

IMPLEMENTATION OF TAX COLLECTION TO INCREASE INDIVIDUAL INCOME TAX REVENUE

Author

¹ Endang Susilawati
Accounting Program Study
Nurtanio University
endalist@yahoo.com

² Asep Mulyana
Accounting Program Study
Nurtanio University
asepdiymulyana@gmail.com

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Abstract. This study aims to determine the implementation of tax collection to increase personal income tax revenue whether there is a big effect after billing individuals' domestic private person. Taxes have a very large role in generating domestic cash receipts in order to realize continuity and increase in national development. The method used in this research is a quantitative method with a descriptive approach and the data used is secondary data. The results of the study show that partially Billing does not have a significant effect on Individual Income Tax Receipts.

Keywords: Implementation of Tax Collection, Increasing Individual Income Tax Revenue

INTRODUCTION

One of the largest revenues in the State Revenue and Expenditure Budget comes from taxes which have an important role for the sustainability of the country's development and support for the running of the government with the aim of prospering the people of Indonesia. The Minister of Finance explained in the socialization event of the Law on Harmonization of Tax Regulations that taxes are the main backbone revenues, so that many efforts have been made because the participation of all parties is required to participate in carrying out tax obligations in an obedient manner in order to maintain state sovereignty. Indonesia. The government is continuously trying to achieve the tax revenue target so that the program for the welfare of the community runs well without obstacles. Corporate income tax revenues still play a large role in state revenues due to transactions made from middle to high turnover. This is because the corporate income tax is a formal institution, it is easier to identify and monitor and detect its activities so that the payment is still higher than personal income tax. In terms of collecting personal income tax, it is difficult to monitor, detect and lack financial transaction information from registered individual taxpayers.

The preamble to the 1945 Constitution mandates that the objectives of the establishment of the Republic of Indonesia, among

Others are advancing the general welfare and educating the life of the nation. To achieve this goal, it is necessary to have a government task and development. The state requires supporting elements that one of them is the availability of adequate sources of income. These sources are very important to carry out activities from each level of government. Because there is no acceptance sufficient, then government programs will not work maximally

In running the wheels of government and carrying out development in various sectors, the government requires substantial funds. This matter can be seen from government spending in financing development infrastructure to achieve the welfare and prosperity of the people. The magnitude expenditures that must be issued by the government mostly for achieve the welfare and prosperity of the people so as to encourage government to further explore the potential of state revenue. Reception the state can be explored through the oil and gas sector and non-oil and gas. Reception largest country comes from the taxation sector. While the state of the year 2017, state revenue seen from taxes of 85.6% and grants of 0.1% (source: www.kemenkeu.go.id).

Other factors that can affect income tax revenue, namely tax extension. Minister of Finance Sri Mulyani Indrawati explained that tax extensification is an absolute requirement that must be carried out Directorate General of Taxes. Tax extensification is done not by adding type's tax, but to increase the object of tax. How to comb data on taxpayers who are inside and outside the country. Applicability exchange of financial customer data or Automatic Exchange of Information (AEOI) is the provision for the Directorate General of Taxes to comb through taxpayer data are abroad. Extensification is also combing based on join audit data between the Directorate General of Taxes and the Directorate General of Customs and Excise targeting importers and exporters as well as with the extensification of the tax, then the revenue income tax may increase (source: www.nasional.kontan.co.id).

Income Tax is a tax that is imposed on an income obtained by taxpayers, both from Indonesia and abroad. Increasing personal income tax revenue can reduce dependence on corporate income tax revenue. The greater the needs of the state, the government must make personal income tax another option to assist in increasing state revenues. Tax collection and tax audit is one of the efforts made by the government to encourage and facilitate the implementation of tax obligations in order to achieve the realization of tax revenue every year, especially for the type of personal income tax. Tax collection is carried out by the tax apparatus to put pressure on taxpayers to pay off their tax debts. Has the intention that the taxpayer wants to pay the tax owed in order to carry out order against the taxpayer? Efforts to collect taxes on income tax receipts can use several methods, starting from reprimanding or warning, issuing forced letters, issuing tax invoices, carrying out confiscation and selling goods on confiscation.

Tax audit is a process of collecting and processing data, information and collecting evidence objectively and professionally based on predetermined audit standards. Tax audits need to be carried out to find out the extent to which the taxpayer is complying in fulfilling the registered income tax and ensuring the amount paid is in accordance with what has been determined.

