

Analysis of Application of E-Tax Invoice in Improving Compliance with PP23 Tax Report 2018 (Case Study at CV Pusaka Utama)

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Abstract

To be able to do tax reporting properly, good data collection is needed, including neatly and professionally in order to avoid tax reporting errors in the online tax system. In CV Pusaka Utama, data collection is still not carried out, both neat and professional. This study aims to analyze the Application of E-Tax Invoices in Improving Compliance with PP23 Tax Reporting in 2018 with a Case Study at CV Pusaka Utama. The method used in this study is a qualitative method described descriptively. Primary data comes from observation and documentation, while secondary data comes from literature review. The results show that the electronic tax invoice system, or the creation of electronic tax invoices, is intended not only to make it easier for PKP to report taxes, but also to avoid potential fraud when reporting taxes to be collected. In addition, good, neat and professional data collection is needed in order to be able to report correctly and avoid arrears or tax bills due to errors in reporting.

Keywords

e-invoicing; tax; compliance; reporting



I. Introduction

Globally, taxation is the main source of income for every country in the world. The existence of taxation is very important for the implementation of state and government functions. Taxation is not only present in Indonesia but has become a common source of income for countries in the world. In both developed and developing countries, some of the potential national income comes from taxation, which is then used to increase innovation, national industry and fund state spending so that people have access to adequate facilities such as education, health and infrastructure. Income. (Febrianti, 2019)

Tax is a payment that must be made by the taxpayer to the State for the sake of the taxpayer's harmony. especially for an entrepreneur who does require every transaction to pay taxes. But not only an entrepreneur, an individual is also required to report and pay taxes for a personal income. In accordance with the General Provisions and Tax Procedures (KUP) in Law Number 28 of 2007, it explains that "taxes are mandatory contributions to the state owed by individuals or entities that are coercive under the law without getting direct rewards and used for the country's needs to the greatest extent for the welfare of the people." So therefore doing tax reporting and paying taxes is required for individuals or entities or an entrepreneur, that way we are obedient and obedient to this KUP law.

According to (Hasrul.A, 2019) e-Faktur application is an application provided by the Directorate General of Taxation as an improvement to the current tax collection and management system. To use this application you must be connected to the internet network.

The Domestic Revenue Service often disseminates e-Faktur, and every socialization is to inform the e-Faktur registration process, the purpose and legal basis of e-Faktur, and the e-Faktur work procedure. In networking activities, each Taxpayer will receive a compact disc (CD) containing a virtual e-Faktur application, e-Faktur social materials, e-Faktur video tutorial, and a series of e-Invoice questions. By using a laptop, the e-Faktur application can be directly put into practice when participating in socialization.

In addition, tax reporting and payment must be carried out carefully, clearly and effectively. There's a lot of out-of-pocket learning about how to report and make payments easily, it's just that getting to know it all can take a lot of time. Therefore we must really understand the correct and good way of reporting in order to make it easier for ourselves to report.

There are several things that hinder the reporting and payment of taxes. The things are like:

1. Tax Invoice Data collection that is not in accordance with what it should be.
2. Wrong choice in the various options listed.
3. Lack of understanding of taxes.

This can lead to errors in reporting and payments. Some things we have to do carefully, such as:

1. Doing crosscheck again when we have done data collection.
2. Carry out data collection carefully and truthfully.
3. Good tax understanding.
4. And reported by people who really understand Tax. That way it is very easy to do tax reporting and tax payments.

The matters referred to above can have an impact on the reporting of Income Tax Article 23. The income tax is a tax withheld on income received by taxpayers in the form of permanent businesses for service companies and entities. by using the e-faktur apk, it will be connected to the Director General (Dirjen) and ensured to report Article 23 income tax on every company income that is inputted in the e-faktur apk.

Article 23 Income Tax is a tax imposed on income on capital, service delivery, or gifts and awards, other than those withheld with Article 21 Income Tax. The party who withholds and reports Article 23 Income Tax to the tax office is the party providing the income (buyer or service recipient).

According to the Ministry of Finance of the Republic of Indonesia (No. Peng-10/PJ.09/2020) The deadline for the application of Final Income Tax is based on government regulations with the provisions of Article 5 number 23 of 2018 for corporate taxpayers regarding Income Tax on Income from Business received or obtained by the Payer Taxes that have a certain gross turnover (PP 23 of 2018). The imposition of final Income Tax (PPh) based on PP 23 of 2018 is valid for a maximum of 3 tax years for Corporate Taxpayers in the form of cooperatives, limited partnerships (CV), or firms.

