

Personal Taxpayers ' Compliance Analysis with Regards to Tax Amnesty Policyprimary Tax Service Office in Medan City

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ABSTRACT

KPP Pratama Medan Kota is one of the offices of government agencies in the field of taxation. KPP Pratama Medan City is currently implementing tax amnesty in order to support the acceptance of taxation for the country. The research was conducted using a descriptive research approach. The types of data in this study are qualitative and quantitative data. Data collection is done using documentation and interview methods. The data analysis technique used is using descriptive analysis. The purpose of this research is to find out how to apply the taxpayer compliance of private persons conducted by KPP Pratama Medan Kota, and to know the factors that are the cause of personal taxpayers do not follow Tax Amnesty. The results of research obtained during the study, namely, the implementation of taxpayer compliance of private persons conducted by KPP Pratama Medan Kota in accordance with the prevailing tax laws. Nevertheless, the implementation of taxpayer compliance of private persons conducted by KPP Pratama Medan Kota is still less effective, this is followed by still the minimum taxpayer of both registered private people still many have not participated in the TAX amnesty program.

Keywords: tax amnesty, taxpayer compliance.

INTRODUCTION

A. Background

Tax Amnesty or taxation has occurred in Indonesia twice, which is marked with the publication of the President of the Republic of Indonesia number 5-year 1964 and Presidential Decree No. 26 of 1984 But the result is less effective. In the year 2016, the government conducted the tax amnesty policy in accordance with the provisions of the Law of the Republic of Indonesia No. 11 year 2016 on tax forgiveness. The government hopes that with the issuance of the tax amnesty LAW is able to support state tax acceptance.

In an effort to increase the acceptance in the tax sector to improve national development, the Government through the Directorate General of Taxation continues to implement breakthrough to optimize acceptance in this sector through policies that Issued. One of the steps taken by the Directorate General of Taxation is the Tax Amnesty program.

Tax Amnesty is an opportunity limited to certain taxpayer groups to pay a certain amount and within a certain time of tax amnesty (including interest and fines) relating to a previous tax period or a certain period without fear of criminal penalties. This usually ends when the authority begins the tax investigation of the past. In some cases, the amnesty law extends to also impose heavier penalties on those who qualify for the amnesty but do not take it.

As explained in law No. 11 of 2016 on tax amnesty that national economic growth in recent years tends to experience retarding that impact on the decline of tax revenues and has also reduced the availability of domestic liquidity is indispensable to increase Indonesia's economic growth. On the other hand, many Indonesian citizen treasures are placed outside of the unitary State of the Republic of Indonesia, both in liquid and nonliquid form, which should be utilized to increase domestic liquidity that can encourage National economic growth.

There are several factors that affect the decline in domestic tax revenues, one of the factors is that some of the taxpayer assets outside the territory of the unitary state of Indonesia has not been reported by the property owner in the mail. The annual notice of its income tax so that there is a tax consequence that may arise when a comparison with the property that has been reported in the annual income tax notice.

Therefore, the purpose of the Tax Amnesty under Law No. 11 of 2016 is as follows: 1) Accelerate economic growth and restructuring through the transfer of property, which among other things will impact the increase in liquidity Rupiah, increase in interest rate, and increased

investment, 2) encouraging tax reform towards a more equitable taxation system as well as expanding the database More valid, comprehensive, and integrated taxation and, 3) increase tax acceptance, which among other things will be used for development financing

Primary Tax Service Office Medan Kota is one of the government agencies under the auspices of the Regional office of DJP SUMUT I, which is currently conducting a Tax Amnesty system to improve taxpayers ' compliance. If we look at the moment of law No. 28 of year 2007 as amendment of LAW No. 6 year 1983 about general provisions and procedures of taxation (LAW of KUP) enacted, many who observe the provisions especially in article 37A Where this policy is a mini version of the tax amnesty program that is widely requested by businesses.

THEORETICAL FOUNDATION

1. Tax Definition

According to Law NO. 28 of 2009 on taxation. "Tax is a mandatory contribution to a country that is owed by a personal taxpayer or an entity whose nature is compelled by law and is not rewarded directly and used for state use for the maximum extent People's prosperity".

Meanwhile, according to Rochmat Soemitro in his book *Mardiasmo* (2013, Hal. 1) "Taxes are the dues of the people to the State Treasury by law (which can be imposed) with no lead services (counter accomplishment) that can directly be addressed and Used to pay for public expenditure."

2. Tax function

According to Aristanti Widyaningsih in his book *Dwikora Harjo* (2013, Hal. 9) There are five tax functions, namely: receiving function (budgeter), regulating functions (regulators), stability functions, redistribution function, democracy function.

