

Analysis of Tax Compliance with Intervening Variable: “PMK Number 91 of 2015 in Jakarta Central Tax Service Office

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Abstract: This research is motivated by tax revenues in Indonesia that did not reach the target compared to the realization in the last 10 years, this resulted in a relatively small tax ratio of around 12%. These problems illustrate that the level of taxpayer compliance is still low. Minister of Finance Regulation Number 91/03/2015 is expected to increase tax compliance so that state revenues will increase. This research on taxpayer compliance is focused on the implementation of this regulation in the Central Office of the Directorate General of Taxes in Jakarta. The research approach used is descriptive quantitative. The results of the study indicated that the enactment of the regulation in the Central Jakarta Regional Office has contributed to tax revenues of around 2.05% of total state revenues of IDR11,038,854,776,614 and it contributed 0.37% of IDR61,479,497,160,610. In fact the level of taxpayer compliance in Indonesia in 2015 increased by 1.31% from 59.12% to 60.42%, this is a positive impact of the enactment of the regulation, but the target of tax revenue on a national scale has not been fulfilled yet.

Key words: taxpayers; policies; tax compliance

JEL codes: H

1. Introduction

1.1 Background

Indonesia is one of the developing countries that has a development agenda in various sectors, such as the education, transportation, health, security and various other infrastructure sectors. In order to realize the development agenda, it requires large funds. The sources of funds for this development are based on state revenues, especially tax revenues. If seen in the last five years of the State Budget (APBN), which was in 2014 until 2014, the targeted portion of tax revenues reached 78.74% of total state revenues. This shows that income derived from taxes has the largest contribution in state revenues. Tax revenue every year is expected to continue to increase along with increasing targets, so that it can meet the funding needs for development in various sectors in Indonesia. The large dependence of the Indonesian government on revenue from the taxation sector is not in line with the realization of tax targets so far. During the last 5 years (2014-2018) the realization of tax revenues is always below the target. Tax receipts that are always below the target indicate the level of tax compliance in Indonesia is still low, so there needs to be a reform or comprehensive reform in the taxation sector.

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Indonesian taxation adheres to the self assessment system, this gives confidence to taxpayers to register, calculate, deposit and report the amount of tax payable by using a notification letter (SPT) and submit it to the Office of the Directorate General of Taxes where registered Taxpayers. In this system, the tax authorities only have the role of supervising, for example, conducting research on whether the SPT has been filled in completely and all the attachments included, also examining the truth of the calculations and writing. If the Taxpayer has a good level of compliance, the implementation of the self assessment system can be effective. But in reality the level of taxpayer compliance in Indonesia is still low, this can be seen in Indonesia’s tax ratio which reflects the not yet optimal tax revenue. Indonesia's tax ratio of around 12% is still very low when compared to other countries. Increasing the tax revenue target every year is considered as a government effort to raise the tax ratio.

According to data from World Bank (2012), the tax ratio in Indonesia is 11.9%, below the average of Southeast Asian countries, as can be seen in the table below:

Table 1 Tax Ratio in Southeast Asian Countries

Country	Tax Ratio (%)
Cambodia	10.0
Indonesia	11.9
Malaysia	15.3
Philippines	12.4
Singapore	13.8
Thailand	17.6

Source: World Bank (2012)

The low tax ratio illustrates the lack of awareness of the Indonesian people about the importance of taxes, especially to support development. Basically, the tax ratio is a comparison between tax revenue and a country's Gross Domestic Product (GDP). So actually the tax ratio can be seen from two sides. First, the tax ratio shows the extent to which the ability of the government to collect tax revenues or reabsorb gross domestic product from the public in the form of taxes. Second, the tax ratio is used to assess the compliance level of tax payments by the public in a country. The higher the tax ratio of a country, the better the performance of the country's tax collection. Some factors that cause low awareness or level of compliance of Indonesian people include public dissatisfaction with public services, uneven infrastructure development, and the many cases of corruption committed by high officials. The community also does not feel the benefits of taxes that have been paid, for example there are still many roads that are damaged or public transportation is still inadequate.