In a study conducted by (Hossain et al., 2019) e-taxation acceptance has become an important index of e-government in many countries in the world. However, Bangladesh's scenario is different from other countries because the adoption and acceptance of e-Tax charging is still in its early stages. Although Bangladesh has set its vision of building a digital technology-based society, the country is going through a transition period in which it is experiencing significant large-scale improvements in the process of establishing digital-based operations in various government departments. In the development process, the government has established various networks, which connect citizens from different interior locations to the main face of the government network, and the development initiative is entitled 'Digital Bangladesh' in which digital technology will be the key driver of the nation's economy.

The concept of e-taxation is a digital method where taxpayers can access all tax-related services via the internet offered by financial and tax authorities such as registration of personal identification numbers, filing of tax returns and other related documents. It is a platform where taxpayers can access all services online without any physical contact with the service provider. In the field of taxation, this is the relationship between the authority responsible for collecting taxes on behalf of the government and taxpayers or users of digital tax services. (Mapesa et al., 2020). Income Tax is a type of subjective tax whose tax obligations are attached to the relevant Tax Subject (Hendayana, 2021). Tax is a requirement that has been established by the state as a civic duty (Marpaung, 2020). Tax is a compulsory levy paid by the people to the state and will be used for the benefit of the government and the general public (Siregar, 2019).

Curtin in (Saha et al., 2012) identifies the purpose of e-government as a tool to provide efficient management of government information to all citizens, to provide better services to the public, and to empower citizens through access to information and participation in public decision-making. While e-government initiatives are responsible for managing and regulating various kinds of information, Freed (2009) further states that a successful website should enable the public to find needed information quickly and in an easily searchable manner. Thus, search functions, functionality, and navigation become important for the implementation of these responsibilities

Based on Observations in October 2021 at CV. Pusaka Utama, the state of tax reporting and tax payments is still not good, especially regarding the data collection of the tax invoice itself. Many things need updating. From the start of tax data collection, which must be written and recorded properly, carefully and neatly. Because this can have an effect in the future. Even the monthly documents are still in poor condition because there is a lack of documentation for each tax invoice reporting.

Based on the urgency of the problems that have been described, the purpose of this study is to review the E-Tax Invoice Data Collection in Tax Reporting with a Case Study at CV Pusaka Utama.

II. Research Methods

The method used in this study is a qualitative method described descriptively. This method is data processing by analyzing factors related to the object of research by presenting data in depth on the object being studied and also using observation data collection with observation is the most important thing in this method. The data used in this study were sourced from primary and secondary data. Primary data comes from observations in CV. Pusaka Utama and documentation in the form of data collection on tax invoices such as SPT reporting for each tax period in 2021. While secondary data is obtained from the results of literature studies originating from national journals and international journals.

Data analysis is presented based on Compliance Theory. Compliance comes from the word obedient which means liking and obeying the rules according to the Big Indonesian Dictionary (KBBI). The act of submitting or obeying the teachings or rules is referred to as obedience. In taxation, we can define tax compliance as compliance, and compliance, as well as the implementation of tax provisions. As a result, a taxpayer is said to be obedient if he fulfills and carries out his tax obligations in accordance with the provisions of tax laws and regulations. (Rahman, 2018)

Compliance theory is an approach to organizational structure that integrates several ideas from classical and participatory management models. According to compliance theory, organizations can be classified according to the type of power they use to direct the behavior

of their members and the type of participant involvement. In most organizations, the types of power and engagement are linked in three predictable combinations: coercive-alienative, utilitarian-calculative, and normative-moral. Of course, some organizations combine two or even all three types. (Lunenburg, 2012)

The amount of an individual's intention to perform a behavior is influenced by his perception of controlled behavior (perceived behavior control), so that the perception of detection risk is one of the perceptions of controlled behavior in compliance. Taxes have a significant effect on the tendency of taxpayer compliance. Taxpayers will continue to fulfill their obligations even though their tax burden increases, as long as they believe they have benefited from paying the tax. (Affandi, 2021).

III. Discussion

3.1 Results

The concept of *e-taxation* is a digital method where taxpayers can access all services related to taxes through Internet services offered by financial and tax authorities such as registration of personal identification numbers, filing of tax returns and other related documents. It is a platform where taxpayers can access all services online without any physical contact with the service provider. In the field of taxation, this is the relationship between the authority responsible for collecting taxes on behalf of the government and taxpayers or users of digital tax services. (Mapesa et al., 2020).

In a study conducted by (Hossain et al., 2019) in Bangladesh, *e-taxation* has become an important index of e-government in many countries in the world. However, Bangladesh's scenario is different from other countries because the adoption and acceptance of e-Tax charging is still in its early stages. Although Bangladesh has set its vision of building a digital technology-based society, the country is going through a transition period in which it is experiencing significant large-scale improvements in the process of establishing digital-based operations in various government departments. In the development process, the government has established various networks, which connect citizens from different interior locations to the main face of the government network, and the development initiative is entitled 'Digital Bangladesh' in which digital technology will be the key driver of the nation's economy.

