

THE ROLE OF E-FILING IN IMPROVING TAXPAYER COMPLIANCE IN INDONESIA

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Abstract

The advancement of technology has made people prefer a practical and easy. E-filing is one of the technological advances used by the Indonesian Directorate General of Taxes. The use of an online tax application is also carried out in order to improve Indonesia's ranking in the list of *Ease of Doing Business* (EODB) in the world with one of the indicators is the use of technology to shorten the bureaucracy and improve time and cost efficiency. The purpose of writing this scientific journal is to determine the role of using e-filing applications for taxpayer compliance in Indonesia. The research method used in this research is to use a qualitative descriptive method. The type of data in this study is qualitative data, where data is presented in the form of words that contain meaning in the form of data that is processed through interviews and explanations about e-filing. Data collection was carried out using interview methods and other source. The results of research conducted indicate that the use of e-filing is able to increase taxpayer compliance every year. In this case the government is expected to continue to develop the e-filing application and conduct socialization to various groups of people so that taxpayers become more about funding the use of e-filing applications in SPT reporting so that the taxpayer compliance targets are realized according to the target every year.

Keywords: E-filing, Tax payer

A. Introduction

E-Filing is one of the technological advances that have been used by the Directorate General of Taxes. An e-filing system is a way of electronically submitting annual Notification (SPT) that is done online and in real time. The use of e-filing system is intended in order to provide accurate, easy and quick in tax reporting. The e-filing facility makes it easy for users to fill in the process and encourages users to use the facility because it is considered not difficult. In its development, OnlinePajak not only provides e-Filing services (online tax reports) but is a solution for online tax calculation and payment needs. Through Decree of the Director General of Tax No. Kep-88 / PJ / 2004 in May 2004 the e-filing product was officially launched. The Directorate General of Taxes brings together all tax reporting and payment services under one system, namely the Online Tax Directorate General's website (djponline.pajak.go.id) as a center for electronic Annual Notification (SPT) services. Through the Ministry of Finance Regulation No. 9 of 2018 (PMK-9 / PMK.03.2018) all taxpayers must use e-Filing. The regulation, which took effect on April 1, 2018, requires the use of e-Filing to report tax returns on PPh 21/26 and VAT. With the issuance of these regulations, it is expected that the level of tax compliance will increase. In the above regulation e-filing aims to facilitate all personal taxpayers and corporate taxpayers to report Notification Letter to the Tax Service Office. The Directorate General of Taxes (the Directorate General of Taxes) continues to strive to provide

the best quality of service for individual taxpayers (OP) in delivering their tax returns, namely by perfecting the e-filing system.

Since the use of this online technology the submission of the Personal Taxpayer Tax Return e-filing has experienced a significant increase. In 2006 the number of SPTs submitted was 26% of registered taxpayers 6.45 million until 2018, reaching 70.10% of registered taxpayers of 42.4 million . This increase is a positive indicator of improving the scope of the taxation system and expanding the tax base which is closely related to tax revenue. Nevertheless, this formal compliance movement is more volatile than the addition of WP . This sense of globalization with rapid technological advances is driving people to be more practical. Online tax reporting is more practical because it does not use paper and is easy and reduces the burden of the administration process so that wherever we are, we can report taxes to the Tax Service Office via the internet without having to come directly to the Tax office. It is expected in a pkan d apat increase the number of registered tax payer who report their tax returns .

To improve the quality of e-filing, the Directorate General of Taxes conducted four programs that had been designed. The first four programs, immediately plan and implement information dissemination both directly and indirectly to taxpayers to utilize e-filing services, Second, prepare Helpdesk to handle everything related to e-filing services, Third, Proactive Provision of e-FIN, to potential potential users of e-filing by adjusting the conditions of their respective work areas and the Fourth coordination with their respective Regional Offices to conduct campaigns on a massive basis and annual SPT reporting through e-filing. With keen to disseminate to the various ins militancy-insta n si and the public is expected that the use of e-filing can increase the interest shall paja k in the reporting SPT.

The existence of regulations and improvements to e-filing makes taxpayers feel easy and practical so that it can increase the interest of taxpayers in SPT reporting. From the description above, the author compiles a journal with the title: " **THE ROLE OF EFILING IN IMPROVING TAXPAYER COMPLIANCE IN INDONESIA**".

