The Successful Tax Amnesty 2016 in Indonesia
(Study in Tax Service Office Kendari)

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Abstract

Indonesia has five times made tax amnesty policy in 1964, 1984, 2008, 2015 and 2016. The lastest tax amnesty policy was recognized as the success of the most successful tax amnesty in the world. Although it did not reach the expected target, declaration of wealth and reach the highest ransom in the world over the Italian State and Chile. The research was conducted qualitatively by using exploratory case study with the aim of know various things and factors that support or inhibit the discretion of the tax amnesty program. The results showed there are various unique unusual factors other than factors such as regulation, service tax authorities, perception of the taxpayer. These factors are nationalism, the era of information disclosure, the participation of leaders (president and finance minister), media information and the stability of internal security.

Keywords: tax; tax amnesty; state income.

1. Introduction

Tax revenue is the main pillar of state revenues in the state budget (APBN). Budget law mandates that the priorities of national development goals and other national priorities can be achieved, one of the things that need to be done by the government is to optimize tax revenue. Tax revenue should be able to meet the needs of government administration in accordance with the capacity in raising state revenues. So naturally when there is an increase of the tax revenue target countries in line with the needs of the country for development expenditure is increasing.In the State Budget (APBN), 2017, the Government's revenue target of countryRp. 1750.3 trillion.

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From these figures, the government still relies on tax revenue to finance the construction and salaries. 85.6 percent or Rp. 1,498 trillion state budget revenues from taxes. Approximately 14.3 percent or about Rp. 250 trillion comes from the Tax State Revenue (non-tax), and 0.1 percent or about Rp. 1.4 trillion comes from grants [1].
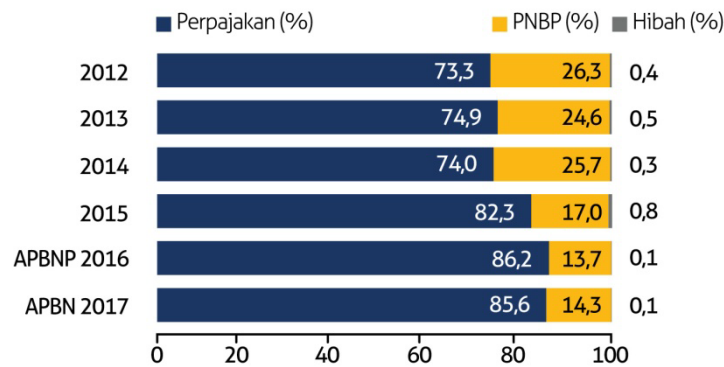

Figure 1: Income and Contributions Tax Against the State Revenue 2012-2017[2]

Although tax revenues and contribution to the state budget is increasing every year, but it was not accompanied by tax compliance. There are still a lot of tax evasion by tax payers either passively or actively. Scandalous cases of tax evasion, money laundering and corruption, known as Panama Papers and Paradise Papers has opened the eyes that fairly large funds of money embezzled by employers or even public officials. Based on the report Global Financial Integrity mentions, in the period 2004 - 2013, the illegal funds out of Indonesia reached Rp. 180.71 billion US dollars or equivalent to Rp. 2.100 trillion. Data Center for Financial Transaction Reports and Analysis Center (INTRAC) shows cash transactions above Rp. 500 million reported to INTRAC over the past 11 years, the total value reached $ 2 million trillion by corporations and Rp 92.000 trillion individuals. INTRAC also mentioned, there are thousands of taxpayer both personal and corporate tax mengemplang. Suppose they are entirely obedient to pay taxes, then the Indonesian tax revenue could reach Rp. 6.000 trillion, far greater than the current of only Rp. 1.360 trillion. (bisniskeuangan.kompas.com).To cope with tax avoidance and tax evasion the government attempted to do a variety of things including the rule of law (law enforcement) are more powerful and assertive and the latest is implementing tax amnesty program. Actual tax amnesty is not new in Indonesia. Carrying this program has been carried out five times. Tax amnesty program was first implemented in 1964 and continued in 1984. In the reform era tax amnesty program has been performed three times the forgiveness of taxes known as the Sunset Policy Volume I in 2008, the Sunset Policy Volume II in 2015 and last year Tax Amnesty 2016.In 1984, the government made tax amnesty policy. In its implementation, the policy is considered not too successful considering taxpayer response that is not too big and not to the modernization of the tax system in Indonesia. Some policies remission of tax on a smaller scale was also done by the government afterward. In 2008 for example, the government re-run the sunset policy may be said to be a miniature overall tax amnesty policy. The sunset policy is that the government provides for the elimination of administrative sanction WP underpayment or make a mistake in filling Tax (SPT) tax. Vol sunset policy in 2008 managed to raise up to Rp. 7.46 trillion [3].

