

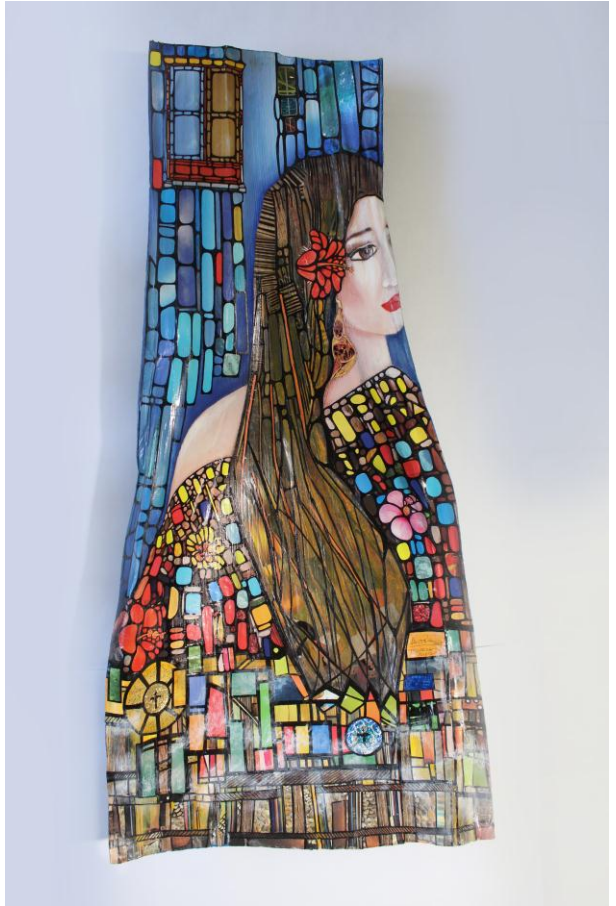
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How e-filling system can improve taxpayer compliance in raising tax revenues

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Abstract

This paper aims to determine the effect of e-filling system to improve taxpayer compliance and its implications in increasing tax revenues. This paper is a literature study using secondary data in the form of textbook theory and the results of previous studies. The result of research reveals that e-filling system improves taxpayer compliance that has an impact on increasing tax revenues. In conclusion, in order to improve taxpayer compliance, the Government should speed up the process of realization of good governance and the government regularly explains to the public regarding the allocation of the use of tax money.

Keywords: E-Filling System, Taxpayer, Compliance, Revenues.

Cómo el sistema de presentación electrónica puede mejorar el cumplimiento de los contribuyentes al aumentar los ingresos tributarios

Resumen

Este documento tiene como objetivo determinar el efecto del sistema de llenado electrónico para mejorar el cumplimiento de los contribuyentes y sus implicaciones en el aumento de los ingresos fiscales. Este artículo es un estudio de literatura que utiliza datos secundarios en forma de teoría de libros de texto y los resultados de estudios anteriores. El resultado de la investigación revela que el sistema de presentación electrónica mejora el cumplimiento de los contribuyentes que tiene un impacto en el aumento de los ingresos fiscales. En conclusión, para mejorar el cumplimiento de los contribuyentes, el gobierno debe acelerar el proceso de realización de la buena gobernabilidad debe explicar regularmente al público sobre la asignación del uso del dinero de los impuestos.

Palabras clave: Sistema de archivo electrónico, Contribuyente, Cumplimiento, Ingresos.

1. INTRODUCTION

Fiscal policy has a close link with the monetary sector, balance of payments, and the real sector. Selection as a source of state income tax, among others, as this sector is likely to exceed the number of what can be gained from simply printing money, weighing on prices to consumers directly, or by way of debt. Thus the tax system became the main source of choice in an effort to increase government revenue. Taxation has been a source of state revenue is most important to

implement the National Development, National Development is an activity that takes place continuously and sustainably, which aims to improve the welfare of the people's material and spiritual benefits. In order to realize these objectives need to be understanding of the problem of financing the building. One of the efforts to realize the independence of a nation or country in the financing of the building, which is exploring sources of funding that comes from the domestic form of taxes. Taxes are used to finance the construction of which is useful for the common good. The Government through the Ministry of Finance that houses the Directorate General of Taxes continued to try to make a plan of tax revenue that has been set each year can continue to be achieved (Meiryani, 2018).

