

Tax Relaxation During the Covid -19 Pandemic Against Individual Taxpayer Compliance in SPT Reporting at the Pondok Aren Tax Service Office, South Tangerang City

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Abstract

The Covid-19 pandemic has caused the open unemployment rate (TPT), the impact experienced by all taxpayers throughout the country is at least enough to make activities in this country not conducive. The government through the Ministry of Finance has issued several incentive and relaxation policies in the field of taxation for taxpayers affected by the Covid-19 pandemic in order to realize the National Economic Recovery. Tax incentives and relaxation are government policies that refer to the efforts made by a country to attract investors in order to encourage economic activity, with the government policy of the Directorate General of Taxes (DJP) of the Ministry of Finance providing relaxation in the form of simplification of document submission to complete annual notification letters or SPT, in Covid-19 pandemic conditions This relaxation is provided for corporate taxpayers and individual taxpayers. His study is to determine whether there is an effect of incentives and relaxation as well as understanding of tax regulations, the method used in this study uses a quantitative method based on tax rates and the principle of justice on mandatory compliance, the impact of the Covid 19 Pandemic disaster on the level of compliance of the annual SPT reporting of individual taxpayers and institution. Utilization of Information Technology has a significant effect on taxpayer compliance.

Keywords

relaxation, taxpayer compliance, covid-19 pandemic, SPT reporting.

Introduction

As the largest source of funds in governance and development, the role of tax revenues is increasing from year to year in supporting national development, this is reflected in the plan to increase tax revenues. The existence of taxes is expected to improve the welfare of all people's lives. The system adopted in tax collection in Indonesia is the Self Assessment System, namely full trust given to taxpayers to calculate, deposit, and report all their tax obligations. Tax authorities apply different measures to increase tax compliance. These measures differ from country to country. Nevertheless, many practical and theoretical accounts such as the slippery slope framework of tax compliance have categorized different measures into two basics approaches: the power approach and the trust approach. The power approach (also termed deterrence or the command and control approach) relies on frequent audits and severe fines in case of tax evasion. In contrast, the trust approach originates from transparency, fair procedures, or the conviction that paying taxes honestly is a binding social norm. The mutual influence, interaction, and dynamic between these two approaches is seen as important for tax compliance. As the tax system becomes complex, it follows that more taxpayers will opt for an assisted tax preparation method which include self-preparation with tax software and using tax consultants, and this has indeed increased over the years. To date, tax authorities around the world are using electronic tax administration systems to interact with taxpaying public in tax collection, administration and compliance settings. This implies that the taxpayers must be knowledgeable about these developments including having the competence to prepare returns that conform to the law requirements using these systems. which is full trust given to taxpayers to

calculate, deposit, and report all their tax obligations. This system is used by taxpayers because they are required to fill out SPT Annual Tax, meaning that taxpayers are required to calculate and report income tax payable without going through third parties or tax authorities. Fiskus plays a role in examining the completeness and correctness of reporting as well as conducting audits to find out the truth of the material in the taxpayer's report, or in this case the Tax Return. In practice, this system can increase acceptance because it is carried out by the system that has been implemented.

The strategy carried out by the Directorate General of Taxes (DJP) in the midst of the Covid-19 Pandemic is to optimize state revenues from the tax sector through expansion of the tax base and continue to play a role through improving the national economy, by encouraging investment convenience. which can improve the national economy. This was taken by the Director General of Taxes by making a breakthrough in Perppu 1/2020 regarding state financial policies and financial system stability for handling the Corona Virus Disease 2019 (Covid-19) Pandemic and/or in the context of dealing with threats that endanger the economy and national and/or stability. financial system, providing tax facilities in the form of incentives, and facilitating business processes to become IT and user friendly. Submission of documents for the completeness of the Annual SPT in the form of a complete financial report and various required documents based on the Regulation of the Director General of Taxes Number: 02/PJ/2019, no later than June 30, 2020 using the corrected SPT (DJP, article) form.

It was recorded that until April 19, 2020, it reached 52.97% or 9,712,537 taxpayers from a total of about 18 million taxpayers. Meanwhile, when compared to last year in the same period, the number of taxpayers who reported reached 11,682,289 taxpayers (Media Indonesia, 22 April 2020). Indonesia's economic recovery trend in 2021 is projected to continue with an accelerated vaccination program with on-track vaccine supply. Tax revenue until February 2021 reached Rp 181.8 trillion. This achievement represents 12.6% of this year's tax revenue target. Several tax components grew positively when compared to February last year or the period before the Covid-19 pandemic was enacted. (Realisasi APBN 2021, Kementerian Keuangan).