B. Theoretical Foundation

1. E-Filing

According to the Directorate General of Tax e-Filing is a way of electronically delivering Notification Letter (SPT) that is done online and in real time through the internet on the website of the Directorate General of Taxes (<http://www.pajak.go.id>) or SPT Service Provider Electronic or Application Service Provider (ASP) . This system was designed to facilitate the reporting of online tax by individual taxpayers and corporate taxpayers in the reporting their Tax (SPT), taxpayers can report the Mail Notifier 's (SPT) 24 hours for 7

days. Taxpayer can be reported Letter Notice (SPT) it even though it was on a holiday. This system is very useful for taxpayers who do not report their notification (SPT) with busy reasons, in addition to the existence of this e-filing system can reduce costs arising from the use of paper.

The e-filing tax was born from the application of the Second Generation State Revenue Module (MPN G2) system which began in 2007. In this system, the state uses electronic mail and *billing* payments as part of its transaction system. Kemudian create a special website to support e-Filing and e-Billing namely sse.pajak and efiling.pajak. however, these sites have a separate system from the DGT official site. In 2014 DGT united all systems and created the DJPOnline website (djponline.pajak.go.id). However, for individual taxpayers, the channel provided is a government-owned application, while corporate taxpayers can use ASP for tax reporting. In 2015 the OnlinePajak application was appointed as an electronic SPT service provider through the Director General of Taxes Decree Number: KEP-193 / PJ / 2015. This application bu kan just for reporting tax return but can be a solution to the needs of compute and pay taxes online. Migration of Taxpayers to the e-Filing system is Strategic 1 in the DGT Strategic Plan for 2015-2019. For this reason, prior to the period of submission of Annual Income Tax Returns, DGT's public relations will again make a communication strategy in the submission of Annual Tax Returns through e-Filing .

The service provided in the e-filing system in the e-Filing application at DGT Online is filling in the Annual Personal Income Tax report (1770, 1770S, 1770SS) or for the Annual Corporate Income Tax Return (1771). For types of SPT 1770SS and 1770S, forms are provided directly on the e-Filing application. Whereas for the submission of other tax returns, especially types of tax returns 1770 or 1771, e-Filing in DJP Online provides the SPT delivery facility in the form of uploading tax returns that have been made through e-SPT applications or e-FORM, SPTs that have been made through these applications can submitted *online* without having to come to the Tax Service Office (KPP).

Before the taxpayer reporting via E-filing as for how to do the taxpayer is applying for e-FIN (Filing Identification Number) to come directly to the tax office nearby and e-FIN will be given directly to the taxpayer (1 day work), then register as an e-filing user Taxpayer at www.pajak.go.id no later than 30 days after the e-FIN was issued, and the third step is to submit the SPT via e-filing by filling in the e-SPT on the e-application filing at www.pajak.go.id. Furthermore, requesting a verification code for sending e-SPT verification codes via e-mail that has been registered then sending SPR online by filling in the verification code and e-SPT status notification and proof of electronic receipt will be provided to taxpayers via email.

Benefits of using E-filing

The era of globalization demands that everything can be done quickly. Likewise with the taxation process that becomes an obligation for taxpayers in Indonesia. The taxation

process, which used a manual system, has now switched to an *online* system . The use of e-filing systems is not only for convenience, but also supports economic and business systems .

Some of the benefits of using e-filing are as follows:

a. The use of E-filing makes it easier for taxpayers

The main convenience in using e-filing is that taxpayers no longer need to come to KPP with various kinds of files to report their SPT at the end of each tax period. Thus, KPP will be more relaxed and conducive to carrying out activities. Filing will also be much easier, because in the end each taxation process will stand on the same database.

Another convenience is in submitting SPT, taxpayers can do it anywhere and anytime, as long as the device used is connected to an active internet network. Thus, taxpayers will feel much more comfortable and will minimize delays in reporting because they are blocked by holidays or working hours. Other than that, e-Filing can reduce the impact of queues and the volume of work in the SPT receipt process. The existence of this online SPT report aims to reduce the number of taxpayers who come to the Tax Office so that there are no longer long queues.

b. E-filing application is easy to use (User-Friendly)

SPT reporting by e-filing can be done quickly because it is through an internet network where the process of receiving data is done online and in real time. Every taxpayer only needs to enter the DJP Online website.