Taxpayers as part of the macro-economic actors have an important role, including in the taxation mechanism. Compliance taxpayers in meeting their tax obligations are related to macro economic system as a whole. Willingness to comply with the rules is in addition to the problem of the existence of one's personal factors also influence a person's outward environmental factors. Someone who has a good moral ethics moral good, tend to adhere to the rules. Similarly, the orientation of a person's values even though the risk of selection will determine the pace of a person. On the other hand, situational factors are taking a role in shaping patterns of behavior to determine the pace. Situational aspects of the audit may involve sanctions, justice and the rule of law/fairness. Lately even attempt to encourage taxpayer compliance rate is also affected by the issue of moral and ethical concept of development as research has been conducted by Meiryani &

Lusianah (2018), to determine the influence of these factors on taxpayer compliance.

In connection with a tax obligation of citizens then this compliance is one of the elements of the voluntary contribution of the citizens. Zandi & Elwahi (2016) argued about tax compliance are analyzed based on the decision of individuals to choose between paying or evading taxes. According to the results of this research note that the relationship between the two parties between tax authorities and taxpayers, and in this regard there is a kind of psychological contract. Studies in Switzerland show that a stronger political participation, it is more important than the contract itself is a moral issue. If it is connected with the area, the tax capacity (tax capacity) the area affected by the degree of progress which is reflected in the region's Gross Regional Domestic Product (GDP) increased. In other words, there is a strong relationship between the local tax PDRB as a reflection of the potential in the area of taxation. Tax Collection has the following characteristics: (1) the right to collect taxes from the people is the state, and the contribution in cash (rather than goods); (2) Taxes levied by the strength of the Act along with the rules of procedure; (3) Tax payments can not show their individual contra by the government; (4) Results of taxation used to finance state households, ie expenditures that benefit the public widely. Legislation relating to taxation continue to be refined so that taxes can be accepted by the public, such as paying tax compliance, reporting compliance is based on their annual tax return. SPT is used to report the calculation and payment of taxes owed; Income tax article 25 is the amount of tax

installment in the current tax year must be paid by the taxpayer (Law No. 36, 2008), Handling installment tax payments made by the Directorate General of Taxation (DGT) of the Ministry of Finance and local level implementation is done by the Office of Services Taxes (KPP). The apparatus of Taxation (DGT or KPP) tasked with monitoring and controlling the payment of tax by the tax administration system is expected to be implemented by systematic, controlled, simple and easily understood by members of the public taxpayer. Besides providing information to the public and the taxpayer about the ease of tax reporting (Omodero & Ogonnaya, 2018).

Improve tax compliance (tax compliance) in particular voluntary compliance (voluntary) is one of the main targets to be achieved by the Directorate General of Taxation (DGT). Increased compliance will ultimately affect positively to tax revenues. However, the condition of compliance in Indonesia at this time, does not meet expectations, especially when using the number of filing (SPT) Annual as an indicator. Based on the Annual Report of the DGT in 2012, of a total of 17.66 million taxpayer (WP) are obliged to submit their annual tax return for 2012, just as much as 9.48 million WP submitting her tax return. In percentages, this figure is equivalent to 53.70 percent. DGT for improved its compliance efforts have been and always continue to be made with reference to the four pillars of the Indonesian tax, namely: (1) Education, (2) Service, (3) Inspection (including the investigation), and (4) Billing. Policies that are being taken are declared 2015 as the Year of Development Taxpayer (TPWP). Meanwhile, the implementation of the policy discourse remission of

tax (tax amnesty) is still to be evaluated and discussed intensively, including by the legislature (2016). The Ministry of Finance (MOF) reported revenue of the state until August 31, 2015 reached Rp 867.5 trillion, or 49.2 percent of the target State Budget Amendment (APBN-P) in 2015 amounted to Rp 1761.6 trillion. State revenue of Rp 867.5 trillion came from domestic revenue and grants admission each to Rp 867.2 trillion and Rp 3 trillion. Consists of tax revenues of Rp 699 trillion and Non-Tax Revenue (non-tax) of Rp 168.3 trillion (Feld, 1994).

