARRARDS AND INCREASED TAXPAYER COMPLIANCE (Case Study at the Surabaya Gubeng Primary Tax Service Office)

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ABSTRACT

This study aims to determine the effect of the tax collection and disbursement of arrears of tax on the increase in taxpayer compliance Tax Office Primary Sawahan Surabaya. Model analysis of the data used in this study is to examine the descriptive statistical analysis and provides an overview of how the influence of a letter of reprimand and a letter forced to liquefaction tax arrears and an increase taxpayer compliance in 2010-2012 at the Tax Office Primary Sawahan Surabaya. Based on the results of data analysis using SPSS 16 shows the partial results of hypothesis testing (t-test) or simultaneously (F - test) to prove that the tax collection with a letter of reprimand and a letter has forced, a significant effect on the disbursement of tax arrears with the coefficient of determination shows 46.6%.

Keywords : *Billing Tax Arrears, Defrost, Taxpayer Compliance.*

INTRODUCTION

The dominance of taxes as a source of revenue is a very natural thing, this source of revenue has an unlimited period of time, especially with the increasing population each year. Taxes have a very large role and are increasingly relied on for the benefit of development and government spending.

The tax function as a budgeter as a source of funds intended for financing government expenditures such as the inclusion of taxes in the APBN as domestic revenue. One of the domestic revenues that is the main source of funds and has great potential in financing national development comes from the taxation sector. The government's plan formulated in the 2013 Draft State Budget (RAPBN) that has been formulated will increase state revenues from the tax

sector from 60% to almost 70%. In the 2007-2013 State Budget Basic Data, the Ministry of Finance of the Republic of Indonesia in 2013 plans for state revenues from the tax sector to be around Rp. 1.193,000,000,000,- of the total planned state revenue of Rp. 1,529,700,000,000., - or about 77.99% and overall state revenue (www.anggaran.depkeu.go.id. accessed 30 September 2013). Seeing this, the tax is a very vital sector in the context of the success of development. Therefore, the role of the community in fulfilling tax obligations needs to be increased by encouraging awareness, understanding and appreciation that taxes are the main source of state financing and national development.

Tax revenues have increased significantly both nominally and as a percentage of all state revenues. This is very rational because the ratio between the number of taxpayers and the number of residents and the number of businesses is still very small, and besides that, in the coming year, taxes are projected as one of the main pillars of state revenue independently (Soeprapto, *Kedaulatan Rakyat*, 4 August 2001: 8) in (Fery Dwi Prasetyo, 2006), thereby reducing dependence on foreign loans.

In an effort to increase revenue in the tax sector, the government through the Directorate General of Taxation continues to innovate to optimize revenue through issued policies. One of the steps taken by the Directorate General of Taxation was to reform the field of taxation (tax reform), where in the 1983 tax reform, the tax collection system had undergone quite significant changes, namely the change from the official assessment system to a self-assessment system.

In a self-assessment system, taxpayers are entrusted with calculating, calculating, depositing and reporting their own tax obligations, so that through this tax administration system it is hoped that it can be carried out neatly, under control, simply and easily understood by the public. This system places full trust in taxpayers to carry out their tax obligations. The self-assessment system also requires taxpayers to be ready to face compliance testing on reported taxes, namely to be ready to face audits by tax officials. This certainly places a greater responsibility on the Taxpayer to carry out this trust as well as possible.

To achieve the tax target, it is necessary to continuously grow the awareness and compliance of taxpayers to fulfill their obligations in accordance with applicable regulations. Taxpayer awareness and compliance is an important factor to increase tax revenue.

The main objective of carrying out a tax audit is to foster taxpayer compliance behavior in fulfilling their tax obligations, namely by enforcing the law as has become a general agenda in taxation such as starting to hold audits so that tax payments are in accordance with the revenue plan. This process has an important impact because discrepancies in the payment of tax obligations by taxpayers can lead to tax arrears. This will then be handled by carrying out active billing, namely by issuing warning letters and coercive letters to taxpayers who do not fulfill their tax obligations. Thus, in the future, taxpayer awareness and compliance is expected to increase so that tax revenue becomes optimal and can be used for state needs.