February 2022 tax revenue is supported by 5 dominant sectors which contribute 81.24% of West Java Province's tax revenue. The majority of the main tax revenue sectors continue their positive growth trend. One of them is the performance of the Financial Services and Insurance sector which grew positively by 3.81% due to an increase. Meanwhile, according to the Minister of Finance, 2022 Annual Tax Returns reports had reached 7.1 million taxpayers as of March 13, 2023. This number was 15.41% higher compared to the same period last year. Taxpayers who have reported Annual Individual Income Tax Returns have reached 6.9 million. This number grew 15.34% from the previous year. (Source: Business Coil, 2023). Many people have submitted their SPT due to the public's fear of fines being imposed or other sanctions that could harm the community if they do not submit.

LITERATUR REVIEW

According to Law Number 19 of 2000 concerning Tax Collection, it is explained that billing is a series of actions so that the tax bearer pays off the tax debt and tax collection costs by reprimanding, or warning, billing, immediately and at the same time notifying a forced letter, proposing prevention of confiscation implementation, carrying out hostage-taking, selling confiscated goods. Taxpayers who are in arrears are called tax defaulters. Meanwhile, according to Rahayu (2017: 295), tax collection is a process carried out by the in terms of putting pressure on taxpayers to pay off their tax debts. Based on Law Number 16 of 2009, the basis for collecting taxes is using Tax Collection Letters Underpaid Tax Assessment Letters Additional Underpaid Tax Assessment Letters), Rectification Decision Letters, Decision Letters Objections, Appeal Decisions, and also Judicial Review Decisions, which cause the amount of accrued tax to be increased.

Rochmat Soemitro in North (2011) defines tax debt as debt in narrow sense according to civil law, that is debts that arise specifically because of engagement or special agreement, in this case is a law, which makes it mandatory debtor (citizen) to pay an amount money to creditors (the state). Tax debt can arises when there are regulations that basis and also when it has been fulfilled target of taxation (tatbestand), which consists of circumstances, events or certain deeds. If explained more Furthermore, the emergence of tax debt can arise due to: There are two theories/teachings, namely formal teachings and teachings material. According to formal

teachings, a tax debt arises if and only if a Tax Assessment Letter is issued (SKP) by tax officers. Tax assessments being has a function as the basis of a person have tax debt. In material teachings stated that the tax debt arises if and only if there is something that can cause tax debt. Something that is series of events, circumstances, as well as certain actions (tatbestand). So according to this teaching, tax debt does not arise must wait for the issuance/issuance of the Letter Tax assessments (SKP) by tax officials such as as well as in formal teaching. Tax CollectionTax collection is a series of actions so that the taxpayer pays off the tax debt and tax collection fees by reprimanding or warn, carry out billing immediately and at the same time, notifying the Letter Force, propose deterrence, implement confiscation, carrying out hostage-taking, and selling confiscated items. Soemitro in his book entitled Introduction Brief Tax Law also defines collection of taxes as an act that conducted by the Directorate General of Taxes to taxpayer because the taxpayer is no comply with the provisions of the Tax Law particularly with regard to paying taxes. The act of collecting taxes in the Tax Collection Act with a Distress Warrant is not divided into passive tax collection terms and active tax billing. But from some literature and studies, there are many differences the tax collection process into two, namely the process passive tax collection and tax collection process active. Passive tax collection is a process collection of taxes to taxpayers by officers taxes by using a Tax Collection Letter Underpaid Tax Assessment Letter, Additional Underpaid Tax Assessment Letter, Correction Decree, Objection Decree, Decision An appeal that establishes the value of the tax owed become bigger than before Suandy, Meanwhile, active tax billing is a series of activities that constitute action proceed from the passive tax collection process where in this case the tax officer or tax authorities not only charge by issuing legal products only but the tax officer / tax authorities play a more active role to collect taxes owed to taxpayers by starting with issuing a letter of reprimand, deliver forced warrants, carry out confiscation, prevention or hostage-taking against obligatory tax up to the auction of the confiscated goods of the taxpayer. Tax collection is carried out by a Tax Bailiff. Tax bailiff who will be executor tax collection actions starting from issuance of warning letters, delivery of forced letters, confiscation, hostage-taking, and auctioning of proceeds confiscate. Issuance of warning letters can be done by tax officer within 7 days of falling payment due date of the decree tax. A letter of reprimand provides a period of time a maximum of 21 days for taxpayers to pay off immediately tax debts. Submission of warning letters can also be interpreted as a summons i.e. just giving a warning to another party to comply with what is requested by the summons provider.