Target receipts tax amnesty program in 2016 is Rp. 165 trillion. Based on the latest data showed the realization of the tax amnesty program is reaching Rp. 135 trillion. It consists of a ransom of Rp. 114 trillion, Rp preliminary evidence of payment. 1.75 trillion, and the payment of arrears of Rp 18.6 trillion. The total compensation consists of individual non-SME Rp 91.1 trillion, and private persons MSMEs Rp 7.73 trillion. Then, the ransom of non-SME agency Rp 14.6 trillion, and the non-SME entities Rp 656 billion. (bisnis.liputan6.com).Total assets declarations collected for this tax amnesty program around Rp. 4,865 trillion. The declaration treasure if it is linked to the Gross Domestic Product (GDP) in 2016 the state of Indonesia, amounts to 39% of GDP. Country Italian who runs the tax amnesty in 2009 was ranked second, achieving the realization of the declaration of assets of Rp. 1,179 trillion and the Chilean State is ranked third record declaration property value of Rp. 263 trillion in 2015. While for ransom reached around Rp. 135 billion is the highest in the world. Indonesia entered the country three large groups countries that receive the largest ransom on the implementation of tax amnesty policy, Turkish state ranked second by the amount of 0.74% of GDP and the country Chile of 0.62% of GDP. Indonesian President JokoWidodo helped to appreciate the success of tax amnesty program in 2016 when delivering a keynote speech at the Compass 100 CEO Forum, at the Jakarta Convention Center, Senayan, Jakarta, Thursday (24/11/2016) by saying "*We've finished the tax amnesty program the most successful in the history of the world,* ". One observer taxation in Indonesia Darussalam also said "*It deserves high appreciation as the most successful tax amnesty program in the world. Even at a conference in London, one of the speakers of Singapore stated tax amnesty in Indonesia can be a model of the world,*" [4-6].
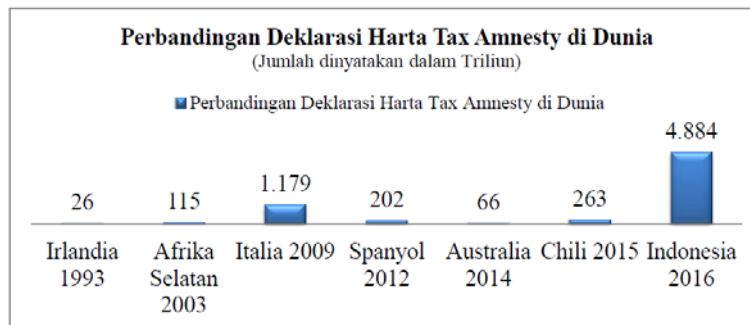

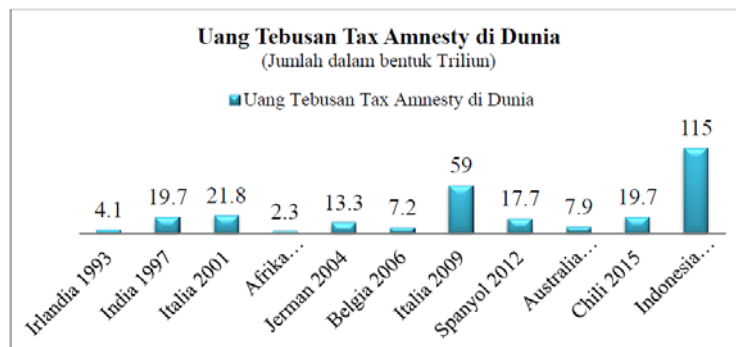**Figure 2:**Realization of Amnesty Tax Declaration of Property

