STRENGTHENING E-COMMERCE TAXES USING BILINGUAL FOR FOREIGN COMMUNITIES IN INCREASING INDONESIAN TAX REVENUE

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ABSTRACT

The rules regarding tax collection for e-commerce actors had become a hot topic of discussion among the players. One of the concerns is that the tax that the government will apply to online businesses will burden the players later. The perpetrators of e-commerce are not only from among Indonesians, but from outside communities both Chinese citizens living in Indonesia and other foreigners. Therefore, regulations and discourse through written media are needed to regulate such matters so that the foreign community knows and can apply them in their efforts. The purpose of this study is to provide foreign citizens with a strengthening regarding e-commerce tax rules in Indonesia. This research uses quantitative research which will be described in the results and discussion. Data collection is carried out by conducting interviews and questionnaires to foreigners about their knowledge of e-commerce taxation, especially e-commerce actors. The results of this study indicate that many foreign people do not know about e-commerce regulations. So that regulations are needed by using several languages to facilitate foreigners in understanding it.

Keywords: E-commerce Tax, Bilingual, Foreign Community, Income

A. Introduction

E-commerce, or trade in goods and services on-line, has become a large component of the global economy. A WTO (World Trade Organization) report states that the total value of e-commerce in 2016 was 27.7 trillion US dollars (37.58 trillion Singapore dollars), of which nearly 24 trillion US dollars were business-to-business transactions. -Business (B to B). The global e-commerce market is expected to approach 1 trillion US dollars by 2020 as online sales continue to grow. However, the world does not have shared rules for this transaction. Compliance with separate regulations for each country and region has become a significant burden on companies and obstacles to expanding their business operations. Study of the Department of Economic and Scientific Policy of the European Union Parliament, Tax Challenges in the Digital Economy, reveals that the development of the digital economy has created new challenges for taxation systems in various countries. According to them, this is because the current taxation system is basically designed to collect taxes from conventional industries. Yet in this digital age, the problems and challenges faced by businesses are completely different. The development of e-commerce business in

Indonesia is currently very rapid and increasingly in demand by both local and foreign entrepreneurs.

This raises new problems, because Indonesia is felt to still not have clear rules to regulate the circulation of foreign e-commerce, so that many foreign e-commerce actors are still not touched by taxes. Basically every time there is a payment abroad will be subject to income tax article 26. However, if an e-commerce company is located in another country that does not have a tax treaty (tax treaty) with Indonesia, then the tax is not subject to article 26 because they have to follow the provisions in the tax treaty. Difficult to trace the basis of e-commerce transactions that have cross-country can be a problem. Therefore, in making international trade agreements related to online e-commerce business the government must consult with a number of experts. At present Indonesia only applies general rules like Income Tax (PPh) for e-commerce businesses. The absence of special rules governing e-commerce is still considered detrimental because some foreign companies do not pay tax (VAT) entirely like domestic companies. The Ministry of Trade has stated that it has found a way to get tax-affected e-commerce transactions by cooperating with the Rasaksa software company. But in fact until now there are still foreign e-commerce business people who are not affected by taxpayers, even though online trading is regulated in Trade Law Number 7/2014. It is time for Indonesia to have clear rules in regulating the circulation of invading foreign e-commerce. These rules must be made immediately to protect domestic businesses and protect against the threat of foreign online businesses to face the era of free trade. But of course after doing research what kind of taxation model that is suitable to be applied in Indonesia and not affected by statements that do not make sense.

B. Method

The type of research used in the form of quantitative research with the object of research is e-commerce actors, Respondents in this study were foreign e-commerce actors residing in Indonesia as many as 92 people. The research was conducted by displaying two types of brands, in this case the product brand using English or Chinese and other foreign languages, after which the researchers distributed questionnaires to each student. Data collection techniques are carried out by distributing questionnaires distributed to students regarding the influence of e-commerce actors with Indonesian-language brands and individual demographic characteristics of consumer buying decisions. Respondents were asked to respond to the questions given by answering the list of questions with demographic characteristics. The type of questionnaire to be used is an open questionnaire where respondents are asked to answer questions by selecting the answers provided with the Likert Scale. Secondary data collection is done looking for related data needed by looking at documents such as journals that relate to the problem under study. The data analysis technique used is descriptive statistical analysis techniques. According to Sugiyono (2008, p.142) that: "Descriptive statistics are statistics used to analyze data by describing or describing data that has been collected as it is without intending to make conclusions that apply to the public or generalizations".