Based on the results of observations made, there are some data as follows in January - October 2021.

Table 1. Gross Income Data for January - October 2021

Daftar Jumlah Penghasilan Per Masa Pajak Serta Dari Masing-Masing Tempat Usaha Tahun Pajak 2021			
Nama		: CV. PUSAKA UTAMA	
NPWP		: 31.746.160.6-429.000	
Alamat		: JL. Palangkaraya No. 14 Antapani Bandung 40291 Jawa Barat	
No	NPWP Tempat Usaha KPP Lokasi	Alamat	Peredaran Bruto
1	31.746.160.6-429.000	JL. Palangkaraya No. 14 Antapani Bandung 40291 Jawa Barat	
	JANUARI		Rp -
	FEBRUARI		Rp 14,548,000
	MARET		Rp 13,636,000
	APRIL		Rp -
	MEI		Rp 44,826,600
	JUNI		Rp 45,610,000
	JULI		Rp 25,421,600
	AGUSTUS		Rp 1,202,200
	SEPTEMBER		Rp -
	OKTOBER		Rp 50,216,400
	NOVEMBER		Rp -
	DESEMBER		Rp -
JUMLAH			Rp 195,460,800

From this data, it can be seen that the gross income obtained by CV. Main Heritage. However, it turned out that due to a shortage of employees who knew about tax reporting, CV. This Main Pusaka does not pay Final PPh Tax for Corporate Companies. Thus, there are tax arrears that occur from January to October. And at the same time there is a tax penalty for late payment. Ignorance can lead to errors in reporting and paying taxes. Therefore CV. Pusaka Utama requires Employees who know about Tax Reporting and Payment. And also documents that can support tax reporting correctly. The following are the details that we make for reporting Final PPh that has not been paid during the tax period.

Table 2. Data on Gross Income and Final PPh for January - October 2021

Daftar Jumlah Penghasilan Bruto dan Pembayaran PPh Final Berdasarkan PP23 Tahun 2018 Per Masa Pajak Serta Dari Masing-Masing Tempat Usaha Tahun Pajak 2021				
Nama		: CV. PUSAKA UTAMA		
NPWP		: 31.746.160.6-429.000		
Alamat		: JL. Palangkaraya No. 14 Antapani Bandung 40291 Jawa Barat		
No	NPWP Tempat Usaha KPP Lokasi	Alamat	Peredaran Bruto	PPh Final 0.5% Dibayar
1	31.746.160.6-429.000	JL. Palangkaraya No. 14 Antapani Bandung 40291 Jawa Barat		
	JANUARI		Rp -	Rp -
	FEBRUARI		Rp 14,548,000	Rp 72,740
	MARET		Rp 13,636,000	Rp 68,180
	APRIL		Rp -	Rp -
	MEI		Rp 44,826,600	Rp 224,133
	JUNI		Rp 45,610,000	Rp 228,050
	JULI		Rp 25,421,600	Rp 127,108
	AGUSTUS		Rp 1,202,200	Rp 6,011
	SEPTEMBER		Rp -	Rp -
	OKTOBER		Rp 50,216,400	Rp 251,082
	NOVEMBER		Rp -	Rp -
	DESEMBER		Rp -	Rp -
JUMLAH			Rp 195,460,800	Rp 977,304

The table above states the Gross Income each month and the calculation of Final PPh based on PP23 Year 2018 is 0.5%. And the table above shows that Rp. 977.304 no tax payments have been received from CV. Main Heritage. If this is allowed, it will lead to higher tax arrears as well as fines. This shows the importance of data collection and good knowledge in order to support tax reporting correctly in accordance with the applicable Tax Law.

3.2 Discussion

a. E-Tax invoices

On July 1, 2014, DGT introduced a system called e-faktur, which is an electronic tax invoice. Applications for electronic invoices were carried out in stages, and on July 1, 2014, three invoices from 45 companies appointed by the DGT were submitted as pilot projects. On July 1, 2015, e-invoicing came into effect and is mandatory for all Tax Entrepreneurs (PKP) registered in Java and Bali. On July 1, 2016, the e-invoice came into effect and is mandatory for all registered PKP throughout the archipelago. The electronic tax invoice system, or the creation of electronic tax invoices, is intended not only to make it easier for PKP to report taxes, but also to avoid potential fraud when reporting taxes to be collected. It also serves as a step for the DGT to continue the announced modernization of tax administration. The main purpose of implementing e-invoicing is to facilitate the matching of Value Added Tax (VAT)

with billing transactions and to prevent PKP from imposing an improper temporary sales tax. (Putri, 2019)

