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RESEARCH ARTICLE

IMPROVING THE EFFICIENCY LEVEL FOR TAXPAYERS THROUGH E-SYSTEM IN INDONESIA: CASE STUDY IN SUBMITTING OF INCOME TAX RETURN ARTICLE 21.

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Abstract

The intention of applying e-systems to the submission of income tax article 21 was to improve the efficiency of taxpayers and to increase state revenues. The purpose of this study was to analyze and prove the efficiency of e-system use compared with the manual way in submitting annual tax returns on individual taxpayers. The research focused on 100 respondents of administrative staffs, lecturers, and technicians of Politeknik Negeri Samarinda (Polnes). The data was collected by interview and assessment then analyzed by qualitative descriptive method from time efficiency aspect, energy used, reporting process with e-system compared with manual. The results showed that 86% of respondents got the benefit of using e-system. The benefits were more efficient, faster, easier, simpler, more accurate and cheaper. The remaining 14% was due to reasons of individual taxpayer ability in using computer and internet.

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Introduction:-

Tax is one of the sources of revenues of Indonesia, one of the taxes taken by central government is income tax article 21. Based on the data of Directorate General of Taxes in 2016 the number of registered taxpayers reached 36,031,972 people, 16,599,632 of them must submit tax return. From the number of the taxpayers which has submitted tax return fiscal year 2016 to 14 April 2017 was 9.789.398 or 58.97%. Details by taxpayer category were 247.215 taxpayer entities, 797,443 taxpayer non-employee personal, and 8.744.740 taxpayer personal employees (Saksama, 2017). The data showed that the number of taxpayers of private persons employees and non employees registered in the Directorate General of Taxes of 9,542,183 only 5.39% of the total population of Indonesia age group 15-64 years which reached 176,807,788 people (Statistics, 2017). The number of new individual taxpayers was 58.97% reporting the Annual Income Tax Return in 2016. Therefore the Directorate General of Taxation undertakes the tax administration reform effort by launching the e-system program for the taxpayers. E-system is one of the efforts to increase efficiency in order to facilitate, to speed up the process of reporting annual taxpayer letters for taxpayers. The problem is "whether the e-system can improve the efficiency of the taxpayer in the delivery of tax return article 21 than the manual way."

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Based on these problems, this study aims was to analyze and prove whether the use of e-system: 1) more efficient, 2) faster, 3) easier; 4) simpler, 5) more accurate, 6) and cheaper than the manual way.

Tax Administration Reform:-

The tax reform covers three pillars: Tax Policy, Tax Administration, and Tax Law. One of the most significant updates that are the key to the tax collection process is the Tax Administrative Reform. Tax administration is the key to success in a tax policy. With a good administrative system, it is expected that the government is able to optimize the realization of tax revenue and improve tax compliance. One form of taxation reform is encouraging the modernization of tax administration services through the use of information and communication technology through e-registration system, e-billing and tax e-filing, tax administration system of Indonesia become more efficient. (Prastowo, 2017)

Based on the previous research by (Nur, 2014) showed that e-registration, e-SPT, e-filing, and e-NPWP simultaneously had significant influence to the dependent variable (taxpayer compliance). While in the t test (Partial) variables that influence only one variable is e-SPT with a value of 0.000 significance, because the value is <0.05 then partially e-SPT variable significantly influence taxpayer compliance. According to (Pratami, Sulindawati, & Wahyuni, 2017) partially indicated that the implementation of e-Registration, e-Filing implementation, e-SPT application, and e-Billing application had positive and significant to the level of compliance of individual taxpayers. While the results of research simultaneously showed that the application of all e-systems has a positive effect on the level of individual taxpayer compliance.

Income Tax PPh 21:-

Tax is the contribution of a person who is addressed to the state without any benefit specifically addressed to a person. The benefit tax is to the public. Tax is the contribution to the state treasury which can be imposed owed by those obliged to pay them according to the rules, with no immediate re-assignment, and whose use is to finance general expenses related to the duty of the state administering the government. According to article 1 of Law no. 16 of 2009 on general provisions and tax procedures, the definition of tax is a compulsory contribution to a country owed by an individual or a coercive body under the law, without obtaining direct remuneration and being used for the purposes of the state for the maximum amount. According to (Soemitro, 2009) tax is the transfer of wealth from the people to the state treasury to finance routine expenditures and its "surplus" is used for public saving which is the primary source of public finance. One type of tax is income tax that is tax imposed on an individual, company or other legal entity on the income earned. Income tax article 21 according to Regulation of the Director General of Tax No. PER-32 / PJ / 2015 is tax on income in the form of salary, wages, honoraria, allowances and other payments by name and in any form relating to the job or occupation, services and activities undertaken by Individual domestic tax subjects. Tax Imposition is the tax base derived from the taxable income of the income taxpayer.

Tax Return Article 21:-

Community participation in nation building can be realized by paying taxes. The tax rate calculation is determined by self assessment and tax system as the backbone of state revenue to finance the development of the country. This tax collection system has succeeded in moving the taxpayer's responsibility to calculate, pay and report taxes. In the self-assessment system, the implementation of tax obligations annually ends with tax reporting activities through the delivery of annual notification an income tax return. The system also mandates that although the implementation of tax payments has been made through cutting mechanisms by other parties, for example by employers, the taxpayers remain obliged to submit the annual tax return. This may explain why employees, workers or employees whose income tax has been withheld by the permanent employer are required to complete and submit the annual tax return to the tax office.