According to Lars P. Feld and Bruno S. Frey (2007), people are less interested in paying taxes because there is no direct incentive from the state. Taxes that have been paid are also not comparable with the benefits felt by the community. The public will pay taxes from the income they receive if they feel that public services are comparable to the payment of their taxes, fair treatment from the government and clear legal processes from the government. Whereas according to Allingham and Sandmo (1972), the tendency of people not to pay taxes or pay taxes but taxes that are not according to actual income due to low government supervision and sanctions or fines imposed on non-compliant taxpayers is still very small. If we look at the kingdom in the past, all citizens obediently paid their taxes or known as tribute king for fear of severe penalties that would be accepted if they did not pay taxes.

In connection with not achieving the target of tax revenue each year, the Directorate General of Taxation stipulates that 2015 is a Year of Guidance for Taxpayers by raising the motto “reach the unreachable, touch the untouchable” which is addressed to registered taxpayers who have submitted Notification Letter (SPT) or not yet submitted the SPT, as well as groups of individuals or entities that have not been registered as Taxpayers. The determination of the 2015 Taxpayer Development Year itself is motivated by the opportunity to increase tax revenues, the low tax ratio, the existence of untouched Individual Taxpayers, and the availability of external data that will assist the Directorate General of Taxes in achieving revenue targets. In this guiding year, the Director General of Taxes again provided tax amnesty facilities for administrative sanctions. On April 30, 2015, the government issued Minister of Finance Regulation Number 91 of 2015 (PMK Number 91/PMK.03/2015). This regulation was effective from May 4, 2015. This rule refers to Article 36 paragraph (1) letter a of Law Number 6 of 1983 concerning General Provisions and Tax Procedures as amended several times, the latest by Law Number 16 of 2009 (UU KUP), which states that the Director General of Taxes is given the authority to reduce or eliminate administrative sanctions in the form of interest, fines, and increases payable in accordance with the provisions of legislation in the field of taxation in the event that the sanctions are imposed due to taxpayer oversight or not because the mistake. PMK Number 91/PMK.03/2015 concerning Reduction or Elimination of Administrative Sanctions for Delays in Submission of Notification Letter, Correction of Notification Letter, and Delay in Payment or Tax Payment given the term Reinventing Policy or often referred to as Sunset Policy Volume II.

1.2 Research Purposes

To analyze taxpayer compliance through the application of the Minister of Finance Regulation No. 91 of 2015 with a proxy for tax revenue targets in Indonesia, especially in the Central Office of the Directorate General of Taxes in Jakarta.

2. Literature Review

2.1 Understanding of Taxes

The tax definition according to Law Number 16 of 2009 concerning the fourth amendment to Law Number 6 of 1983 concerning General Provisions and Tax Procedures in Article 1 paragraph 1 is “compulsory contribution to the state owed by an individual or entity that is compelling based on Law, by not getting compensation directly and used for the state’s needs for the greatest prosperity of the people”.

2.2 Tax Function

Resmi (2016, p. 3) there are two tax functions, namely the function of the budget and the regular function.

- 1) Function of budget (source of state finance), namely tax is one of the sources of state revenues to finance routine and development expenditures.
- 2) Regular function (regulator), meaning tax as a tool to regulate or implement government policies in the financial sector.

2.3 Tax Collection System

The tax collection system can be divided into three (Resmi, 2016), namely:

- (1) Official Assessment System

A tax collection system that authorizes the tax apparatus to determine the amount of tax payable annually according to the applicable tax laws and regulations.

(2) Self Assessment System

A tax collection system that authorizes taxpayers to determine the amount of tax payable annually according to applicable tax laws and regulations.

(3) Withholding System

A collection system that authorizes designated third parties to determine the amount of tax owed by taxpayers in accordance with applicable tax laws and regulations.

2.4 Tax Collection Principles

Adam Smith (Adam Smith, 2003, p. 1043), published his book *An Inquiry into the Nature and Causes of Wealth of Nations* (known as *The Wealth of Nation*), tax collection must be based on 4 (four) tax collection principles known as “The four maxims” are equality, certainty, convenience and low cost of collection.

2.4 Taxation Policy

According to (Mansury, 1999), taxation policy is a policy related to the determination of subjects to be taxed, objects that will be used as the basis for tax imposition, procedures for calculating the amount of tax to be paid and procedures for paying taxes owed.