Figure 3: Realization of Amnesty Tax Ransom

Once the importance of policy remission of this tax to the state revenue disclosed by Shinta (2016) in his research that states that the Tax Amnesty is a breakthrough policy has a broader dimension than just economic policy. Potential tax revenues from ransom money Tax Amnesty will increase state budget revenues that would make the budget more sustainable. Tax Amnesty proven to increase public awareness and compliance in implementing tax obligations. Likewise with Yasa and Mandala (2016) which states that the tax amnesty is basically very important to be applied, this is because the tax amnesty will help increase the tax payer will gradually increase state revenue. With the acceptance of the tax amnesty policy, the government will be facilitated in the implementation of national development [7,8].

Based on the background of the importance of the success of this tax remission policy for the admission of a country and the high results achieved Negara Indonesia in carrying out these policies create researchers became interested in investigating whether the factors that affect the achievement of the success of the tax amnesty policy

2. Materials and Methods

In this study, the approach is using a qualitative approach with exploratory case study. Case study focuses intensively on a particular object that is studied as a case. Case study intended to intensively study on the background of the problem, the state and the position of an event that is currently underway, as well as certain environmental interactions social unit that is what it is [9].

Fundamental and exploratory research is aimed to obtain information, information, data on things that are not yet known. Because it is fundamental, this research is called browsing (Exploration). Exploratory research if researchers do not yet obtained preliminary data that does not have any idea at all about what is to be studied. Exploratory research does not require any particular hypothesis or theory [10].

Researchers just prepare some questions as a guide for obtaining primary data in the form of information, information, preliminary data required. Through research questions are expected fundamental substance contained in the case in question can be explored in more detail. This research took place in the Small Tax Office (KPP) PratamaKendari, Southeast Sulawesi. Reason Researchers do research on KPP PratamaKendari because it is one of 341 Small Tax Office in Indonesia who participate in implementing the policy of tax amnesty tax amnesty 2016. Determination of informants using technique purposive sampling. Informants selected are directly involved, understand and be able to provide information about the research topic [11-14].

3. Results

In order to facilitate describing the results obtained, the researchers divided the results into three groups, namely from the side of the government as policy implementers tax amnesty, the taxpayers affected by the policy of tax amnesty and other factors beyond the government and the taxpayers who helped achieve succesfull tax amnesty policy in 2016.

Table 1: factors that influence the success of tax amnesty

No.	Side	Factor
1	Government	Regulation
		The participation of the leader (President and Minister of Finance)
		Fiscus services (socialization, hours of service)
2	Taxpayer	Perception of taxpayer (justice and fear)
		Nationalism
3	Another	Media information
		The era of information disclosure
		The stability of internal security

4. Discussion

Tax amnesty is a chance a limited time on a particular group of taxpayers to pay a certain amount and within a certain time in the form of remission of tax liability (including interest and penalties) related to previous tax period or a certain period without fear of criminal prosecution. This usually ends when the authorities started investigations tax that occurred in the past. In some cases, the amnesty law also imposes harsher penalties on those who qualify for amnesty but did not take it.

For many countries, tax forgiveness is often used as a tool to collect revenue from the tax sector rapidly in a relatively short period of time. Tax amnesty program was implemented because a considerable proportion of tax avoidance efforts. This policy could benefit the acquisition of funds, especially the return of funds held abroad, and this policy has a weakness in the long term can adversely impact a decline in voluntary compliance of tax compliance, when tax amnesty implemented programs right. This study provides an overview of the implementation of the tax amnesty in 2016 in Indonesia, with a view to studying the tax amnesty policy and analyze the factors that cause this program to get maximum results

Indonesia once implemented the tax amnesty in 1984. However, implementation has not been effective for the taxpayer himself less responding and not followed by reform of the tax administration system is an integrated and comprehensive manner. Likewise, the lack of transparency and improved access to public information, including the control system of the Directorate General of Taxation own. Granting tax amnesty not only remove the right to collect on taxpayers but more importantly actually improve the attitude and behavior of the taxpayer, which is expected to increase revenues in the future [15].