3. Tax grouping

According to *Mardiasmo* (2013, p. 5) The tax grouping can be differentiated into 3, including:

A. According to its

- 1) Direct tax, which is tax that must be borne by the taxpayer and cannot be Charged or bestowed on others.
- 2) Indirect taxes, i.e. taxes may eventually be charged or bestowed on others. Example value Added Tax (VAT).

B. By nature

- 1) Subjective tax, which is the tax based on the subject, in the sense that the. The taxpayers ' own circumstances.
- 2) Objective tax, which is the tax based on the object, regardless of the circumstance's Self taxpayers.

C. According to the collector agency

- 1) Central tax, which is a tax imposed by the central government and used to Country's households.
- 2) Local tax, which is imposed by local government tax and is used for Regional household financing.

The local tax consists of:

- (1) provincial taxes, e.g. motor vehicle taxes and vehicle fuel taxes Motor.
- (2) Regency/city tax, e.g. Hotel tax, restaurant tax, and entertainment tax.

4. Tax voting system

According to *Mardiasmo* (2013, p. 7) The tax-voting system can be differentiated into 3, including:

- a. Official Assessment system
- b. Self-Assessment System
- c. Withholding System

5. Tax Amnesty

According to regulation of the Minister of Finance of Republic of Indonesia No. 118/PMK. 03/2016 concerning implementation of tax amnesty Law No. 11 of year 2016 tax amnesty is "the elimination of taxes that should be owed, not subject to administrative sanctions

Taxation and criminal sanctions in taxation, by disclosing property and paying the ransom as stipulated in this Law".

According to Nurfransa Wira Sakti & Asrul Hidayat in his book Tax Amnesty is Easy (2016, p. 3), the tax amnesty is the elimination of taxes that should be owed, not charged Tax administration sanctions and criminal sanctions in the field of taxation, by exposing the property and paying the ransom.

In the Great Dictionary of Bahasa Indonesia (KBBI) The amnesty is the remission or elimination of punishment given by the Head of State to a person or a group of people who have committed certain criminal acts.

6. Taxpayer number

In article 1 of Law No. 28 of 2007 mentioned that the taxpayer Identification number (NPWP) is the number given to the taxpayer as a means in the taxation administration used as a self-identifying or taxpayers' identity in the Exercising the rights and obligations of the TAX, which are mandatory for the use of NPWP are:

1. Taxpayers running a business or free employment
2. Taxpayers who do not run a business or free work, when up to a month of earning an amount of income exceeding PTKP a year.
3. Women who marry are taxed separately because they live separately based on the decision of the judge or are required in writing based on the agreement on income separation and property.

7. Taxpayer Compliance

According to Nurmantu in Rahayu (2010:138) said that tax compliance can be described as a state where the taxpayer satisfies all tax obligations and carries out its exposure rights.

Meanwhile, according to Santoso (2008) The taxpayer's compliance is taxpayers who have a willingness to fulfill their tax obligations in accordance with the prevailing regulations without the need for inspection, careful investigation, warnings or the threat and application of both legal and administrative sanctions.

RESEARCH METHODS

A. Research approach

The research approach done in this study is a descriptive approach. Descriptive research is a method by which data is collected, compiled, and implemented and then analyzed so as to provide information for the problem reader.

According to Azuar Juliandi DKK (2014, HAL 86) Descriptive research means analyzing data for problems of self-variables. Researchers do not intend to analyse the relationships or linkage variables.

B. Defense Operations

The operational principles are used to view the extent to which variables in one or more factors are based on relationship and also to facilitate the understanding of the study. The other operational defendant is as follows:

1. Tax Amnesty is the elimination of taxes that should be owed, not subject to sanctions Tax administration and criminal sanctions in taxation, by disclosing property and paying the ransom as stipulated in this law.
2. Taxpayer compliance is a compulsory and obedient taxpayer attitude to fulfill and enforce its tax obligations in accordance with the provisions of taxation laws and regulations Applicable.

C. Data types and sources

1. Data type

The data used in this study are as follows:

- a) Qualitative Data that is a series of information derived from the research results in the form of verbal facts or particulars such as the results of an observation of the researcher from the object studied.
- b) Quantitative Data i.e. data in the form of numbers either directly from the results Research and results of qualitative data management into quantitative data.

2. Data sources

The data sources used in this research are as follows:

- a) primary Data is data obtained directly to the research object from KPP Medan City Primary.
- b) Secondary Data that is data obtained from the research process that has been further in the source of the tax receipt data at KPP Pratama Medan City.

D. Data Collection Techniques

The data collection methods conducted in this study are as follows:

1. Interview
2. Documents

E. Data Analysis Techniques

The data analysis method used in this study is a descriptive data analysis method. Descriptive analysis is a method used by describing, describe and analyze the problem of the object studied and then compare with the concept of existing theory, this method aims to describe the problem systematically Facts and the nature of the research object.