Therefore, the government continues to provide understanding to the public about the importance of awareness and understanding of taxes for the continuity of national development and state financing.

If the public understands the benefits and functions of taxes, then of course the public is aware of taxes (tax consciousness) and will no longer be found by taxpayers who do not carry out their tax obligations. However, in reality, there are quite a lot of people who deliberately commit fraud and neglect their obligations in carrying out the payment of taxes that have been determined, causing tax arrears to arise.

Tax collection as regulated in article 1 number 9 of Law no. 19 of 1997 as amended by Law no. 19 of 2000, Tax collection is a series of actions so that the taxpayer pays off the tax debt and tax collection costs by reprimanding or warning, carrying out instant and simultaneous billing, notifying coercive letters, proposing prevention, carrying out confiscations, carrying out hostage-taking, selling goods confiscated by Ida Zuraida (2011:37). It is hoped that this tax collection law can provide legal certainty and justice and can encourage increased public awareness and compliance in fulfilling their tax obligations in order to reduce tax arrears that occur. Thus it is hoped that state revenue from the tax sector can be more optimal.

The government through the Directorate General of Taxes seeks to optimize tax revenue by having a Tax Service Office (KPP) in each region to provide convenience to taxpayers in reporting their tax payments as well as consulting and outreach services regarding taxation. The Surabaya Sawahan Tax Service Office (KPP) is one of the Tax Service Offices in Surabaya. The Surabaya Sawahan Tax Service Office (KPP) has a fairly large revenue target of Rp. 1,056,000,000,000 when compared to the 2014 state revenue plan (RAPBN), this target has a large contribution, which makes researchers interested in conducting research whether the applicable regulations have a significant influence to support optimal revenue,

Companies that have competence in the fields of marketing, manufacturing and innovation can make its as a source to achieve competitive advantage (Daengs GS, et al. 2020:1419).

To find out the results of the data, the technique of data analysis is also used to test the hypotheses put forward by the researchers, because the analysis of the data collected to determine the effect of the independent variables on the related variables is used multiple linear statistical tests. (Enny Istanti, et al, 2020:113).

The research design is a plan to determine the resources and data that will be used to be processed in order to answer the research question. (Asep Iwa Soemantri, 2020:5).

Time management skills can facilitate the implementation of the work and plans outlined. (Rina Dewi, et al. 2020:14)

Standard of the company demands regarding the results or output produced are intended to develop the company. (Istanti, Enny, 2021:560).

When collecting data sources, researchers collect data sources in the form of raw data. The survey method is a primary data collection method using written questions (Kumala Dewi, Indri et al, 2022: 29).

Data analysis in the study was carried out through descriptive analysis method, which is defined as an attempt to collect and compile data, then an analysis of the data is carried out, while the data collected is in the form of words. (Kasih Prihantoro, Budi Pramono et al, 2021: 198).

RESEARCH METHODS

The population of this research is corporate taxpayers who have tax arrears and pay PPh 25 taxes registered at the Tax Service Office (KPP) Pratama Surabaya Sawahan. The data used in this study is secondary data obtained directly from KPP Pratama Surabaya Sawahan in 2010, 2011 and 2012 in the form of:

1. Number of letters of reprimand and letters of compulsion issued from 2010-2012.
2. Tax Arrears Disbursement receipt data from 2010-2012
3. Realization data of corporate tax returns (SPT) from 2010-2012.
4. Data on the realization of the number of effective corporate taxpayers that have been classified into two, namely corporate taxpayers who are on time and not on time in reporting SPT.

In addition to the primary data, the researcher also conducted interviews with relevant tax officials to support the research results.