The results of documentation studies conducted at the Ministry of Finance sub Directorate General of Taxation (DGT), obtained the data, as shown in Table 1.1. Until August 31, 2015, tax revenue reached Rp 598.270 trillion. Of the tax revenue target established in accordance APBN-P 2015 amounting to Rp 1294.258 trillion, tax revenues reached 46.22%. When compared with the same period in 2014, tax revenues in 2015 experienced a steady growth in certain sectors, but also decreased the growth in other sectors. Receipts Tax (VAT) Non-Oil, the only types of taxes that grow, recorded a growth of 9.46% compared to the same period in 2014. Based on the data recorded on the Directorate General of Taxation (DGT) until August 31, 2015, reception Income Tax Non-Oil is Rp 320.997 trillion. This figure is 9.46% higher than the same period in 2014 where the non-oil income tax was Rp 293.250 trillion. Income Growth Non-Oil is an anomaly amid the decline in growth in other taxes. This high growth was triggered by higher repayment of tax assessment letters (SKPKB) of the successful deterrent effect of law enforcement, especially prevention and hostage to foreign countries (*gijzeling*) the taxpayer. The next significant growth recorded by the Final Income 17.32%, or Rp 61.070 trillion, compared to the same period in 2014

amounting to Rp 52.056 trillion. DJP final income growth due to an increase in the financial services sector such as deposits/savings and discount/interest on the bonds. Furthermore, DGT also recorded growth of final income tax on income from the transfer of land and buildings as pieces of policy to reduce the loan to value ratio that is issued by Bank Indonesia. The application of behavioral economics has experienced fairly rapid growth not only in developed countries (such as USA, UK, Canada and Australia) but also in some other countries (such as Argentina, Peru, Mexico, and Chile). They do not realize that the governance and national development can run because it was financed by a tax originating or withheld from the public. Complaints or grumbles as mentioned above should be close to the ear and the mouth of Indonesian society. The nagging existence indicates that they follow to have everything run by the state. This feeling of having a (sense of belonging) by itself will bring appreciation to the people that because of belonging, then they have (mandatory) helped finance (Trivedi, 2003).

2. LITERATURE REVIEW

2.1. Public Policy, Rights and Obligations of Taxpayers

In countries that embrace the modern political system, a public policy carried out in a series of public administration processes. Public policy is encapsulated in the objectives and targets to be achieved with the means to achieve it. In the process of implementation of the policy outlined by the government bureaucracy into programs that are

operationally be implemented to achieve the goals set. Thus the program can be described as policy bureaucracy as formulated by bureaucrats. It should be noted that the public administrator as bureaucrats have a responsibility as the executor of policies set by the political superior. Thus the public administrator has no political role, but only implement its policies. The impact of this policy is associated with the stage of policy implementation as a whole is a feedback mechanism. The essence of the mechanism can be is First, Exodus Policy Executive Agency. This process is the particular efforts of the Implementing Agencies to develop a technical analysis of the ways of implementing policies that have been set. For example, how a goal is written in the Law translated into rules, the implementing procedures for various cases or issues that are in the community. In this stage, sometimes there is a difference of interest arising from its output policy. It depends upon (a) Foresight bureaucrats to translate policy and (b) the balance of support society groups against the policy. Second, the Output Target Group Compliance Policy. This compliance will depend on the values espoused and cost-benefit assessment of individuals in society.