Whereas according to Salamon (1991, p. 42) tax policy is the selection of certain elements from various alternatives based on the objectives to be achieved, the selection of these elements with regard to the subject of taxes, tax objects, tax rates and tax procedures. The choice of policy regarding the subject of tax concerns who will be taxed and who will be excluded from taxation. Similarly, the determination of tax objects, namely a policy choice about what will be taxed and what will be excluded from tax imposition. While the tax policy option concerning tax rates is progressive, regressive or flat rates that will be chosen.

The final element of the tax policy option is the choice of tax administration. The policy options from the administration side are, among others, the determination of taxpayers who are obligatory and taxpayers who are not required to enter tax returns, reporting dates, tax collection methods with withholding taxes or self payment, a system that will be implemented with a self assessment system or official assessment.

2.5 Tax Administration

Tax administration has an important role to support the success of a tax policy that has been taken. Taxation policies formally formulated in laws and other regulations need to be supported by good tax administration.

According to (Mansury, 1994) tax administration is one element in the taxation system and has three meanings namely:

(1) An agency or body that has the authority and responsibility for carrying out tax collection.

(2) People consisting of officials and employees who work on tax agencies that actually carry out tax collection activities.

(3) The activity of administering tax collection by an agency or body managed in such a way that it can achieve the targets outlined in the tax policy based on legal facilities determined by the tax law efficiently.

2.6 Tax Compliance

Taxpayer compliance is defined by Salamun (1991) as fulfillment of tax obligations (ranging from counting, collecting, deducting, depositing to reporting tax obligations) by taxpayers in accordance with applicable tax laws and regulations.

The tax collection system in Indonesia is a self assessment so that it demands active participation from the community as a taxpayer in fulfilling its tax obligations. Taxpayers who calculate, calculate, deposit and report their own tax.

There are two types of tax compliance, namely:

(1) Formal compliance

Tax compliance meets formal compliance based on tax laws and regulations. For example, the provisions for submitting the Annual Tax Returns on March 31, if the Individual Taxpayer has reported the Annual Tax Return before March 31, the Taxpayer has fulfilled the formal requirements.

(2) Material compliance

More broadly than formal compliance, because material compliance also includes formal compliance. For example, Taxpayers have reported SPT on time (not late), but the material provisions may not be fulfilled because Taxpayers must fill out the SPT honestly, correctly and completely in accordance with the provisions.

According to Homans as quoted by Gunadi, there are several factors that can affect tax compliance (tax compliance), namely compliance cost, tax regulation & law enforcement. If the three factors are adequately controlled, then the level of tax compliance increases optimally. Conversely, if the cost of compliance is high, tax regulations are complex and unclear or cause differences in interpretation (ambiguous), and poor application of regulations can cause a decrease in the level of tax compliance. These three factors can be explained as follows:

(1) Compliance Cost

According to Sandford, as quoted by Gunadi, compliance costs are costs other than tax payable that are paid or issued by taxpayers in order to fulfill tax obligations. Compliance cost consists of direct money cost, time cost & psychological cost.

- a) Direct money costs are real costs incurred by taxpayers in order to fulfill tax obligations, including among others: payments to accountants, tax consultants and the cost of travel to the place of deposit and tax reporting.
- b) Time Cost is the time spent by Taxpayers in order to fulfill tax obligations that cause opportunity loss, starting from the time used to study tax calculation to the time to report taxes and to account for the fulfillment of tax obligations that have been made.
- c) Psychological Cost is anxieties, worries, and fears that plague taxpayers in fulfilling tax obligations and interacting with tax officials.

(2) Tax Regulation

Clear, easy and simple tax laws and regulations that do not cause different interpretations for tax officers or taxpayers will increase tax compliance. On the contrary, according to Wetzler, as quoted by Gunadi, complicated laws, unclear or even conflicting implementing regulations have the potential to cause taxpayers' apathy that will affect the level of tax compliance. One important aspect in tax law is the existence of legal certainty, namely a condition of no doubt in the implementation of tax provisions for tax officers and taxpayers. Legal certainty will be achieved if the words or sentences (wording) in each rule are arranged so clearly that it does not cause different interpretations and does not provide excessive flexibility to the tax officer in their interpretations and implementation.