The Director General of Taxes at the Ministry of Finance noted that individual income tax (PPh) receipts until the end of February 2021 experienced a contraction or minus 12.51%. Compared to the same period last year, revenue still grew by 19.76%. Income Tax receipts will continue to move until the reporting period for Individual Annual Notification Letters (SPT) ends on March 31, 2021. The government also provides an extension of time for the government to be borne by the incentive PPh Article 21 (DJP) until June 2021.

The reporting system carried out by individuals that often occurs in the field is a misunderstanding of individual taxpayers who report their SPT returns, errors that occur such as taxpayers being less careful in calculating the amount of income tax that must be paid. Or PPh underpayment, especially using online services using E-SPT, which not all taxpayers understand. With the tax relaxation carried out by the Director General of Taxes, it is hoped that taxpayers can carry out their tax obligations properly and do not delay depositing taxes owed, the taxes paid are very much needed by the state in handling the Covid-19 pandemic.

Formulation of the problem

The problems that will be studied in this study are, how is the level of compliance of individual taxpayers in submitting the Annual SPT during the Covid-19 Pandemic, and how are the efforts and strategies made by the Pondok Aren Tax Office, South Tangerang City in increasing tax revenues by tax relaxation due to the impact of the Covid-19 pandemic.

Research purposes

This study aims to examine the effect that occurs on individual taxpayer compliance with the impact of the Covid 19 Pandemic and the efforts that will be made to achieve increased individual taxpayer compliance in reporting SPT SPT during the Covid 19 Pandemic.

Literature Review

The investigation of the corona virus that causes Covid-19 is still on going. Initial information that this virus came from the Huanan seafood market in Wuhan, China is still conjecture and not yet confirmed. Allegedly since the September 2019 Launch of SCMP (17/4/2020), the research team from the University of Cambridge, England investigating the origin of the virus has analyzed a large number of strains from around the world and calculated that the beginning of the outbreak occurred. between September 13 and December 7, 2019. The results of the study were published in a scientific journal published in the Proceedings of the National Academy of Sciences (PNAS). The team

analyzed the strains using phylogenetic networks, mathematical algorithms that can map the global movement of organisms through mutations in their genes. While the coronavirus strains found in Europe are largely derived from East Asian variants, the journal only examined the first 160 strains collected after late December 2019.

Several institutions predict a weakening of the world economy, including the International Monetary Fund (IMF) which projects the global economy to grow by minus 3%. The government is aware of the impact of the Covid-19 pandemic, considering that this outbreak only began to spread in Indonesia in the second week of March 2020. Along with regulations related to Work From Home (WFH) both government and private. The slowdown in business activities that began at the end of March 2020 has the potential to reduce tax revenues. To restore the Indonesian economy, the government established the Covid-19 Handling Committee and National Economic Recovery (PEN) which was established based on Presidential Regulation Number 82 of 2020 and signed by the President on July 20, 2020. Some of the best efforts to save the economy are to stay focused on providing larger working capital loans to MSME business actors. The Ministry of Finance has issued several incentive and relaxation policies in the taxation sector for taxpayers affected by the Covid-19 pandemic in order to realize the National Economic Recovery. The tax incentives that the government temporarily applies during the Covid-19 pandemic include :

1. PPh Incentive Article 21
2. Tax Incentives for UMKM
3. Incentive PPh Final Construction Services
4. PPh Incentive Article 22 Import
5. PPh Installment Incentive Article 25
6. PPN incentives
7. Lowering of Agency PPh Rates
8. Extension of Time in Tax Administration
9. Provision of Customs Facilities
10. Taxes on Electronic Transactions