Studies by Rodgers and Bullock in 1980, revealing that person's compliance with regulations is a function of (1) the likelihood that violations will be easily detected and prosecuted; (2) the availability of sanctions to punish the offenders; (3) attitudes towards the legitimacy of the target group concerned; and (4) the magnitude of the load to the target groups were well behaved. Third, the Real Impact of Policy Exodus. A regulation will succeed in achieving the desired

impact if: (1) output formal policies consistent with the goals of the policy; (2) the target group actually adhere to that policy outputs; (3) there is no erosion of output as a result of the conflict between the output of the policy, and (4) the policies and the output load theory of causality of the relationship between changes in behavior with the achievement of objectives. Fourth, Perception of Impact Policy Exodus. One's perception of the impact of the policy will be in line with the real impact is colored by the values of people who interpreter. Someone who does not agree with the impact of a regulation will interpreter: (1) considers these impacts as something that is not in line with the policy objectives predetermined; (2) that legislation alone is not valid; (3) questioned the validity of the data concerning the impact. Fourth, a fundamental improvement in the policy. This activity is accumulated point of the entire implementation process. The scope and direction of change over the tasks that must be executed by the executing agencies will be a function of the perception of the impact of these agencies in the past.

2.2. Tax Compliance

The concept of tax compliance from the experts as follows, have different views, refer to the background, the time and location where the research related to tax compliance do. James & Clinton (2010) suggested that tax compliance is guilt and shame, the perception of the taxpayer on fairness and justice the tax burden they bear, and the influence of satisfaction with government services.

Kaplan & Steven (2005) suggested that tax compliance is the fulfillment of tax obligations undertaken by the taxpayer in order to contribute to the development of today's expected in the fulfillment given voluntarily. Tax compliance is an important aspect considering Indonesia is adopting a tax system in which Self-assessment in the process implicitly trust the taxpayer to calculate, pay and reporting obligations. Organization for Economic Co-operation and Development Meiryani (2017) explains that compliance includes four aspects: adherence to register as WP (register in the system); compliance to reporting in a timely manner (timely filing); compliance to reporting tax information is complete and accurate (complete and accurate reporting); and adherence to pay taxes owed in a timely manner (timely payment).

2.3. Electronic Filing (E-Filing)

Organizations in the era of globalization with the development of information technology today are in dire need employees who understand the implementation of the concept of integration of electronic imaging system to record management system and implementation of the electronic document management system. Records Management System (Records Management System) must be implemented with the correct concept in order to become a strong foundation in the development of an electronic filing system that modern. Implementing imaging system is used so that the organization can make the process of resource efficiency far greater than using the

archive management system filing a traditional (traditional paper filing system) and the results are much more effective because the file scan results can be traced and retrieved in a database when necessary and in a very short time. So it will greatly facilitate and accelerate the management of archives. Electronic document management system implemented to manage files electronic document resulting from an application of a word processor, spreadsheet, presentation and projects that facilitate in making the revision identification documents electronically with the authorization of updating revision of the document so that electronic documents can be found quickly in times of need, Surely it supports the document control based on ISO 9001 standards and policies supporting a number of regulatory documents established by the Government of the Republic of Indonesia. The archive is a record of important information that is generally used for the planning, implementation and monitoring of activities within an organization. By utilizing the archive optimally achievable goal of modern management is careful planning, proper execution and close supervision (Ayenew, 2016).