(3) Law Enforcement

In contrast to the problems in tax regulations arising from differences in interpretations, the problem in law enforcement is the implementation of regulations implemented by tax officials not in accordance with the provisions outlined for various reasons.

Implementation of regulations that are carried out adequately by prioritizing the principle of justice (i.e. equal treatment for the same conditions or equals for equals and different treatments for different conditions

unequal for the un equals) and carried out consistently will support the achievement of optimal tax compliance conditions.

Taxpayer compliance is stated by Norman D. Nowak as a compliance climate and awareness of fulfillment of tax obligations reflected in the situation (Sony Devano & Siti Kurnia Rahayu, 2006):

- 1) Taxpayers understand or attempt to understand all provisions of taxation regulations.
- 2) Fill out the tax form completely and clearly.
- 3) Calculate the amount of tax owed correctly.
- 4) Pay the tax owed on time.

Otto as cited by (Caizhi Nasucha, 2004), indicators of taxpayer compliance are shown by trends:

(1) Registration

Registration is indicated by the number of individuals who register as taxpayers compared to the total population.

(2) Reporting

(3) Report accuracy (correct reporting).

The accuracy of the report illustrates the truth of each Taxpayer's report that can be compared with certain types of business activities and the effectiveness of the tax rates paid based on income received.

(4) Payment

Payments illustrate the trend of timely tax payments, precision with the tax base and deposit per type of taxpayer. According to (Chaizi Nasucha, 2004), taxpayer compliance can be identified from: Taxpayer compliance in registering, compliance to deposit the notification letter, compliance in the calculation and payment of tax payable, compliance in payment of arrears. The principle is tax compliance is the act of taxpayers in fulfilling their tax obligations in accordance with the provisions of tax laws and regulations that apply in a country. Fundamental compliance with the fulfillment of reporting and payment obligations by taxpayers is one sign of the effectiveness of tax policies being implemented.

2.7 Minister of Finance Regulation (PMK) Number 91/PMK.03/2015

The Minister of Finance has issued Minister of Finance Regulation Number 91/PMK.03/2015 concerning Reduction or Elimination of Administrative Sanctions for Delays in Submission of Notification Letter, Correction of Notification and Delay in Payment or Tax Deposit on 30 April 2015 promulgated since 4 May 2015.

This rule refers to Article 26 paragraph (1) letter a of Law Number 6 of 1983 concerning General Provisions and Tax Procedures as amended several times, the latest by Law Number 16 Year 2009 (UU KUP), which states that the Director General Taxes are given the authority to reduce or eliminate administrative sanctions in the form of interest, fines, and increases that are payable in accordance with the provisions of laws and regulations in the field of taxation in the event that the sanctions are imposed due to the mistake of the Taxpayer or not because of his mistake.

(1) Scope of oversight in PMK No. 91/PMK.03/2015

Administrative sanctions imposed due to the oversight of the Taxpayer or not because of the errors referred to in Article 2 are limited to:

- a) delay in submission of Annual Income Tax Returns for the 2014 and previous Tax Year and/or Period SPT for the December 2014 Tax Period and before;
- b) late payment or deposit for the lack of payment of tax payable based on the Annual Income Tax Return for the 2014 Tax Year and before;

- c) delay in payment or deposit of tax payable for a time or Tax Period as stated in the SPT for the Tax Period as stated in the SPT Period for the December 2014 Tax Period and before; and/or
- d) corrections made by Taxpayers with their own willingness for Annual Income Tax Returns for the 2014 and previous Tax Year and/or Period SPT for the December 2014 Tax Period and previously resulting in greater tax debt, which was carried out in 2015.

(2) Procedures that must be carried out to comply with the provisions of PMK No. 91/PMK.03/2015. To get a reduction or elimination of this Administrative Sanction, the Taxpayer must submit an application to the Director General of Taxes.

(3) Requirements for submitting an application to get a reduction or elimination of this Administrative Sanction must meet the following requirements:

- a) 1 (one) application for 1 (one) Tax Collection Letter;
- b) submitted in writing in Indonesian;
- c) signed by the Taxpayer in the case of an individual taxpayer or taxpayer's representative in the case of a corporate taxpayer, and cannot be authorized; and
- d) submitted to the Tax Service Office where the Taxpayer is registered.