Tax return is a letter by which the taxpayers use to report tax calculation and payment, tax object and or non tax object, and or property and obligation. Filling the tax return is to fill out the tax return form, in paper and/or in electronic form correctly, completely and clearly in accordance with the filling instructions given in accordance with the provisions of the taxation legislation.

1. True is true in the calculation, including true in the application of the provisions of tax laws and regulations, in writing, and in accordance with the actual circumstances;
2. Complete is to include all elements relating to the tax object and other elements that must be reported in the notice; and
3. It is clear to report the origin or source of the tax object and other elements to be reported in the notice.

E-system:-

E-system taxation is a modernization of taxation by using information technology is expected with e-system can facilitate taxpayers to report taxes. One of e-system taxation is e-filing. E-filing intended in this study is the tax reporting technique of income tax article 21 for personal taxpayers online. Why should e-filing? it is undeniable that e-filing is a product of innovation in the development of information technology provided to facilitate and simultaneously improve services to taxpayers in doing their rights and fulfilling their tax obligations. With e-filing, the annual tax return filling and sending activities can be done easily and efficiently because there is an electronic form available in the online tax service that is ready to guide the users of the service. In addition, online tax services can be accessed anytime and anywhere, so the delivery of income tax return through e-filing can be done any time for 24 hours. And of course, in e-filing there is no need for physical documents in the form of papers because all documents will be sent in electronic documents.

E-filing online tax has been approved by the Directorate General of Tax by Decree Number KEP-193 / PJ / 2015. This e - Filing tax online is free for now and forever for income tax return type, as it does not want to burden taxpayers who already pay their taxes at an additional cost and want to help increase state tax revenues. No need to install or update anything online tax. Online tax is e-filing application so that any changes to tax rules and feature additions will be automatically updated. The use of e-filing was to improve the effectiveness and efficiency of taxpayers in the delivery of tax return. According to (Maryono & Patmi, 2008) defined "The effectiveness of information technology is a measurement that states that information technology is effective that leads to the results achieved (good, precise and qualified) in terms of helping humans to carry out Work ". According to (Pujiani & Effendi, 2009), the effectiveness of the use of information technology in taxation is defined as follows: "The effectiveness of the use of information technology in taxation is the measurement of the success of service to taxpayers with information technology in the achievement of goals that have been determined (appropriate) or selecting the objectives of a series of alternatives or choice of ways and making choices from several other options, so as to be time-saving, easy, accurate, and paperless."

Efficiency according to (Mulyamah, 1987) "is a measure in comparing the plan of use of input with realized use or other applications of actual use". The efficiency is the best comparison between input (input) and output (the result between profit with sources used), as well as optimal results achieved with the use of limited resources (Handayaningrat, 1995). In other words the relationship between what has been completed. The efficiency level can be formulated as follows: $\text{Efficiency Rate} = \frac{\text{Target Input}}{\text{Input Actual}} \geq 1$. If the targeted input is proportional to the actual input greater than or equal to 1 (one), then efficiency will occur. And if the targeted input is proportional to the actual input less than 1 (one), then efficiency is not achieved. In this study the level of efficiency is measured by comparing manual input and e-filing input.

Efficiently interpreted as 1) an achievement of a goal or target by using the cost (input) in the same amount in order to produce greater output (output); 2) a most appropriate effort to produce everything desired; 3) an activity to minimize waste or loss of resources to implement or produce something; 4) the extent of the effort, time and effort used for the purpose of doing something; 5) the ability to work maximally to deliver good results by using less time, money or other things effectively; 6) the ability to perform an activity to provide satisfactory results but not wasting time, energy or money.

Finding & Discussion:-

The results of interviews to the respondents obtained data efficiency with the use of e-system which includes time efficiency, ease and reporting process, and energy savings.

Table 1:- Efficiency Level of Respondents With E-System Usage comparing to Manual of Reporting Income Tax article 21

No	Efficiency of E-System versus manual	%
1	faster	87%
2	easier	83%
3	simpler	87%
4	more accurate	88%
5	cheaper	85%
	The rate of efficiency level	86%

Source of data: Data has been processed

The data proved that the launch of the e-system program in the reporting of income tax article 21 was more efficient than the manual way. This means that government programs to improve the efficiency of individual taxpayers in carrying out their obligations to report income tax article 21 each year was achieved. The taxpayers can enjoy some savings such as saving from the aspect of time, accuracy, ease, practicality, and cost was relatively cheaper with the answers of respondents on average with the percentage of 86% of the manual way. Furthermore, the remaining 14% of respondents' answers were more due to the individual taxpayer's ability associated with computer and internet literacy was still low.

Results of respondents in the reporting using e-system compared with the manual obtained the ratio as follows:

Table 2:- The efficiency Level Ratio

1	operating time ratio	1 : 4
2	Operating cost ratio	1 :5.33
3	The versatility level	4.11 X
4	The accuracy level	4.2 X

Source of data: Data has been processed

The ratio in table 2 above was obtained from the assessment of 20 respondents taken randomly from a total of 100 respondents. Time with e-system requires only a quarter of the time required by manual or can increase the efficiency of time to four times. The cost of using e-systems was cheaper, that was one-fifth of the cost by hand, or there was a five-fold cost savings. The efficiency of e-system in reporting process was also more flexible and accurate four times than the manual.

Conclusions:-

In general it can be concluded that the use of e-system in the submission of annual report income tax article 21 can improve the level of efficiency of individual taxpayers. The efficiency were involve time required, accuracy, ease of process, and cost aspect. The results showed that 86% of respondents got the benefits of using e-system. The benefits were more efficient, faster, easier, simpler, more accurate and cheaper. The remaining 14% was due to reasons of individual taxpayer ability in using computer and internet.

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