Perception of the Implementation Regulation about Automatic Exchange of Information to Taxpayers Compliance in Tax Service Office (KPP) Pratama of East Denpasar, Bali, Indonesia

Kadek Wulandari Laksmi P.[1], A.A.N. Eddy Supriyadinata Gorda[2], I Dewa Gede Eka Surya Permana Putra[3], I Wayan Joniartha[4]

[1,2]Lecturer from Faculty of Economics, Undiknas Univeristy, Denpasar, Indonesia
[3]Student from Faculty of Economics, Undiknas Univeristy, Denpasar, Indonesia
[4]Lecturer from Faculty of Social and Political Science, Undiknas Univeristy, Denpasar, Indonesia

Abstract: This study discussing for government regulation in lieu of law (PERPPU) number 1of 2017 on taxpayer compliance in Tax Office of East Denpasar. This study concern to determine the perceptions that arise from the implementation regulation of substitute the law number 1 of 2017, regarding the open access to financial information banking or other financial services through Automatic Exchange of Information (AEoI). This study uses primary and secondary data sources with data collection techniques by in-depth interview techniques and documentation techniques. Data analysis techniques in this study using qualitative analysis is a study that uses text data, perceptions, and other written data to know that things can not certainly measurement (intangible).The result of this research shows that perception implementation of government regulation in lieu of law number 1 of 2017 (1) strengthens supervision for cmpliance of taxpayers. (2) Gives equitable evenly for all taxpayers (3) Increasing the taxpayer compliance

Keywords: Tax, Compliance, Perception, Fairness, Information Access Disclosure, Automatic Exchange of Information Banking (AEoI)

I. INTRODUCTION

As a growth country, Indonesia has various potentials to become the advanced countries with two resources of state revenue, namely domestic revenues and from foreign revenues. Tax is one resources of state revenue. Tax contributions in recent years are increasingly significant, by 2015: 82.3%, 2016: 82.72% and 2017: 85.6%, (Source: Kata Data News and Research). Taxes are the backbone of national financial resources to succeed national development programs that will gradually boost economic growth and prosperity of the nation and the society.

The Government through the Ministry of Finance is committed to maintaining of the public trust for given mandate by the Law to manage State assets and finances. To build an institution with integrity, professional, and credible, the Ministry of Finance held a tax reform program through Sunset Policy which is a policy of granting tax facilities, which apply only in 2008, in the form of interest abolition as tax administration sanction. Continued through the Amnesty Tax program which started in July 2016, ending on Friday, March 31, 2017, based on SPH is Statement of total assets reported taxpayers reached Rp.4.855 trillion. Based on dashboard tax amnesty data, the total reported assets consisted of declaration of domestic treasure Rp.3.676 trillion and declaration of foreign terasure reached Rp.1.031 trillion, (source: kompas.com).

Taxpayers are required to be active in carrying out their obligations in calculating and reporting their taxes independently (Principle self Assessment System). The most important in the implementation of a pure Self Assessment System, must be the good faith and honesty of taxpayers in conducting process of tax payment. Sometimes the Trust not followed by good faith and honesty in providing information the truth condition of the taxpayer. Conditions that are less conducive that seems to also impede the implementation of the principle perfectly. Implementation of this principle does not lead the way for tax officers to conduct examination of one by looking for data on banking institutions or other financial institutions where the taxpayer entrust some of the wealth is. The authority of the tax officer to carry out the inspection is in order to minimize the possibility of manipulating the taxpayer's wealth figures.

The provisions of laws and the regulations of taxation, banking, syariah banking and capital markets/stock exchange, and other prevailing laws and the regulations have restricted access ofo tax authorities

---

["

A good information system if the secrecy and security of the system is reliable. Security of the system can be seen through the data taxpayers are safely stored by information systems. The data of taxpayer must be kept confidential the data stored by the information system so that the other party can not access the data of the taxpayer freely. And the tax authorities that are authorized to access the financial dataof taxpayer's must maintain their integrity.

2.4 Compliance of Taxpayer

Compliance of taxpayer is a taxpayer that has been determined by the Director General of Taxes as a taxpayer who meets certain criteria that can be given a preliminary refund of tax overpayment. Tax compliance is a condition when the taxpayer compliance all tax obligations and actualize his taxation rights.
Internal Revenue Service (IRS) (Sari, 2015) defines tax compliance into three types of compliance are :
1) Compliance completion of SPT (Filling Compliance)
   Filling Compliance measured by estimating the percentage of SPT that is reporting or reported in a timely manner.
2) Payment Compliance
   Payment compliance measured by estimation of how big percentage of tax payable paid in a timely manner.
3) Reporting Compliance
   Reporting Compliance measured by estimating how big percentage of tax payable reported correctly

2.5 Government Regulation in Lieu of Law (PERPPU) Nomor 1 of 2017 (Disclosure of Financial Information Access to Banking)

Actualize the national development of the Unitary State of the Republic of Indonesia which has a goal to prosper the entire people of Indonesia equally and equitable, it requires funding from State revenues primarily derived from taxes, so to meet the needs of tax revenues it is necessary to provide full access to the Directorate General of Taxation to receive and obtain financial information for the interests of taxation.