This application must be accompanied by a document in the form of:

- a) a statement stating that the delay in submission of SPT, late payment of tax, and/or correction of SPT is done because of an error or not because of an error and signed on the seal by the Taxpayer in the case of individual taxpayers or taxpayers in the case of corporate tax;
- b) photocopy of SPT or SPT corrections submitted or print-out of SPT or corrective tax return in the form of submitted electronic documents;
- c) photocopy of proof of receipt or proof of delivery of the letter which is deemed as proof of receipt of the submission of SPT or SPT corrections;
- d) photocopy of SSP or other administrative facilities that are equated with the SSP as proof of repayment of the outstanding tax stated in the Periodical Tax Return or proof of repayment of the tax deficiency stated in the Annual Income Tax Return or evidence of underpaid tax payment stated in the corrective tax return; and photocopy of Tax Collection Letter (STP).
- e) Other requirements that still need to be fulfilled in order to be able to submit a request for reduction or elimination of Administrative Sanctions are:
- f) Administrative sanctions in STP have not been paid by Taxpayers; or
- g) Administrative sanctions in the STP have been paid in part by the Taxpayer.

In the event that the Administrative Sanctions in the STP have been calculated with excess tax payments, which are calculated with excess tax payments, which are made through deductions from SPT and / or transfer payments, the Administrative Sanctions in the STP are considered not paid by the Taxpayer.

Requests for reduction or elimination of Administrative Sanctions can be submitted by the Taxpayer at most 2 times. The second application must be submitted after the Director General of Tax's letter of decision on the first application sent and still submitted to the STP.

(4) Process by the Director General of Taxes

The Director General of Taxes follows up on this Taxpayer's application by conducting research. Administrative Sanctions Removal Decree or Administrative Sanction Reduction Decree must be issued by the Director General of Tax no later than 6 months from the date of receipt of the Taxpayer's application.

(5) Billing Actions

With respect to STP submitted for the application for reduction or elimination of Administrative Sanctions in accordance with the provisions of this Regulation of the Minister of Finance, the action for collection of such STP is deferred.

3. Research Methods

3.1 Types of Research

This research is descriptive quantitative which aims to explain the existing phenomena by using numbers to rely on individual or group characteristics (Syamsudin & Damiyanti, 2011). This study assesses the nature of the conditions that appear. The purpose of this study is limited to describing the characteristics of things as they are.

3.2 Population and Samples

Sugiyono (2014) states that population is a generalization area consisting of objects or subjects that have qualities and characteristics set by researchers to be studied and conclusions drawn. The population in this study were all registered taxpayers while the samples were taxpayers who submitted the 2015 SPT at the Central Jakarta Directorate General of Taxes Regional Office. The method used is purposive sampling, which is the method of population selection research according to the sample criteria required in the study. The sample criteria in this study were taxpayers who reported the 2015 annual tax return.

3.3 Method of Collecting Data

3.3.1 Field Research

Field studies in this study were conducted through in-depth interviews and statistical data collection in the form of tax revenue targets, realization of tax revenues and the level of compliance at the Central Jakarta Directorate General of Taxes Regional Office.

3.3.2 Library Studies (Library Research)

Literature studies are carried out by collecting and studying literature such as books, journals, previous theses or theses, articles, laws, government regulations, and searches on the internet, as well as other literature.

3.4 Data analysis method

The data analysis method is done by descriptive quantitative method. By analyzing all the data that has been obtained to obtain an adequate picture of taxpayer compliance with the implementation of 91/PMK.03/2015.