In June 28, 2016 is a milestone in the world of taxation Indonesia. House of Representatives (DPR) through a plenary session led by the chairman, Ade Komarudin approved Law on Tax Amnesty. Law No. 11 of 2016 on Tax Amnesty deserves our appreciation as a step forward together government House of Representatives in an effort to build the country's economy.

Many parties directly "raced" in the Tax Amnesty welcomes this. The government, in this case the president and his staff, to react immediately. President Jokowi himself intervened directly supervise the Tax Amnesty's. Minister of Finance, Bambang PS Brodjonegoro speeding issued four (4) Regulation of the Minister of Finance and to be the rules of procedure. Director General of Taxation, Ken Dwijugiastedi directly held socialization intern in the ranks of employees of the Directorate General of Taxation (DGT) to ensure that the work unit vertically both Regional Office (Regional Office) and Tax Office (KPP) is ready to accept the petition Tax Amnesty from the taxpayer, which is wrong the contents are brought gadget ban for officers serving application for Tax Amnesty.

In Indonesian society, much more needs to lay on tax issues. In fact, there is a joke that states that in this world there are only two things that can not be avoided, death and taxes. How may people do not understand the tax and the tax is something that he can not avoid? If drawn further, how the country can progress if its people do not meet their tax obligations? Taxpayers in meeting their tax obligations is strongly influenced by the quality of service tax authorities. The tax authorities are required to cultivate awareness of taxpayers to pay taxes and provide services that are friendly, fair and firm at all times to the taxpayer. How to tax authorities in helping to administer or prepare all the required purposes the taxpayer is given the service tax authorities. Required improved quality of service tax authorities to increase the willingness of taxpayers to follow tax amnesty. comfort for the taxpayer is the positive impact of a given service tax authorities. Good service from the tax authorities, an efficient tax system and tax counseling to motivate taxpayers to obey the tax and were able to make taxpayers have the confidence to follow the Tax Amnesty.

Sanctions taxpayers who do not meet its obligations in accordance with the provisions of the legislation applicable tax is a tax penalty. Sanctions regarding a taxpayer's tax amnesty provided for in Article 18 of the Law No.11 of 2016. An administrative sanction is increased by 200% (two hundred percent) given to taxpayers who do not or less reveal his wealth in the Statement to the end of the period of tax amnesty. There are also penalties for taxpayers who opt out tax amnesty, if there are treasures acquired since January 1, 1985 to December 31, 2015 [16-18].

It is undeniable that many Indonesian people who own property abroad. Such property may not be reported in the Annual Tax Return (SPT).It could be, because the acquisition of wealth comes from unreported income, so its existence was also "disguised" to particular interests. Such conditions have been generally known. Until when will this condition continue? Income is not reported, as well as the acquisition of assets. To treasures from abroad, there are two options that can be selected tax amnesty that declaration and repratriasi. Wealth declaration means merely reported in the tax return. Unlike the case with repatriasi peg rates lower ransom. In repatriation, property tax payers not only be reported but also bring it home to Indonesia.

The main topic of repatriation is nationalism. Repatriation is concrete evidence of the embodiment of nationalism in the nation and the landless water. The spirit contained in repatriasi is the spirit of loving the country that was starting to fade now. Earnings were searched in Indonesia should be reinvested in Indonesia, which hopefully will improve the welfare of the nation itself. Although foreign countries adds to the "stimulants" returns for funds that were parked there, not beautiful like if sweat by Indonesian people are

enjoyed by foreigners.