Variables and Measurements

The variables studied are the amount of disbursement of tax arrears (Y1) and the percentage of taxpayers who report on time SPT (Y2) which is influenced by the issuance of warning letters (X1) and forced letters (X2) measured based on:

$$Y1 = a + b1X1 + b2X2 + e \text{ and } Y2 = a + b1X1 + b2X2 + e$$

RESULTS AND DISCUSSION

From the data collected and the classical assumption test has been carried out, the results show that the multiple linear regression model used is suitable or suitable to determine the effect of the variable letter of reprimand (X1) and forced letter (X2) on the disbursement of tax arrears (Y1j). and the level of taxpayer compliance (Y2).

After being tested simultaneously, the researcher wants to see the effect of each independent variable by doing a partial test and the results obtained are that the variable of the letter of reprimand partially has a significant effect on the variable of disbursement of tax arrears, this can be proven from the significant value generated, which is 0.002 less than 0.05, While the variable of forced letters partially has no significant effect on the variable of disbursement of tax arrears, this can be proven from the significant value produced, which is 0.638 more than 0.05.

The second test is to test the effect of the variable warning letters (Xi) and forced letters (X2) on the level of taxpayer compliance (Y2). The results based on the results of the f test are the variables of reprimand letters and coercive letters simultaneously have a significant effect on the level of taxpayer compliance and the magnitude of the variable influence of the warning letters and forced letters on the variable of the level of taxpayer compliance is 37.4%, while the remaining 62.6% is explained by the variable other than models.

While partially warning letters and forced letters have no significant effect on the level of taxpayer compliance, this can be proven and the significant value produced is 0.175 more than 0.05 for the variable warning letter and 0.110 more than 0.05 for the forced letter variable.

In the statistical test results that have been explained, it has been stated that letters of reprimand and letters of compulsion only have an effect on the level of taxpayer compliance by 37.4% and partially have no effect on increasing taxpayer compliance, this is caused by several factors including:

1. Lack of awareness from taxpayers of the importance of paying taxes, taxpayers often feel that the sanctions set are not severe and have proven to have no deterrent effect on non-compliant taxpayers.
2. Characteristics of taxpayers KPP Sawahan on average have a business partner, CV and PT. The number of taxpayers who have changed their domicile of business, and did not notify the KPP. The impact that occurs is that when billing the taxpayer concerned is not domiciled at the place registered in the taxpayer data, this makes it difficult for the KPP, especially the billing section, to carry out the billing process.
3. There are also many businesses that are no longer active but do not report.
4. There are two functions in the Supervision and Monitoring Section Consultation orcommonly known as Waskon Section. the existence of a consulting function as a form of service to taxpayers has an impact on reducing the supervisory function both for registered

taxpayers and unregistered taxpayers who are procedurally obliged to become taxpayers and pay taxes on their business.

5. Lack of resources in the Supervision and Consultation Section (Waskon) when compared to the number of taxpayers and the size of the area that must be supervised.
6. The applicable sanctions are not able to create a deterrent effect on taxpayers, the fines imposed if they do not comply are not proportional to the taxes borne by the taxpayers, this makes taxpayers ignore these sanctions and prefer to pay fines rather than pay off their tax burden.

CONCLUSION

1. Warning letters and forced letters simultaneously have a significant effect on the disbursement of tax arrears, and the magnitude of the effect of the variable warning letters and forced letters on the variable of disbursement of tax arrears is 46.6%. While partially, only the variable of reprimand has a significant significant effect on the variable of disbursement of tax arrears, and the variable of forced letters partially has no significant effect on the variable of disbursement of tax arrears.
2. Letters of reprimand and coercion simultaneously have a significant effect on the level of taxpayer compliance and the magnitude of the variable influence of the warning letter and forced letter on the variable of the taxpayer compliance level is 37.4%. While partially, letters of reprimand and coercive letters do not have a significant effect on the level of taxpayer compliance.

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