When filing the archive has been growing, if not managed properly, then the growth of the archive can no longer be controlled. In other words, the archive in an organization is important, so that the activities of managing the archive should be done according to the principles and objectives of the management of archives, the archives can provide fast, accurate, complete. Archive is basically a technique or manner of governing and archival storage logically and systematically. There are two (2) methods of systems that can be

implemented in managing the archive, namely: Records Management System (RMS) and the Electronic Filing System (EFS). Records Management System (Records Management System) was enacted in Act No. 43 of 2009 on Archives and the implementation of the legislation described in Government Regulation No. 28 of 2012. Electronic Filing System (System Setup File electronically) was enacted in Act No. 11 of 2008 on Information and Electronic Transactions and the implementation of the legislation described in Government Regulation No. 82 of 2012. In this system there is implementation of Electronic Imaging System order the organization has a digital copy that is practical and does not require a particular physical place and the results are much more effective because the file scan results can be traced and retrieved when needed in a short time. If all the above two methods of managing the archive can be applied to exactly fit the needs and interests of the organization, it can improve service performance and efficiency of the archive storage area of the organization (Abidin, Bakar, & Haseeb, 2014).

3. THEORETICAL FRAMEWORK

As the main source of state revenues or region, then the role of taxes as financial instruments are very strategic in its efforts to achieve the success of the process of economic development of a country or economic development in the region through the activities of the allocation, distribution and stabilization. How the government's ability to run a tax system related to the extent of the implementation of tax

collection has been carried out optimally. But the tax system is run also depends on the existing economic conditions. In the above concept as there are restrictions between macro and micro economic actors. This approach assumes that the macro-economic actors, as well as micro economic agents, are rational human beings who use all available information when making decisions and try to anticipate the future. Thus concept is seeing the human aspect as an important instrument in the macro-economic mechanisms. Taxpayers as part of the macro-economic actors have an important role, including in the taxation mechanism. Compliance taxpayers in meeting their tax obligations are related to macro-economic system as a whole. Willingness to comply with the rules is in addition to the problem of the existence of one's personal factors also influence a person's outward environmental factors. Someone who has a good moral ethics moral good, tend to adhere to the rules. Similarly, the orientation of a person's values even though the risk of selection will determine the pace of a person. On the other hand, situational factors are taking a role in shaping patterns of behavior to determine the pace. Situational aspects of the audit may involve sanctions, justice and the rule of law/fairness. The success of tax revenue in a country (region) is the hope of every government in power because the tax had the greatest impact on development finance. The success tersbut tax revenue can be measured using characteristics or specific indicators, such as the ratio of tax (taxratio), the tax capacity (tax capacity), and the efforts of taxation (tax effort) (Feinstein & Jonathan, 1998).

4. CONCLUSION

The level of tax compliance is influenced by many factors, among others: the magnitude of income, tax rate, the perception of the taxpayer on the use of tax money, tax treatment, the implementation of law enforcement, weight (light) tax penalties, and the completeness and accuracy of the database. Until the early 1980s, state revenues are still relying on the sale of oil and gas (oil and gas), but because natural resources cannot be relied upon again (will be depleted and not replaced), then the Government on tax revenues as the main source of receipts state budgets. Within 5 (five) years, namely 2002 to 2006, the contribution of tax revenue ranged between 67% -71%, and the tax revenue will likely continue to increase in absolute numbers from year to year in line with the needs of the State Budget. The taxpayer compliance is one key to the success of the Government in collecting tax revenues.

Based on the results of research there are variables that affect taxpayer compliance is the amount of income, tax penalties, the perception of the use of tax money in a transparent and accountable, fair tax treatment, law enforcement, and a database. Furthermore, tax compliance effect on state revenues from taxes. In order to improve taxpayer compliance, the Government should speed up the process of realization of good governance and the government regularly explain to the public regarding the allocation of the use of tax money. Dissemination policy and sustainable tax treatment implemented by involving all levels of society example community leaders, universities,

NGOs, business associations, traders and professions. Completion of the set of rules that do not encourage businesses conducive for example rules that give rise to discrimination or encourages businesses to become non-compliant taxpayers. In the framework of the introduction of business activities of the taxpayer (knowing your Taxpayers) for the purpose of increasing taxpayer compliance, the Government should carry out support activities (supporting activities) is partnering with the business world (industry partnership), the activity of an appeal (leverage activity), and a visit to the business location taxpayer (spot audit). Implement law enforcement consistently and according to applicable regulations.

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