RESULTS OF RESEARCH AND DISCUSSION

A. Research results

In this study the data that researchers use in the form of taxpayer data of personal persons registered in KPP Pratama Medan Kota, either who have participated in the tax amnesty program or who have not participated in the TAX amnesty program. Based on the results of the research that researchers do, there are still many taxpayers who have not participated in the TAX amnesty program, with the reason still lack of taxpayer knowledge about the tax amnesty program conducted by the Directorate General of Taxation.

During the study at the Medan City Primary Tax Service office, researchers have done a lot of understanding, describing and analysiing data. From the research results that researchers do, there are still many taxpayers who have not participated in the TAX amnesty program conducted by KPP Pratama Medan Kota. Here's the taxpayer list registered with KPP Pratama Medan Kota.

Table 1
Taxpayer number at KPP Pratama Medan City

Year	WPOP teregister	WP registered Withholding	Withholding Tax registered	WP registered
2012	114.461	8.748	714	123.923
2013	119.799	9.955	873	130.627
2014	126.798	10.011	1532	138.341
2015	133.707	11.569	626	145.902
2016	140.998	12.091	261	153.350

Data Source: Data Processed researchers

From the above data, you can know that the number of taxpayers registered in the Medan Kota Pratama in the last five years has increased annually. This indicates that taxpayers are willing to register themselves at the Tax office to perform their exposure obligations. If the taxpayer is registered for the entire tax amnesty program, this will increase the amount of tax acceptance that is much better than before. After KPP Pratama Medan Kota conducts the implementation of this Tax amnesty, many taxpayers who participated in this program, but if compared with the registered taxpayers are still very few taxpayers who participated in this TAX amnesty program.

During KPP Pratama Medan Kota conducts the Tax amnesty program and the results are able to support the tax receipt. However, if you are seen from the taxpayer and the taxpayer who follows the tax amnesty, the acceptance of this Tax amnesty can be said the results are not as desired.

The tax amnesty itself is an opportunity limited to certain taxpayer groups to pay a certain amount and within a certain time the form of tax amnesty (including interest and fines) relating to the previous tax period or Certain period without fear of criminal penalties. This usually ends when the authority begins the tax investigation of the past. In some cases, the extended amnesty laws also impose heavier penalties on those who qualify for amnesty but do

not take them. However, with this Tax amnesty there are still many taxpayers both personal and body who have not participated in the TAX amnesty program.

B. Discussion

1. Personal tax Compliance analysis relating to TAX Amnesty policy at Medan City Primary service office

In implementing the Tax amnesty, itself, KPP Pratama Medan Kota Many socialize both directly and indirectly. One example of a direct socialization of the Tax amnesty conducted by KPP Pratama Medan Kota is the socialization of the National Police Office of the Republic of Sumatera Utara. While the socialization is indirectly done through the delivery of notification letters about the implementation of tax amnesty to all taxpayers registered with KPP Pratama Medan Kota, both private and tax-taxpayers.

Therefore, KPP Pratama Medan Kota must be more effective in socializing to the institutions to attract taxpayer interest in order to follow the Tax amnesty. Thus, it will certainly increase the tax acceptance which is greater than before.

Table 2
Number of taxpayers following Tax Amnesty

Types of WP	WP listed	that follow the Tax Amnesty
WP OP	140.998	8.004

Data Source: KPP Pratama Medan City

Based on the above data can be concluded that according to the theory Nurmantu in Rahayu is not in accordance with what is in the data of the taxpayer number that follows the tax amnesty and can be seen that the registered personal taxpayer as much as 140,998, The tax amnesty program is only 8,004. According to the above explanation can be concluded that there are still many taxpayers who have not participated in the TAX amnesty program

Conducted by KPP Pratama Medan Kota. If it is a percentage in mathematical counts, the taxpayer following the tax amnesty of the private person's taxpayer is not up to 1%. This indicates that the implementation of TAX amnesty conducted by KPP Pratama Medan Kota is still less effective.

2. Implementation of personal taxpayers ' tax compliance by KPP Pratama Medan Kota

According to Santoso (2008) Taxpayers ' compliance is taxpayers who have a willingness to fulfill their tax obligations in accordance with the prevailing regulations without the need for inspection, careful investigation, warnings or threats and Enforcement of both legal and administrative sanctions.

The tax amnesty itself is an opportunity limited to certain taxpayer groups to pay a certain amount and within a certain time the form of tax amnesty (including interest and fines) relating to the previous tax period or Certain period without fear of criminal penalties. This usually ends when the authority begins a tax investigation of the past. In some cases, the amnesty lawExtend also impose heavier penalties on those who qualify for the amnesty but do not take it.