C. Research Finding Results

This study presents the Strengthening E-Commerce Taxes Using Bilingual For Foreign Communities in Increasing Indonesian Tax Revenue. This aims to determine how far the influence of language on actors e-commerce purchasing decisions. Respondents in this study were foreign e-commerce actors residing in Indonesia as many as 92 people. The research was conducted by displaying two types of brands, in this case e-commerce product brand represented English or Chinese-language product brand represented other language brands after which researchers distributed questionnaires to each e-commerce actors.

Table 4.1 Characteristics of Respondents by Age

Age	Total Respondens	Percentage
18-25 tahun 26-35 tahun >35 tahun	92 - -	100% - -
Total	**92**	**100%**

Source: Primary Data (Questionnaire), Processed (2019)

1. Range Determination

This survey uses a Likert scale with the highest weight in each statement is 5 and the lowest weight is 1. With the number of respondents as many as 92 people, then:

Range = highest-lowest score / range score

Highest score: 92 x 5 = 460

Lowest score: 92 x 1 = 92

So that the range for the survey results, namely: 460-92 / 5 = 73

Score range:

92-165 = Very Low

166-239 = Low

240-313 = Enough

314-387 = Height

388-461 = Very High

a. Description and Variable Score Calculation

To see respondents' responses to the indicators and also the score calculation for e-commerce actors variables (X1), foreign-language brands (X2), the description is as follows.

b. Description of Variables of Chinese Speaking (X1)

Analysis of description of respondents 'answers about Chinese Language variables is based on respondents' answers to statements such as those contained in questionnaires distributed to respondents. Variation of respondents' answers for foreign language brand variables can be seen in table 4.4 below:

c. Description of Variables of Chinese Language (X1)

Analysis of description of respondents 'answers about Chinese language variables is based on respondents' answers to statements such as those contained in

questionnaires distributed to respondents. Variation of respondents' answers for foreign language brand variables can be seen in table 4.4 below:

Table 4.2 Responses of Arabic Brand Respondents

No	Statement	Respondents Answer									Skor
		SS		S		N		TS		STS	
			%		%		%		%		%	
1.	$X1.1$	38	41,3%	35	38%	10	10,8%	9	9,7%	-	-	378
2.	$X1.2$	38	41,3%	33	35,8%	17	18,4%	4	4,3%	-	-	381
3.	$X1.3$	18	19,5%	41	44,5%	24	26%	7	7,6%	2	2,1%	342
Mean												367

2. Primary Data (Questionnaire), Processed (2020)

Based on the above data with the number of respondents 92 people, the average respondent's response about how attractive the Chinese-language brand is where the researcher took e-commerce actors samples, the respondents gave very good answers. Furthermore, the respondent's response about the brand intentions conveyed in products, on average the respondents gave positive answers. While the responses of respondents about liking e-commerce actors because it looks more global, respondents answered well. From these results it can be concluded that the respondent's response to the Chinese-language brand variable is at the fourth (high) range level of 367, in general interesting.

a. Description of Variables of Foreign Language Brands (X2)

Based on the table below, respondents respond to foreign language brands. So from 92 respondents who have given responses in this questionnaire we can see with the table below:

Table 4.3 Respondents' Response to Indonesian Brands

No	Statement	Respondents Answer									Skor
		SS		S		N		TS		STS	
			%		%		%		%		%	
1.	$X2.1$	24	26%	53	57,7%	14	15,2%	1	1%	-	-	376
2.	X2.2	19	20,6%	62	67,3%	11	11,9%	-	-	-	-	376
3.	$X2.3$	10	10,8%	52	56,5%	27	29,3%	3	3,2%	-	-	345
Mean												355

Source: Primary data (questionnaire), processed (2020)

Based on the above data with the number of respondents 92 people, the average response of respondents regarding how attractive foreign language brands where researchers took samples of e-commerce actors, respondents gave good answers. Furthermore, the respondent's response about the brand intentions products, the average respondent gave a satisfying answer. While the responses of respondents about liking English language because it looks more global, respondents answered well.

b. Variable description of purchase decision (Y)

Based on the table below, respondents respond to purchasing decisions after seeing the two brands. So from 92 respondents who have given responses in this questionnaire we can see with the table below:

Table 4.4 Respondents' Responses to Purchasing Decisions

No	Statement	Repondents Answer										Score
		SS		S		N		TS		STS		
			%		%		%		%		%	
1.	$Y1.1$	46	50%	37	40,2%	6	6,5%	3	3,2%	-	-	402
2.	Y1.2	32	34,7%	50	54,3%	10	10,8%	-		-	-	390
3.	$Y1.3$	34	36,9%	44	47,8%	6	6,5%	3	3,2%	5	5,4%	375
4.	$Y1.4$	25	27,1%	43	46,7%	20	21,7%	3	3,2%	1	1%	364
5.	$Y1.5$	27	29,3%	28	30,4%	27	29,3%	8	8,6%	2	2,1%	346
Mean												**375,4**

Source: Primary Data (Questionnaire), Processed (2020)

Based on the above data with the number of respondents 92 people, the average response of respondents regarding language English has a respondent brand giving a positive answer.