3.5 Operational Definition

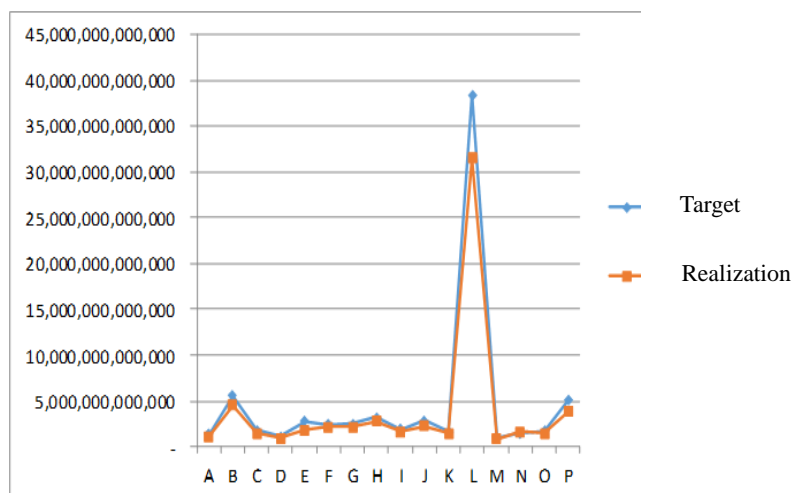
- 1) Minister of Finance Regulation Number 91/PMK.03/2015 is to regulate the reduction or elimination of administrative sanctions for late submission of Notification Letter, Correction of Notification Letter and late payment or tax deposit.
- 2) Taxpayer compliance is as fulfillment of tax obligations ranging from counting, collecting, deducting, depositing to reporting tax obligations by taxpayers in accordance with applicable tax laws and regulations.

4. Discussion

The target of tax revenue in the Tax Office of the Central Jakarta Directorate of Tax in 2015 is IDR. 74,833,958,123,000 consisting of 16 KPPs. Whereas the realization of tax revenue in the Tax Office of the Central Jakarta Directorate of Tax in 2015 amounted to IDR 61,479,497,160,610 consisting of 16 KPPs. Thus, the

realization of tax revenue in the Central Jakarta Tax Office of the Regional Tax Office in 2015 only reached 82.15%.

The Tax Service Office (KPP) included in the Tax Office of the Central Jakarta Directorate General of Taxes is 16 KPP. Of the 16 KPPs, only 1 KPP has achieved the 2015 tax revenue target, namely KPP “N”. KPP N managed to collect tax amounting to IDR. 1,628,870,163,525. This amount of achievement exceeds the target of tax revenue targeted by KPP N, which is IDR 1,493,955,243,981 or 109.03%. This percentage is the largest when compared to other KPPs in the Tax Office of the Central Jakarta Directorate General of Taxes, which ranges from 67.21% to 91.06%. If seen from graph 1 there is 1 KPP that has a graph that is very high in the target of tax revenue and the realization of gross tax revenue, namely KPP “L”. The difference in the target amount of tax revenue and the realization of very significant gross tax revenue is because KPP L is the Medium Tax Office. Central Tax Office of the Central Tax Office serves Corporate Taxpayers registered in all areas of the Central Jakarta DGT Regional Office and is the largest taxpayer in the Central Jakarta DGT Regional Office. The following graph 1 is related to the target and realization of revenue in the 2015 Central Jakarta Directorate General of Taxes Tax Office:



Graph 1 Target and Realization of Tax Revenue Year 2015 (IDR)

Based on data from the Director General of Potential, Compliance and Acceptance of the Directorate General of Taxes that the tax revenue in the Tax Office of the Central Jakarta Directorate General of Taxes in 2015 sourced from PMK Number 91/PMK.03/2015 amounting to IDR 226,262,128,452. Tax receipts from PMK No. 91/PMK.03/2015 in the Tax Regional Office of the Central Jakarta Directorate General of Taxes contributes approximately 2.05% of the total tax revenue from PMK Number 91/PMK.03/2015 at the Directorate General of Taxes consisting of 33 Regional Offices, namely IDR. 11,038,854,776,614. With this amount of IDR 226,262,128,452, the Tax Office of the Central Jakarta Directorate General of Taxes ranks 12th as a contributor to tax revenue from PMK No. 91 / PMK.03 / 2015 most out of a total of 33 Regional Offices at the Directorate General of Taxes.

In line with the purpose of the issuance of PMK No. 91/PMK.03/2015, one of which is to increase state revenues. According to Marsani (Reviewers of the Objection, Appeal and Reduction II Section in the Central Office of the Central Jakarta Directorate General of Taxes) state that the policy contributes to state revenues

through taxpayers who report periodical tax returns and annual tax returns accompanied by payment of tax deficiencies. The amount of tax revenue in the Tax Office of the Central Jakarta Directorate General of Taxes sourced from PMK Number 91/PMK.03/2015 amounting to IDR 226,262,128,452. This amount contributes 0.37% of the total realization of tax revenues in the Regional Office, which is IDR. 61,479,497,160,610. Although the number of 0.37% is relatively small, at least the implementation of the policy of reducing or eliminating tax sanctions contributed to the collection of taxes in the Tax Office of the Directorate General of Taxes in Jakarta in 2015.

