

Conference Paper

Extensification of Excise on Goods and Its Comparison with Other ASEAN Countries

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Abstract

The purpose of extending the object of goods subject to excise is to raise government revenues and regulate the circulation of goods that have negative impacts on the environment, health and society. The research method used is descriptive qualitative approach. Data obtained is the secondary data that can be used as a review and foundation by researchers to analyze the existing problems. The results of research and analysis are the basic consideration of extending the goods subject to excise through identification of feasible excise commodities and supply chain management, analysis of negative externalities and the purpose of the collection, and constraints analysis and multiplier effect. Goods subject to excise in Indonesia compared to the ASEAN countries are included in the limited form excise systems.

Keywords: excise, extensification

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1. Introduction

Excise is generally defined as a special tax imposed on the sale or use of certain goods and services produced domestically or imported, calculated based on the units of goods (specific) or percentage (ad valorem) or a combination of both.

From 2007 to 2014 the state revenue from excise sector continued to rise significantly. The significant rise is supported by the excellence of the basic characteristics of excise, namely the administration of the relatively easy and effective monitoring system.

Indonesia is still classified extremely narrow coverage in the imposition of customs, namely Indonesia has only three types of excise tax on excisable goods consist of:

- a. ethyl alcohol or ethanol, by disregarding the materials used and the manufacturing process;

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- b. beverages containing ethyl alcohol in any level, with no regard to the materials used and the manufacturing process, including concentrates containing ethyl alcohol; and
- c. tobacco products, including cigarettes, cigars, tobacco leaves, shredded tobacco, and other tobacco processing results, with no heed used or substitute materials or adjuvants in the making.

With the enactment of Law No. 39, 2007 on the amendment of the Act No. 11 of 1995 on Excise on August 15, 2007, the government wants to increase the role of Customs as a means of surveillance and control that ultimately can improve the reception country of excise sector. One of the efforts made by the government to achieve this goal is to reinforce the nature and characteristics of excisable goods in Article 2 paragraph (1) letter a–d of Law Number 39 Year 2007, namely:

- a. consumption should be controlled
- b. circulation needs to be monitored
- c. use can pose a negative impact for the community or the environment;
- d. need to use state levies imposition for justice and balance

With the grounded nature and characteristics of excisable goods, then this could be the basis and legal certainty for expansion or extension of excisable goods excisable goods.

Extending the program object excisable goods should be completely open. Goal setting to limit or control the goods that have negative impacts on society or the environment would be a priority in selecting the object of new goods subject to excise.

In accordance with the mandate of excise tax law related to the extension of excisable goods should disadari that many goods circulating in the community who meet the criteria to serve as the object of excise. Especially when compared to ASEAN countries, Indonesia is the country narrow the imposition of excise, which is just over tobacco products, ethyl alcohol and beverages containing ethyl alcohol.

2. Methodology

Research methods used in this study is a Research Approach, Types of Research, Engineering Data Collection and Data Analysis Techniques

3. Research Approach

The approach used by the author in this study is a qualitative approach. Definition of qualitative research by Cresswell, namely:

designed to be consistent with the assumptions of a qualitative paradigm. This study is defined as an inquiry process of understanding a social or human problem, based on building a complex, holistic picture, formed with words, reporting detailed views of informants, and conducted in a natural setting.

3.1. Types of research

a. Type Research based on research purposes

Based on the research objectives, this study was a descriptive study. Descriptive research is done to provide a more detailed picture about a symptom or phenomenon. The purpose of descriptive research is to describe the mechanism of a process, presenting basic information, describes the stages or a set order, and create a set of categories or patterns (Prasetyo and Jannah).

b. Type Research based on the benefits of research

Based benefits, this study included into pure research because it is done within the framework of an academic.

c. Types of Research based on the dimensions of time

Based on the time dimension, the type used is a cross-sectional research studies because the study was designed to study some phenomena that do just at a time.

3.2. Engineering data collection

To answer the problems, researchers conducted a literature study (Library Research). The data obtained are secondary data that can be used as a foundation review and researchers to analyze the problems that exist.

3.3. Data analysis techniques

Data analysis is the process of simplification of data into a form that is easier and simpler. Data analysis technique used is qualitative data analysis techniques. Qualitative data analysis is the effort made by working with the data, organize data, sorted

them into units that can be managed, synthesize, search and find patterns, find what is important and what is learned, and decide what can be told to others.

4. Discussion

4.1. Rationale extensification excisable goods

At this time, Indonesia only excise on three types of goods, namely tobacco products, ethyl alcohol and beverages containing ethyl alcohol. This condition causes the Indonesian come in the form Limited Excise System that is the object of excise limited to goods and services that have traditionally been the object of excise.

Not all goods can be taxed for the tax is only levied on certain goods or selectively. Therefore goods subject to excise selective nature of the goods subject to excise may be mentioned specifically in the Act and the regulations or lesser.

The regulation concerning the goods subject to excise in Indonesia is regulated in Law No. 39 of 2007. Act No. 39, 2007, an amendment of the Act No. 11 of 1995. Law after the amendment is made to enhance the things that have not been regulated in Law No. 11, 1995.

Extending the excise goods in Indonesia is still very difficult to implement because many side constraints of regulation and industry actors. But the government, especially the Fiscal Policy Office (BKF) is still reviewing several types of goods subject to excise proposal. BKF even formed a team of some goods feasibility studies of potential into goods subject to excise accordance Head of Fiscal Policy Decision No. KEP – 24/KF/2011. The results of the feasibility study team proposes some potential items to be subject to excise goods as follows

4.2. Identification of the commodities-worthy customs and supply chain management

In recent years, with the global economic crisis and rapid technological developments have an impact on international trade. Only a few companies globally that still do business the same way or at the same location as they did five years ago. They expand to new market segments and strive to evolve in developed countries by way of more effective and more efficient. These developments have a major impact on supply chain management – changing how and where raw materials and production supply, manufactured, distributed and sold. (Ernst & Young)

5. Conclusion

The results of research and analysis are basic consideration of extending the goods subject to excise is through identification of feasible excise commodities and supply chain management, analysis of negative externalities and the purpose of the collection, and constraints analysis and multiplier effect. Goods subject to excise in Indonesia compare to the ASEAN countries included in the limited form excise systems.

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