The Government's commitment to maintaining the sustainability of state finances to create security and public welfare is demonstrated by the Government's efforts to manage fiscal as well as possible through optimally increasing state revenues, prudent debt management and continuously improving performance. The impact of the Pandemic on the Business World on the turnover layer below Rp 5 billion was most significantly influenced by the percentage of Taxpayers who recorded a decrease in sales during the SPT PPN DN period of 88% which resulted in a decrease in state revenue sources. The slowdown in economic activity and contraction of GDP can also be seen from a decline of up to minus 2% of state revenue sources in 2020. UMKM are a form of community effort to support the country's economy, where during the Covid-19's pandemic, UMKM were the most affected businesses. The classic problem that often arises is the low level of tax payments by UMKM. So that with PP. 23 of 2018 which took effect on 1 July 2018, where the government reduced the final tax rate for MSMEs from 1% to 0.5%, which is expected to increase the awareness of taxpayers to comply with paying taxes in the pandemic of covid-19. The 2020 National Economic Recovery budget allocation reached Rp. 695.2 trillion with realization of up to 83%. The budget allocation for UMKM with a ceiling of Rp. 116.31 trillion with realization of Rp112.44 Trillion (96.6%) with the aim of the program to support UMKM capital and cash flow during the Covid 19 pandemic in the form of capital assistance either through banks or directly. Taxation support for the economy and handling the pandemic to help maintain people's purchasing power. The government provides Article 21 income tax facilities borne by the government for workers in sectors affected by the pandemic and have an income of not more than Rp. 200 million a year. Utilization of fiscal incentives The 2020 tax has helped maintain business resilience 464,316 taxpayers in PPh article 21 incentives to increase people's purchasing power 131,889 entrepreneurs, 1.97 million employees amounting to Rp 1.71 trillion, Incentives helping UMKM Final PPh (PP 23 UMKM) for 248,275 UMKM worth Rp 0.67 trillion. In 2021 the National Recovery budget will increase to IDR 699.43 Trillion, the budget allocation for UMKM and Corporations is IDR 193.74 Trillion with a realization of IDR 41.73 Trillion (21.5%). As of May 17, 2021, the incentive to increase people's purchasing power is PPh 21 for 89,608 entrepreneurs amounting to Rp 1.01 trillion and Final PPh UMKM (PP 23 UMKM) for 124,736 UMKM amounting to Rp 0.26 trillion.

METHOD

Research Approach

This research was conducted using quantitative methods, quantitative research is a number or number that is certain so that it can be assembled and also makes it easier to read, and makes it easier for researchers to make an

understanding (Sunyoto 2016:21). This study aims to examine whether or not there is an effect on individual taxpayer compliance with the impact of the Covid 19 Pandemic and the efforts to be made to achieve increased individual taxpayer compliance in reporting SPT during the Covid 19 Pandemic. This study also uses secondary data in the form of years 2020. and the 2021 RAPBN Budget Realization Report obtained in PSBB Volume 2 PEN (Tax for the Acceleration of National Economic Recovery, Ministry of Finance).

Data collection techniques: The data analyzed in this study used secondary data with dependent and independent variables. The dependent variable is the independence of KPP Pratama Pondok Aren, South Tangerang City in tax revenue with the achievement of the number of taxpayers, and the independent variable is the service and performance of KPP Pratama Pondok Aren, South Tangerang City to taxpayers, about : Government Regulation 23 of 2018 is a government regulation that discusses income tax on income from business received by Taxpayers who have a certain gross turnover, the government provides a Final PPh rate for UMKM of 0.5%.

Government Regulation (Perpu) in lieu of Law Number 1 of 2020. State financial policies and financial system stability in the context of handling the 2019 corona virus disease (covid-19) pandemic and/or in the face of threats that endanger the economy and/or national stability of the system finance.

Minister of Finance Regulation (PMK) No. 28/PMK.03/2020 which regulates PPh Article 21, 22, 23, and PPh 22 facilities for imports from April to September 2020. Providing tax incentives for taxpayers affected by the corona virus, the relaxation provided is PPh 21 borne by the government for 6 months for workers with a gross income of not more than 200 million. The absence of uncut PPh 21 is expected to maintain people's purchasing power. (www.kemenkeu.go.id. The government provides tax incentives to support the business world and the community during the COVID-19 pandemic 04/20/2020).