The effectiveness of the implementation of PMK Number 91/PMK.03/2015 can be measured from the success of increasing tax receipts of IDR 226,262,128,452 in the Central Jakarta DGT Regional Office or IDR 11,038,854,776,614 in Indonesia. Tax receipts of IDR 226,262,128,452 in the Central Jakarta DGT Regional Office or in the amount of IDR 11,038,854,776,614 in Indonesia may not be collected if there is number PMK No. 91/PMK.03/2015. So that the presence of PMK No. 91/PMK.03/2015 is effective in helping collect taxes in 2015 in Indonesia, especially in the Tax Office of the Central Jakarta Directorate General of Taxes. The following table 2 illustrates the percentage of tax revenue from PMK No. 91/PMK.03/2015 towards the target and realization of tax revenues in the Tax Office of the Central Jakarta Directorate General of Taxes in 2015:

Table 2 Target and Realization of PMK No. 91/PMK.03/2015 (IDR)

Target	Realization	Receipt	Percentage of target	Percentage of Realization
74.833.958.123.000	61.479.160.610	226.262.452	0.30%	0.37%

Source: Section of Supervision of Tax Potential

Explicitly, the presence of PMK Number 91/PMK.03/2015 is intended to increase state revenues. This goal is also written in the weighing section of PMK Number 91/PMK.03/2015. However, if observed carefully, in addition to having a positive impact of helping and contributing to the increase in state revenues in 2015, the implementation of the policy of reducing or eliminating tax sanctions also had a negative impact on state revenues in 2015. The negative impact caused by PMK Number 91/PMK.03/2015 is located in the Tax Collection Letter (STP) issued by the DGT. In PMK Number 91/PMK.03/2015, administrative sanctions are eliminated by the way the Taxpayer submits an application for reduction or elimination of administrative sanctions as stated in the STP. If the purpose of issuing PMK Number 91/PMK.03/2015 is to increase state revenues by abolishing sanctions, it would be more effective if sanctions were abolished automatically without issuing legal products in the form of STP. Because to issue STPs themselves, DGT needs time to research files or SPT WP, human resources or employees that are intended to examine files or WP SPT, and require operational costs to print the STP. These matters can create administrative burdens for the DGT and indirectly will affect state revenues.

5. Conclusion

Based on the implementation of PMK Number 91/PMK.03/2015 at the Tax Office of the Central Jakarta Directorate General of Taxes can be concluded as follows:

1) Proven to assist in collecting taxes in 2015 in Indonesia in general and in the Tax Office of the Central Jakarta Directorate General of Taxes in particular amounting to IDR 226,262,128,452 or 2.05% of the total Directorate General of Taxes (DGT) consisting of 33 Offices Region namely IDR 11,038,854,776,614. Whereas in terms of the amount of tax revenue in the Tax Regional Office of the Central Jakarta Directorate General of Taxes,

which amounted to IDR. 61,479,497,160,610 which means it contributed 0.37%.

2) There is an intensification of tax receipts in the Tax Office of the Central Jakarta Directorate General of Taxes in the amount of IDR 226,262,128,452. Intensification instruments in PMK No. 91/PMK.03/2015 are taxpayers who still have to pay their tax debt. Because, for taxpayers who are late in reporting SPT, sanctions in the form of late fines report can be written off through requests for removal of sanctions and the potential tax from administrative sanctions is automatically lost by the regulation.

3) An increase in the compliance ratio in Indonesia in 2015 was 1.31% from 59.12% to 60.42%. In addition, there is a possibility of a decrease in the compliance ratio in Indonesia as a result of the realization of PMK No. 91 /PMK.03/2015.

6. Limitations & Recommendations

This research only discusses PMK Number 91/PMK.03/2015 which is the embryo of the birth of Law No. 11 of 2016 concerning Tax Amnesty, so that further research needs to be carried out on this policy.

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