KPP Pratama Medan Kota conducts the Tax amnesty program to improve personal taxpayers ' compliance. And to support the receipt of such tax KPP Pratama Medan Kota implementing Tax amnesty. The implementation of TAX amnesty conducted by KPP Pratama Medan Kota is by socializing to the institutions, and government agencies. In addition, KPP Pratama Medan Kota also disseminate a notification letter about Tax Amnesty to all taxpayers of private persons registered in Medan City Pratama.

If viewed from a taxpayer's list of tax amnesty programs, there is still very little taxpayer of the individual taxpayers who follow the tax amnesty. The taxpayer following the tax amnesty program itself is not up to 1% of the total. This indicates that the implementation of TAX amnesty conducted by KPP Pratama Medan Kota is still very less effective. Of course, this will be a task for KPP Pratama Medan Kota to be more active to make new breakthrough to attract taxpayer interest in order to participate in the Tax amnesty program.

3. Reasons for taxpayers of private persons following the Tax amnesty Program

After conducting the research in a very short time, here are the taxpayer explanations following the tax amnesty program conducted by the KPP Pratama Medan Kota:

- a. Tax amnesty this time is the last taxpayer amnesty before the era of data disclosure or

information in the year 2017/2018

- b. Tax amnesty is the elimination of taxpayer tax debt in the past.
- c. Tax Amnesty waives all Taxation administration sanctions in the past.
- d. Tax Amnesty waives all Sanki taxation criminal in the past.
- e. By clicking on the Tax amnesty will be terminated from the examination and investigation of taxation crimes in the past.

4. Personal taxpayers who have not participated in the tax Amnesty Program

The tax amnesty itself is an opportunity limited to certain taxpayer groups to pay a certain amount and within a certain time the form of tax amnesty (including interest and fines) relating to the previous tax period or Certain period without fear of criminal penalties. This usually ends when the authority begins Past tax investigations. In some cases, the amnesty law extends to also impose heavier penalties on those who qualify for the amnesty but do not take it.

However, with this Tax amnesty, there are still many taxpayers who have not participated in the tax amnesty program.

The number of private persons taxpayers who have not participated in the TAX amnesty program.

Table 3
Number of taxpayers not following Tax Amnesty

Types of WP	listed that	that follow Tax Amnesty	that has not yet participated Amnesty
WP OP	140.998	8.004	132.994

Data Source: KPP Pratama Medan City

From the above data can be explained that, still a lack of taxpayer interest to follow the Tax amnesty. Of the 140,998 registered personal taxpayers, only 8,004 are involved with the tax amnesty, and the remainder 132,994 have not followed this tax program.

5. Reasons for taxpayers who have not been involved in the tax Amnesty Program

According to Nasucha (Devano and Rahayu,2008:111), taxpayers ' compliance can be defined from:

1. Taxpayer compliance in registering;
2. Compliance to report the notification letter (SPT)
3. Compliance with the calculation and payment of outstanding taxes
4. Adherence to paying arrears.

After researchers conducted the research in recent months, there are several factors that are the cause of personal taxpayers who have not been involved in the TAX amnesty program as follows:

- 1) Still lack of taxpayer knowledge about the TAX Amnesty program conducted by KPP Pratama Medan Kota.
- 2) Not interested in the existence of the TAX amnesty program conducted by KPP Pratama Medan Kota.
- 3) The absence of property that needs to be reported in the filling of the SPT to engage the TAX amnesty program conducted by KPP Pratama Medan Kota.
- 4) Indifference to the policy that is done by the Government, especially about the Tax amnesty conducted by KPP Pratama Medan Kota.

CONCLUSIONS AND SUGGESTIONS

A. Conclusion

After analyzing and describing the results of the research, the following conclusions can be described as follows:

1. The implementation of taxpayer compliance conducted by KPP Pratama Medan Kota in an effort to improve the compliance of taxpayers is less effective, this is followed by a minimum of taxpayers who have not yet participated in the tax amnesty.
2. The implementation of the TAX Amnesty has fulfilled the tax administration and implemented effectively and efficiently in accordance with the prevailing tax laws.

3. After making an efficient of tax efforts through tax management, it is necessary to make a correction of the SPT filling, and the asset reported must be in accordance with the actual property.

B. Suggestion

Based on the conclusions and limitations in this research, researchers can submit suggestions as follows:

1. KPP Pratama Medan City should socialize more enterprising, such as to universities, to institutions, to rural or to sub-districts, so that taxpayers will follow the Tax amnesty and can later increase the tax compliance itself.
2. The Government should renew this Tax amnesty program, in order to increase the taxpayer's compliance greater, and its acceptance is used for state purposes.
3. Expected to come researchers in order to update this research so that the research is much better than before dapat be a reference material for the needy.

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