Results and Discussion

The data analysis strategy used with a quantitative approach between one strategy and another is mutually reinforcing. This strategy was taken to improve and maintain taxpayer compliance with the impact of the Covid-19 pandemic by utilizing tax relaxation. Descriptive statistics explain the research variables seen from the amount of data obtained from KPP Pratama Pondok Aren, South Tangerang City, the results obtained are below;

Table 1. Number of Individual Tax Article 21 Year 2016 to 2020

Year	Number of Individual Taxpayers
2016	244.338
2017	261.503
2018	280.567
2019	299.735
2020	312.943

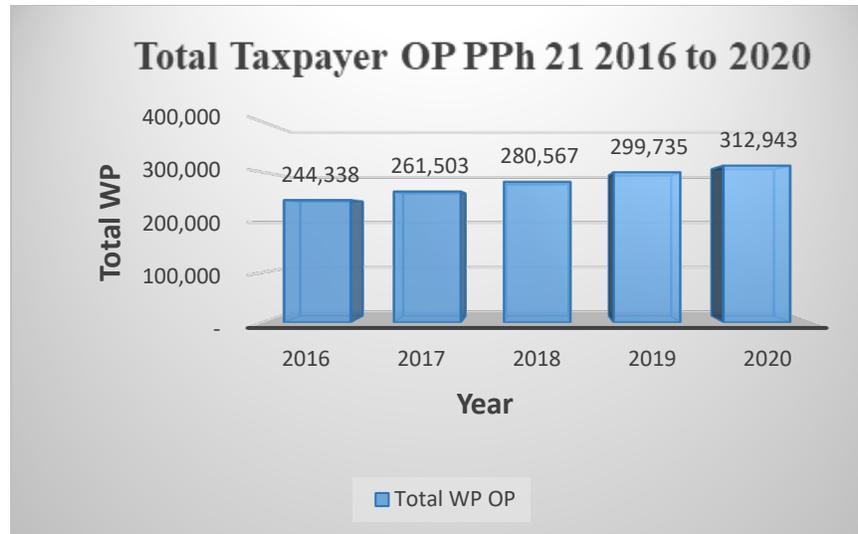


Figure 1. Number of Individual Tax Article 21 Year 2016 to 2020

Data obtained from the Pondok Aren Pratama Tax Service Office which is presented in graphic form shows that the awareness of Individuals to become taxpayers shows an increase from year to year, as well as the level of compliance made by Individual Taxpayers in reporting annual SPT. Improving the quality and quantity of services is expected to increase the satisfaction of taxpayers as customers to increase compliance in the field of taxation. Tax officials improve service quality by increasing taxpayer satisfaction and compliance as well as innovations made to increase awareness of being a taxpayer. The Tax Friendly UMKM Program run by KPP Pratama Pondok Aren has been running since August 2016 and has obtained outputs whose results can be seen directly, namely the formation of a Tax Friendly UMKM community whose management structure is not from tax employees, but UMKM figures who become administrators and community members this.

So that members of this community feel more comfortable sharing their understanding of business and taxes. The Tax Friendly UMKM Program can increase the level of UMKM participation in carrying out their rights and obligations in the field of taxation, monitoring and evaluation activities, as well as the main obstacles faced and how to overcome them. It can be seen that the rate of increase in the number of taxpayers is an average of 4.09 percent a year (table 2, 3), figure 2.

Table 2. Increase in the Number of Individual Taxpayers from 2016 to 2020

Year	Number of Individual Taxpayers	Increase in Number of WP OP	%
2016	244.338	0	0
2017	261.503	17.165	4,00
2018	280.567	19.064	3,60
2019	299.735	19.168	3,58
2020	312.943	13.208	5,19
Amount	1.399.086	68.605	16,37
The average increase per year(%)			4,09

Table 3. Income Tax Article 21 Year 2016 to 2020

Year	Amount of Tax Revenue
2016	545.255.707.959
2017	635.410.462.181

2018	772.084.813.373
2019	881.907.237.581
2020	858.269.334.510
Total	3.692.927.555.604