E-Faktur is a tax invoice created through an application or electronic system that is determined and/or provided by the Directorate General of Taxes. With this electronic tax invoice application, it is a means that can make it easier for companies to make tax invoices. (Hasrul.A, 2019) Based on the Director General of Taxes Regulation Number PER/41/PJ/2015 concerning Security of Electronic Transactions in Online Tax Services. The application of e-invoicing is designed to provide convenience, convenience and security for Taxable Entrepreneurs in fulfilling their tax obligations, especially tax invoices. Starting July 1, 2014, several PKPs will gradually implement electronic invoicing. Starting July 1, 2015, PKP registered with the KPP Java Bali must use an electronic invoice. Meanwhile, the national electronic billing will be implemented simultaneously on July 1, 2016. PKP-Faktur is required to use electronic invoices, but unauthorized use is considered invalid. Making Tax Invoices for tax sanctions in accordance with applicable regulations. (Putri, 2019)

The benefits obtained by taxpayers with the existence of E-Faktur include:

1. With the online system, taxpayers do not need to come directly to the tax office to ask for a tax invoice number .
2. Replacement of wet signature with electronic signature.
3. With E-Tax Invoice, taxpayers do not need to make a VAT tax return.
4. E-tax invoices can protect taxpayers from misuse of unauthorized tax invoices, considering that a copy of the e-invoice is equipped with security in the form of a QR code.

b. PPh Article 23 Final

CV. Pusaka Utama paid Income Tax (PPh) 23 in November 2021 from period 1 to period 9 due to ignorance regarding the reporting and payment of PPh 23 in the amount of Rp. 977.304., which in that month has exceeded the limit for payment of PPh 23.

After making payments, the company reports the results of the calculations, deductions, and payments to the Tax Service Office (KPP). The due date for payment of Income Tax 23 which has been determined by tax regulations is every 15th of the following month, as a result CV Pusaka Utama will be subject to a bill for late reporting, withholding and payment of Income Tax PPh 23.

c. Factors Affecting Tax Reporting Non-compliance

Referring to a study conducted by (Mubarokah et al., 2020), the main reason behind this is that taxpayers' income is primarily designed to meet their personal needs. The rise of tension between personal interests and the interests of the state. Another explanation is that taxpayers are less aware of their responsibilities to the state, do not follow the rules, do not respect the law, and are subject to high tax rates and poor environmental conditions.

In this study, (Mubarokah et al., 2020) states that there are 4 factors that cause taxpayer non-compliance, namely:

- a. Tax knowledge, the extent to which taxpayers know the applicable tax regulations are referred to as tax knowledge. The greater the knowledge and awareness of the taxpayer, the better he will be able to determine his behavior in accordance with tax laws. However, if the taxpayer does not know the tax rules and procedures, he will not be able to decide his behavior properly. Increasing knowledge in the field of taxation is one way to increase taxpayer awareness and make them more compliant.
- b. Subjective Norms

The influence of people around is characterized by subjective norms. Individual views about whether certain individuals or groups agree or disagree with their behavior, as well as the motivation given to individuals to behave in certain ways, are referred to as subjective norms. Many studies have found that peers have a significant impact in predicting taxpayer behavior.

c. Moral Obligations

In the field of taxation, moral considerations play an important role in improving taxpayer compliance.

d. Tax Sanctions are sanctions that are given in the event of a violation of the tax laws and regulations. When a taxpayer commits a violation, it will be punished in accordance with the provisions of taxation policies and laws.

In the case of CV Pusaka Utama, non-compliance was due to tax arrears that occurred from January to October. This has an impact on the imposition of tax penalties due to late payments. In addition, the low level of employee knowledge also has an effect. Ignorance can lead to errors in reporting and paying taxes. Therefore, CV. Pusaka Utama requires Employees who know about Tax Reporting and Payment.

IV. Conclusion

Based on the results of the study, it can be concluded that the electronic tax invoice system, or the creation of electronic tax invoices, is intended not only to facilitate PKP reporting taxes, but also to avoid potential fraud when reporting taxes to be collected. It also serves as a step for the DGT to continue the announced modernization of tax administration. In the case of CV Pusaka Utama, non-compliance was due to income tax arrears 23 that occurred from January to October. This has an impact on the imposition of tax penalties due to late payments. In addition, the low level of employee knowledge also has an effect. Ignorance can lead to errors in reporting and paying taxes. Therefore, CV. Pusaka Utama requires employees who know about Tax Reporting and Payments in order to minimize errors.

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