3. Testing for Reliability and Validity

a. Reliability testing

Reliability test is intended to measure a questionnaire which is an indicator of a variable. Reliability is measured by the cronbach's alpha (α) statistical test. A variable is said to be reliable if it gives the cronbach 'alpha value> 0.60.

Table 4.5 Variable Reliability Test Results X1

Reliability Statistics

Cronbach's Alpha	N of Items
.666	3

Source: processed through SPSS V.20.00

Based on the results of the X1 variable reliability test table above, the value of Cronbach's Alpha reaches 0.666, which is greater than 0.6. Based on the provisions above, the indicators in this study are said to be reliable.

Table 4.6 Variability Test Results for X2 Variables
Reliability Statistics

Cronbach's Alpha	N of Items
.633	3

Source: processed through SPSS V.20.00

Based on the results of the X2 variable reliability test table above, the value of Cronbach's Alpha reaches 0.633, which is greater than 0.6. Based on the provisions above, the indicators in this study are said to be reliable.

Table 4.7 Y Variable Reliability Test Results
Reliability Statistics

Cronbach's Alpha	N of Items
.747	5

Source: processed through SPSS V.20.00

Based on the results of the Y variable reliability test table above, the value of Cronbach's Alpha reaches 0.747, which is greater than 0.6. Based on the provisions above, the indicators in this study are said to be reliable.

b. Validity test

The results of the validity test through the SPSS 20.00 program on the research instrument obtained the correlation numbers described in the following table.

Table 4.8 Validity Test Results

Variabel	Indikator/ Item	Corrected Item- Total Correlation	Information
English Language	X1.1	.658	VALID
	X1.2	.320	VALID
	X1.3	.490	VALID
Chinese Language	X2.1	.620	VALID
	X2.2	.514	VALID
	X2.3	.541	VALID
e-commerce actors	Y1	.388	VALID
	Y2	.518	VALID
	Y3	.580	VALID
	Y4	.603	VALID
	Y5	.544	VALID

Based on the table of validity test results above, it is known that all statement items used in this study to measure English language variables, foreign language brands and purchasing decisions are valid, which is indicated by the value of each statement item based on the Corrected Item-Total column Correlation has a positive correlation coefficient and is greater than 0.3.

4. Hypothesis Testing
a. Results of Multiple Regression Analysis

Multiple linear regression analysis was used in this study with the aim of proving the hypothesis about the influence of English language brand variables ($X1$) and foreign-language brands ($X2$) partially or jointly on purchasing decisions (Y). The statistical calculation in multiple linear regression analysis used in this study is to use the help of the 20.00 SPSS program for Windows. The results can be seen in the following table.

Table 4.9 Results of Regression

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	8,132	2,242		3,628	,000
	X1	,668	,158	,386	4,219	,000
	X2	,364	,107	,313	3,421	,001

a. Dependent Variable: Y
Source: Data is processed using SPSS V.20.00

Based on the results of data processing, multiple regression equations can be arranged as follows:
$Y = 8.132 + 0.668X1 + 0.364X2 + e$
Where :
X1: English Language
X2: Foreign language
Y: Purchase decision
e: Residual value

The regression equation above can be explained as follows:
1) The value of the equation constant above is 8,132. This number shows the level of purchasing decisions (Y).
2) The independent variable of the English-language brand ($X1$) has a positive effect on purchasing decisions (Y) with a coefficient of (0.668). This means that by using a foreign language brand, it will increase the purchasing decision by (0,668).
3) The independent variable of a foreign language brand ($X2$) has a positive effect on purchasing decisions (Y) with a coefficient of (0.364). This means that by using an Indonesian language brand, it will increase the purchasing decision by (0.364).
4) Of the two English-language brand variables and foreign-language brands where the English-language brand variable has a greater influence on e-commerce actors purchasing decisions.

b. Analysis of the Determination Coefficient (R2)

This coefficient of determination is used to determine how much influence the independent variables have on the dependent variable. The coefficient of determination for the two free variables is used R, as follows.