As stated in Law Number 19 of 1997 which was later changed to Law Number 19 of 2000, tax collection actions carried out by the tax authorities on taxpayers are carried out in 2 (two)

ways, namely: Passive Billing, namely billing made by the tax authorities before the payment due date from the Tax Collection Letter , Underpaid Tax Assessment Letter , Additional Underpaid Tax Assessment Letter or the like, Rectification Decree, Objection Decision Letter, Letter of Appeal resulting in an underpaid amount of tax through an appeal either by letter, telephone or other media. Active Billing, namely billing made by the tax authorities after the due date for payment of Tax Collection Letters , Underpaid Tax Assessment Letters , Additional Underpaid Tax Assessment Letters or the like, Rectification Decrees, Objection Decision Letters, An appeal that results in the amount of underpaid tax not being paid by the Taxpayer resulting in a Letter of Reprimand, a Letter of Compulsion, a Warrant for confiscation up to the execution of the sale of the confiscated goods through an auction of the goods belonging to the tax bearer.

According to Ratnawati (2016: 121), those referred to as tax subjects or recipients of income withheld by Article 21 Income Tax are individuals who meet the following criteria: Employee, Recipients of severance pay, pensions or pension benefits, old age benefits, or old age security, including their heirs, Not an employee who receives or earns income in connection with work, services or activities, including among others: Experts who do independent work, consisting of lawyers, accountants, architects, doctors, consultants, notaries, appraisers, and actuaries; Musicians, presenters, singers, comedians, movie stars, soap opera stars, advertisement stars, directors, film crews, photo models, models/manufacturers, performers, dancers, sculptors, painters and other artists; sportsman; Advisors, teachers, trainers, speakers, extension workers, and moderators; Authors, researchers, and translators; Service providers in all fields including computer engineering and application systems, telecommunications, electronics, photography, economics and social as well as service providers to a committee; advertising agency; Supervisor or project manager; The carrier of the order or the one who finds the customer or the intermediary; Merchandise vendor officers; Insurance outside service officers; Distributor of multilevel marketing or direct selling companies and other similar activities. Activity participants who receive or earn income in connection with their participation in an activity include the following: Competition participants in all fields, including sports competitions, arts, dexterity, science, technology, and other competitions Participants in meetings, conferences, sessions, conferences or work visits Participants or members in a committee as organizers of certain activities Participants in education, training, and internships Other activity participants Object of Income Tax Article 21 According to Ratnawati (2016: 123), Income deducted from Article 21 Income Tax is as follows Income received or earned by permanent employees, either in the form of regular or irregular income Income

received or earned by pension recipients regularly in the form of pension money or similar income. Income related to termination of employment and income related to pension received simultaneously in the form of severance pay, pension benefit money, old age allowance or old age security, and other similar payments. Income of non-permanent employees or freelance workers, in the form of daily wages, weekly wages, unit wages, piece wages, or paid wages.

RESEARCH METHODS

The research approach used in this research is quantitative approach to the type of descriptive research. Method Quantitative can be interpreted as a research method based on in the philosophy of positivism, used to examine the population or certain samples, collecting data using research instruments, analysis and quantitative/statistical in nature, with the aim of describe or test the hypotheses that have been set. The researcher used a descriptive research type in this study for the reason that he was conducting an assessment of the relationship of the variables which aims to show an overview of the relationship between the variables to be studied. According to Suryabrata (2016: 75), descriptive research is research conducted to make systematic, factual, and accurate predictions about the facts and characteristics of a particular population or region.

DISCUSSION

The Tax Collection Variable has a minimum value range of IDR 7,551,476,750 while the maximum value reaches IDR 101,255,876,777. Besides that, the average value obtained was IDR 24,538,721,586.83 with a standard deviation value of IDR 37,603,466,953.196. This can show that the Cibeunying Bandung Pratama Tax Service Office (KPP) has succeeded in generating tax collection receipts through tax collection letters within this range in one year. The Individual Income Tax Receipt Variable has a value range of yes with a minimum value reaching IDR 7,551,476,750 while the maximum value is IDR 101,255,876,777. Besides that, the average value obtained was IDR 24,538,721,586.83 with a standard deviation value of IDR 37,603,466,953.196.

This can show that the Cibeunying Bandung Pratama Tax Service Office has succeeded in generating tax collection receipts through tax collection letters within this range in one year. The results of the study show that tax collection does not have a significant effect on individual income tax receipts. This is due to the lack of awareness of taxpayers in fulfilling their obligations to pay taxes. It can be seen from the realization of Tax Collection Revenue that fluctuates and the government does not give up in giving appeals and notification of tax bills to each Taxpayer.

CONCLUSIONS

The results that have been described show that tax collection has no significant effect with a very low relationship and has a unidirectional nature, and is in the opposite direction to individual income tax receipts. Suggestion It is recommended that the Bandung Cibeunying Pratama Tax Service Office increase strictness with taxpayers in paying taxes, so that the maximum revenue from personal income tax can be realized.

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