In filling in, files that must be filled in physically can now be filled more easily. Simply by filling in each column on the online form provided, taxpayers can report quickly. The required files or attachments can also be uploaded with a specific file format.

2. Taxpayers

Many people assume that taxpayers are only those who pay and report taxes, even though according to the law taxpayers also have authority in tax collection. Taxpayers who have the authority are treasurer, cash holder officials, certain private or government entities that are concerned with imports and automotive and cement production businesses and certain agencies that collect taxes from buyers for the sale of very luxury goods.

Another assumption that taxpayers are those who have a tax ID (Taxpayer Identification Number/ NPWP), but those who are required to have a tax ID is a person or entity that has met the subjective tax requirements that are in accordance with the criteria

of the subject of payment and tax objectives, namely having a transaction or source of income taxable. Because there are subjective and objective conditions, taxpayers must have a NPWP when they pay, withhold and collect taxes. The aim is to facilitate data collection and documentation.

Taxpayers who do not have a NPWP for example are employees who work at one agency and then receive a salary without informing the NPWP with the company. The person is still called a taxpayer because he continues to pay and report taxes through the company. However, this taxpayer is obliged to report his personal tax as instructed by the tax law. Based on taxation provisions, taxpayers who do not have a NPWP must be deducted by 20% more than the amount of the deduction they should have.

According to the Taxation Law year 6 of 1983 which is updated with Law Number 16 of 2009 concerning General Provisions and Tax Procedures , a Taxpayer is an individual or entity, including taxpayers, withholders and tax collectors, who has the right and tax obligations in accordance with the provisions of tax legislation.

Taxpayers are classified into 2 groups, namely:

- a. Individual taxpayers
 - Individual (Parent): The taxpayer is not married, and the husband is the head of the family
 - Living Separated (HB): married women who are taxed separately for living separately based on a judge's decision
 - Separation of Assets (PH): husband and wife who are taxed separately because they want it in writing based on a written agreement to separate assets and income
 - Choosing Separately (MT): married women, other than the categories of Separated Living and Separated Assets, who are taxed separately for choosing to exercise their rights and fulfill separate tax obligations from their husbands
 - Undivided Inheritance (WBT): as a unit is a substitute tax subject, replacing those who are entitled, namely the heirs
- b. Corporate taxpayers
 - Agency: a group of people and / or capital which is a unit, either doing business or not doing business
 - Joint Operation: a form of joint operation that delivers Taxable Goods and / or Taxable Services on behalf of a joint operation
 - Foreign Company Representative Office: Taxpayer of foreign trade representative or representative office / liaison office in Indonesia that is not a Permanent Establishment (BUT)

- Treasurer: government treasurers who pay salaries, wages, honoraria, allowances, and other payments and are required to withhold or collect taxes
- Activity Organizer: parties other than the previous four corporate Taxpayers who make payment of compensation in whatever name and form in connection with the implementation of activities

C. Research Methods

This research is a descriptive qualitative research. Qualitative research is research that produces descriptive data that contains written or oral words from people and research that can be seen. This qualitative study uses research which consists of research on taxpayer compliance as well as writings from various sources as well as direct interviews with taxpayers of e-filing users . This research was conducted by collecting data in accordance with what is needed by researchers. In this study, the use of e-filing that already has regulations or regulations from the Ministry of finance Number 9 of 2018 (PMK-9 / PMK.03.2018) was validated as of April 1 2018, all taxpayers are required to report annual tax returns using the online application E-filing. this is done to facilitate taxpayers in reporting SPT and keep abreast of technological developments very rapidly at this time.

The type of data in this study is qualitative data, where the data is presented in the form of words that contain meaning in the form of data processed through direct interviews and explanations of e-filing on taxpayer compliance.

The data source used in this study came from internal sources, namely data obtained from direct interviews with e-filing users . Data collection is done by interview method. Data and information collection is done by conducting oral interviews with informants, namely e-filing users about the impact of using e-filing on taxpayer compliance to collect the required information.