Table 4.10 Results of the Determination Coefficient

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,851[a]	,724	,716	2,19380

1, 851a, 724, 716 2,19380
a. Predictors: (Constant), X2, X1
b. Dependent Variable: Y
Source: Data is processed using SPSS V.20.00

From the results of the analysis of the factors that influence the purchase decision shows the coefficient of determination (R) of 0.851 this means that all independent variables namely foreign-language e-commerce (X1) and Indonesian-language e-commerce (X2) have a contribution of 85% to the variable bound (Y) namely the purchase decision, while the remaining 15% is influenced by other factors outside of this study such as price and quality of goods.

c. Significance Test (F Test)

The F statistical test basically shows whether the independent variables included in the model can be used to predict the influence of the dependent variable. The results of the calculation of the F Test can be seen in the following table.

Table 4.11 Simultaneous Significance Test Results (Test F)
ANOVAa

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	148,490	2	74,245	15,427	,000[b]
	Residual	428,336	89	4,813		
	Total	576,826	91			

a. Dependent Variable: Y
b. Predictors: (Constant), X2, X1
Source: Data is processed using SPSS V.20.00

The F test is used to determine the effect of the possibility of whether or not it can be used to forecast the independent variable value of English-language e-commerce (X1) and foreign-language e-commerce on the dependent variable of purchasing decisions (Y). The F test is done by comparing the value of α with the significance value of the calculated F value itself. Where if the value of α is greater than the significance value F count, then the independent variable (X1) and (X2) have a significant effect on the dependent variable (Y). The results of statistical calculations show the value of Fcount = 15,427 with a significance of 0,000 <0,05 (5%).

d. Partial Test (T Test)

T test is intended to find out how far the influence of one independent variable (english language e-commerce and foreign language e-commerce) individually in explaining the dependent variable (purchase decision). The results of the t test in this study can be seen in the following table.

Table 4.12 Partial Test Results (T Test)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	8,132	2,242		3,628	,000
	X1	,668	,158	,386	4,219	,000
	X2	,364	,107	,313	3,421	,001

a. Dependent Variable: Y
Source: Data is processed using SPSS V.20.00

 The following will partially explain the testing of each variable.
1) Variables of English Language e-commerce (X1)

The results of testing with SPSS for English language e-commerce variables (X1) on purchasing decisions (Y) obtained the value of t arithmetic = 4.219 with a significance level of 0,000. By using a significance limit (α) = 0.05, the significance level is 0,000 <0,05, so the hypothesis is accepted. This means that the brand variable in English language e-commerce (X1) has a positive influence and has a significant effect on purchasing decisions (Y).
2) Variables of Foreign Language e-commerce (X2)

The results of testing with SPSS for foreign language e-commerce variables (X2) on purchasing decisions (Y) obtained t count = 3.421 with a significance level of 0.001. By using a significance limit (α) = 0.05, then the significance level is 0.001 <0.05, then the hypothesis is accepted. This means that Indonesian brand variables have a positive influence and have a significant effect on purchasing decisions (Y).

Furthermore, based on the results of the T test above, it can be concluded that the most dominant variable influencing purchasing decisions is the English language e-commerce variable (X1) with a value of α> sig (value of α (0.05)> sig (0,000) and T value Calculate 4,219.Thus, it can be said that the English-language e-commerce variable (X1) is the most dominant variable that influences consumer purchasing decisions in e-commerce actors.

D. Discussion

It is time for Indonesia to have clear rules in regulating the circulation of invading foreign e-commerce. These rules must be made immediately to protect domestic businesses and protect against the threat of foreign online businesses to face the era of free trade.

But of course after doing research what kind of taxation model that is suitable to be applied in Indonesia and not affected by statements that do not make sense. The

results of this study indicate that many foreign people do not know about e-commerce regulations. So that regulations are needed by using several languages to facilitate foreigners in understanding it.

E. Conclusion

The rules regarding tax collection for e-commerce actors had become a hot topic of discussion among the players. One of the concerns is that the tax that the government will apply to online businesses will burden the players later. The perpetrators of e-commerce are not only from among Indonesians, but from outside communities both Chinese citizens living in Indonesia and other foreigners. Therefore, regulations and discourse through written media are needed to regulate such matters so that the foreign community knows and can apply them in their efforts. The results of this study indicate that many foreign people do not know about e-commerce regulations. So that regulations are needed by using several languages to facilitate foreigners in understanding it. Strengthening e-commerce taxes using bilingual for foreign communities in increasing indonesian tax revenue can success if e-commerce give the task used multi language about procedur e-commerce in Indonesia.

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