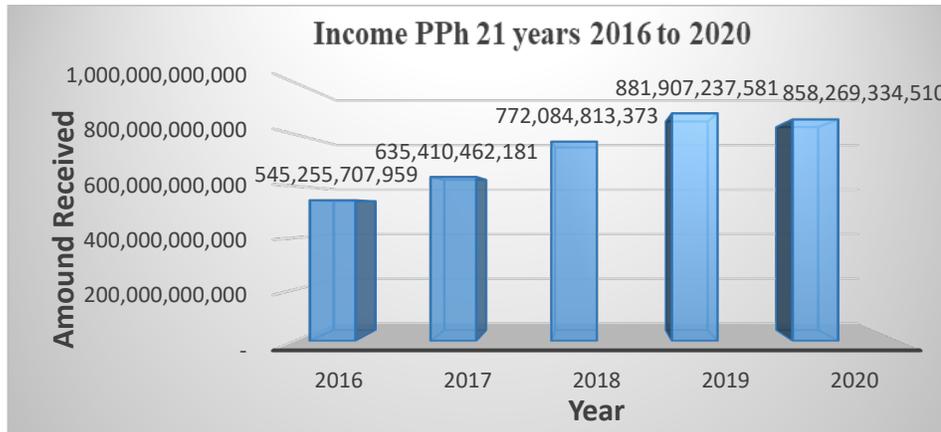


Figure 2. Income Tax Article 21 Year 2016 to 2020

From the data obtained (table 4) from tax revenue which is illustrated by a graph, there is an increase every year from 2016 to 2018 it can be seen that efforts are being made to increase tax revenue by running an innovation program with UMKM, independence by KPP Pratama Pondok Aren to increase income tax with the program - program carried out. Government Regulation 23 of 2018 is a government regulation that discusses income tax on income from businesses received by taxpayers who have a certain gross turnover, the government provides a Final PPh rate for UMKM of 0.5% which can be an element that affects the increase in income from PPh 21.

Table 4. Increase and decrease in Income PPh 21 from 2016 to 2020

Year	Amount	Increase and decrease in Revenue PPh21	%
2016	545.255.707.959		
2017	635.410.462.181	90.154.754.222	3,73
2018	772.084.813.373	136.674.351.192	2,46
2019	881.907.237.581	109.822.424.208	3,07
2020	858.269.334.510	- 23.637.903.071	0,97
Total	3.692.927.555.604	313.013.626.551	

From the statistical data above, it can be seen that there was an increase in tax revenue from 2016 to 2019 with a total percentage of 9.26 and an average for 3 years of 3.09%. In the period before the Covid 19 pandemic, there was an increase in tax revenue by reaching Rp. 2,834,658,221,094, - with an increased rate of Rp. 336,651,529,622, - which means that the level of compliance of individual taxpayers in paying and reporting annual SPT is still running. well. In 2019 to 2020, the decrease in income from PPh 21 was Rp.23,637,903,071,- the percentage value was 0.97%.

Government Regulation in Lieu of Law (Perpu) Number 1 of 2020. State financial policies and financial system stability in the context of handling the 2019 coronavirus disease (covid-19) pandemic and/or in the face of threats that endanger the economy and/or national financial system stability , and Regulation of the Minister of Finance (PMK) No. 28/PMK.03/2020 which among others regulates the Income Tax Article 21 facility and provides tax incentives for taxpayers affected by the corona virus, the relaxation provided is PPh 21 borne by the Government for 6 months

for workers with a gross income of not more than 200 million. The absence of PPh 21 deductions that are not deducted is expected to maintain people's purchasing power. (www.kemenkeu.go.id. The government provides tax incentives to support the business world and the community during the COVID-19 pandemic 20/04/2020). So that the efforts made by the government in the program to support UMKM capital and cash flow during this pandemic are in the form of capital assistance either through banks or directly.

The decline in 2020 PPh21 Revenue by 0.97% that occurred at the Pondok Aren KPP Pratama is the impact of the Covid-19 pandemic, with the tax relaxation, taxpayers continue to report and pay Annual SPT. Relaxation is well executed. Although there is a decrease in income from PPh 21, with the addition of the number of taxpayers with a decrease in taxpayer income due to the impact of the Covid-19 Pandemic.

Conclusion

Based on the results of research and discussion on the Impact of the Covid 19 Pandemic on the Compliance Level of the Annual Individual Taxpayer at the Pondok Aren Tax Office, South Tangerang City, it can be concluded that the understanding of regulations and tax benefits has a positive effect on individual taxpayer compliance. With the government's policy of tax relaxation during the Covid-19 Pandemic and the benefits derived from this policy, taxpayers continue to comply with annual SPT reporting despite a decline in PPh 21 revenue that occurred in 2020 due to a decline in people's income and purchasing power.

Suggestion

Based on the results of the research that has been submitted, the authors suggest the following; first, to further enhance innovation more consistently to involve the general public in the pioneering of systematic Annual Tax Returns by conducting an online counseling or seminar approach on how to make good use of the policies provided by the government during the Covid 19 Pandemic. Second, to provide support to MSMEs in increasing turnover by compiling cash flows and financial statements which are very important for annual SPT reporting. Third, tax policies and treatment will continue to be implemented by involving all levels of society.

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