D. Research and Discussion Results

Use of E-filing Increases taxpayer compliance in Indonesia

The use of online systems in taxation has been introduced since 2005. However, the lack of socialization to the public has resulted in the lack of interest of taxpayers to use it. Along with advances in technology, reform the taxation system online in Indonesia began to grow rapidly and make peng g una easier and more practical. The use of e-filing systems is not only for convenience, but also supports economic and business systems. The government also aims to improve Indonesia's ranking in the list of *Ease of Doing Business* (EODB) in the world. One indicator is the use of technology to shorten bureaucracy and improve time and cost efficiency.

According to data from the Directorate General of Taxation since the introduction of the online system in Indonesia taxation taxpayer compliance is increasing rapidly, from the data p there in 2006 the number of submitted tax return is 26% of the 6.45 million registered taxpayers until 2018 has reached 70.10% of the taxpayer registered 42.4 million . This significant increase did not escape the public perception of the ease of doing tax reporting via online.

After stipulation of regulation from the Ministry of finance Number 9 of 2018 (PMK-9 / PMK.03.2018) taxpayer compliance in the 2018 SPT reporting increased by 8.83% from the previous year or in 2017. From the number of registered taxpayers as of 2018 42.4 million with a share of 90.98% Individual taxpayers, 7.82% for corporate taxpayers and 1.2% for treasurers. Of all registered taxpayers, 71.1 % of the submission of annual tax return compliance for income tax.

The tax directorate general targets the use of e-filing in the 2018 annual tax return report by 82%. Various actions have been taken by the government in socializing the use of online taxes. Among them are conducting Application, Network and Database Monitoring during 2018 through the Network Operation Center (NOC) room; adding DGT Online, e-Filing and e-Form Servers during the last week of March 2018 to anticipate the number of taxpayers who access the eFiling Application; and the implementation of the SPT 1771 e-form; 4. conduct socialization to the user in KPP.

In achieving the target, the government has various challenges, namely the weighting of tax returns submitted, so that the realization of several tax offices decreased when compared to no weighting , many taxpayers earning under PTKP thus reporting using the SPT 1770SS form, SP T 1770SS, electronic SPT 1770 (SPT 1770SS) Non-employee taxpayers) are still low (not reaching 50% of the 1770 tax returns).

From the results of the actions carried out by the directorate general of taxes taxpayer compliance achievement exceeds the target in 2018 was recorded at 85 , 55 %. With e-filing in Indonesia, the results show that the ease of technology and systems has a significant effect on satisfaction and compliance of taxpayers in reporting the annual tax return.

If the system used is easy, fast, flexible and safe then the user will feel satisfied. The better the system is used, the more often the user uses it and is satisfied with the system. This can be proven by the fact that the e-filing of Annual SPT reporting has increased compared to before the e-filing. Therefore, the ease of the system is one of the factors that causes an increase in taxpayers reporting annual tax returns and of course taxpayers will feel satisfied.

E- Filing tax is not only an innovation to help taxpayers, but also a means to increase state revenue. This system encourages taxpayers to be more obedient in carrying out tax obligations while also facilitating data collection and supervision as well as reducing troublesome bureaucracy. Taxes are one of the main sources of state revenue. The more compliant the taxpayer, the greater the tax funds obtained by the government.

E. Conclusions and Suggestions

1. Conclusions

Based on the results of research and discussion it can be concluded:

1. By using the e-filing system, SPT reporting can be done quickly because it is through an internet network where the process of receiving data is done online and in real time, so that tax e-Filing can be done anytime and anywhere as long as the taxpayer is connected to the internet, besides e-filing is a user-friendly application. E-filing can also be used to reduce direct meeting of taxpayers with tax officials so as to save time and reduce the impact of queues and volume of work in the SPT receipt process.
2. With the various advantages and conveniences that taxpayers get by using e-filing, it can increase taxpayer compliance in SPT reporting.

2. Suggestions

1. With this service, it is hoped that taxpayers will find it easier to report taxes. And of course you have to be more obedient in paying taxes. Because the use of e-Filing is free of charge or free.
2. For the DGT it is expected Monitoring the Application, Network and Database every year, making improvements to the Annual SPT warning menu, and continuing to conduct socialization related to all electronic SPT submission channels.

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