However, that is no less important to consider is the sense of justice in society. So it is very important to prove to the public that the policy was not made to facilitate the rich people who are absent from their obligation to pay taxes. The public would want to see the enforcement of sanctions against those taxpayers who remain absent despite pardoned. Moreover, in 2018 globally will apply Automatic Exchange of Information (AEOI), which requires all authorities in the world did the interbank secrecy as it lasted this long. In other words, the tax should not be freely hiding swindler abroad in view of the provisions of no more bank secrecy and no-where to hide (no bank secrecy and no place to hide) so as to facilitate legal action against the tax swindler. Of course, this can not be separated from the reform of the taxation system in the country as a whole [19-21].

Program Automatic Exchange of Information is the entrance to law enforcement. Where through this program, the tax authorities can obtain definite information from the tax authorities of other countries, which in turn will be the basis of tax voting. With this program, Tax Amnesty is an effort to provide the opportunity for taxpayers to voluntarily pay the tax before the government law enforcement by utilizing data from the Automatic Exchange System of Information Based on this background that led the government decided to implement a tax amnesty policy. But not easy to apply this program in Indonesia, many obstacles and challenges faced by the government. Among the most binding constraints is about security in the implementation of tax amnesty program. Because if the security is not guaranteed to make the actors are reluctant to repatriate capital and openly declaration. But the Government has to ensure the confidentiality of the participants get around tax amnesty, while those countries also make sure not to chase businesses (contestant tax amnesty). In addition to security concerns, their is also a problem with other countries due to the tax amnesty (not to mention quite a lot of repatriation) will cause some countries which have benefited from the Indonesian currency in the country and then had to suffer losses due to the tax amnesty.

To succeed in this program the government is using mass media, media ministries / agencies to social media. Government through the Directorate General of Taxation (DGT) invited the Indonesian Young Entrepreneurs Association (HIPMI), and the Indonesian Employers Association (APINDO) for its promotion. Besides the Tax Office also provides a Help Desk or through the telephone service. With the support of article 20 of Law No. 11 of 2016, the government attempted to raise awareness of Indonesian citizens to pay taxes. Not only businesses but also seeks formal capture the perpetrators of Self-Employment (SME) as well as other informal working actors to get in to a system of government and banking services.

For employers who are members of the association may be socialization given was quite effective, but for small entrepreneurs who are not members of any association or private taxpayer, socialization given by the government is less and even polemical community. Public initially thought that the tax amnesty will only be targeting large employers that they save their money abroad. The lack of public understanding about the tax amnesty raises misperceptions. Misperception that arise in the community, among others are: (1) The public assume that the tax amnesty wounded sense of justice for taxpayers who are obedient. (2) Target Tax Amnesty is a fund outside the country, not wealth in the country. (3) Tax Amnesty is an obligation even oppressing the little people. (4) Tax Amnesty rated forgive criminals and criminals. (5) Tax Amnesty is a trap for taxpayers.

If seen many articles that "shout" about the lack of socialization conducted by the government pertaining about the program of tax amnesty but these articles did not specify socialization as what is considered minimal by the community and which one considers that the program is less precise in its functions informative. Misperception is also because of a lack of public understanding about the tax object was subjected to the government in this program so that the rated oppress the common people.

Tax is actually a form of citizen participation in national development; national development itself is nothing but a means to achieve national goals as enshrined in the Preamble of the Constitution of the Republic of Indonesia in 1945, namely to protect the entire Indonesian nation and the entire homeland of Indonesia, promote the general welfare, educating the nation and participate in the establishment of world order based on freedom , lasting peace and social justice. That means paying tax compliance can be referred to as a yardstick sense of nationality in the individual citizen of Indonesia

5. Conclusion

This research has resulted various factors that influence the achievement of tax amnesty policy. The following factors are:

1. Make new regulation that is UU No.16, 2016.

2. The direct role of the leadership (president and finance minister).

3. Fiscus services (increase socialization, increase working hours, receive complaints with helpdesk and telephone service).

4. Improving the bad perception of the taxpayer.

5. Enlarge the nationalist.

6. Use the information media as well as possible.

7. Utilizing the era of information disclosure.

8. Maintain domestic security.

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