2.6 Searching the Results of Past Research

Some previous research that used as a reference in this study is presented in Table 1 as follows:

Table 1: Past Research

No	Researchers	Research Title	Results of Research
1	Mira Novana Ardani	Effect of Sunset Polecy on Tax Payers Compiance (Case Study at Regional Office of Directorate General of Tax East Java I Surabaya	1. Taxpayer compliance prior to the implementation of Sunset Policy is relatively low, compared to the period after the implementation of the Sunset Policy, which tends to increase, it can be seen from the increasing number of Tax Payers. The amount of tax deposit, decrease of Tax Assessment Letter and Increase Tax Ratio and compliance must be increased by: tax administration improvement, service improvement, systematic and continuous education to Taxpayer.
2	Ganda Hutasoit	Impact of Tax Amnesty on Compliance Tax Payers at Palembang City	2. There is a significant influence between Tax Amnesty on the awareness of paying taxes, Tax Amnesty against the regulations of the tax administration system of Indonesia, and giving the program of Tax Amnesty is a good perception on the effectiveness of the tax administration system in Indonesia.
3	Vina Rosela	Effect of Perception on Government Regulation Number 46 of 2013 on Taxpayer Compliance	1. Perception of tax justice and perception of easier of taxation related Government Regulation (PP) Number 46 of 2013 have a positive effect on taxpayer compliance level. 2. While perceptions of the simplicity of taxation related Government Regulation (PP) Number 46 of 2013 have no effect on taxpayer compliance level as well as legal provisions.

2.7 Conceptual Framework

The research model was created with the aim of making it easier to identify and solve problems. The research model can be described as Figure 1.

Resource of State Revenue from Indonesia got from Tax Revenue and Non-Tax State Revenue (PNBP) both Domestic and Foreign. Taxes are the backbone of national financing resources in order to succeed the national development programs gradually.To increasing tax revenues the government continuously create policies related to taxes in order to stimulate the society (Taxpayers) orderly in carrying out its tax obligations.

Government of Indonesia continuously commit Tax reform by establishing policies and programs such as Sunset Policy which is the abolition of administrative sanctions in the form of interest on late payment of taxes or interest from taxes that are not pay or underpay implemented in 2008-2015. Further by the Tax Amnesty program which is a tax amnesty to taxpayers who have not compliance their obligations implemented from July 1'st, 2016 until March 31'th, 2017. Both the programs can be said successful, because it can reveal and increase the participation of taxpayers in carrying out their obligations.
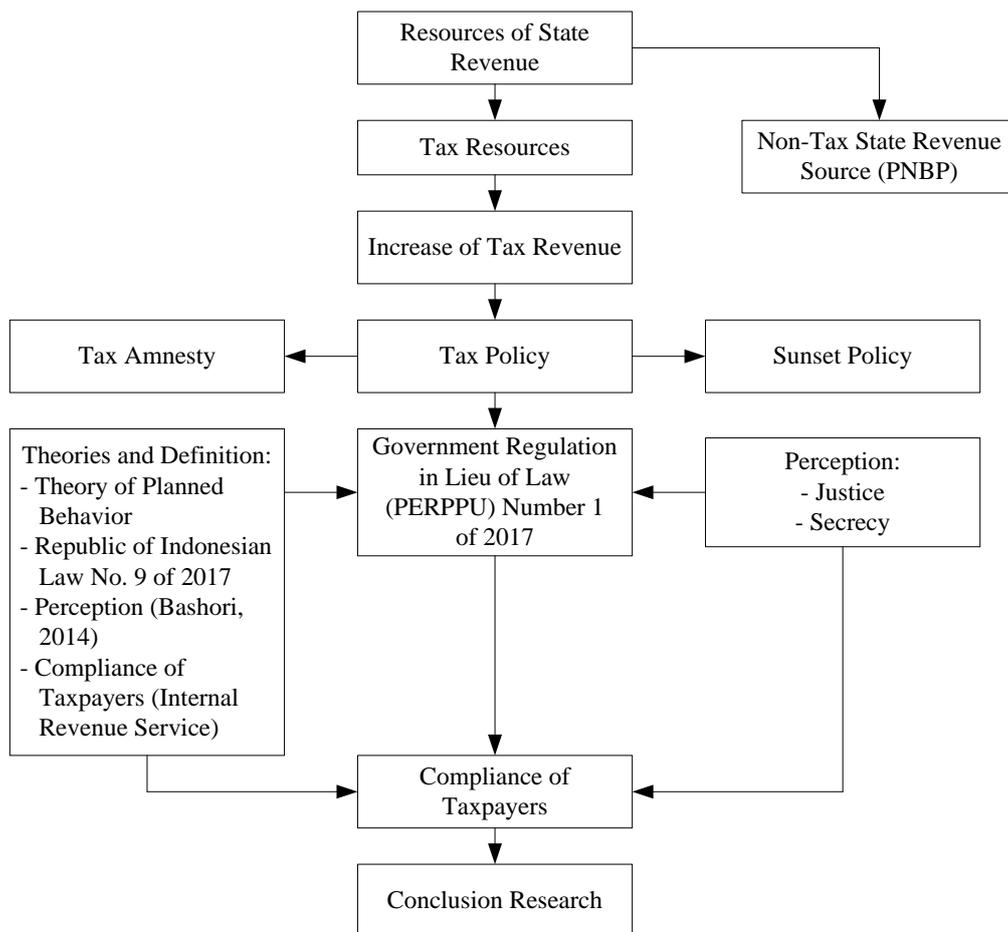
Fig.1: Framework

The issuance of Government Regulation in Lieu Of Law (PERPPU) No. 1 of 2017 is expected to be a good policy to applied in Indonesia which will be analyzed by Planning Behavior Theory. To see the consciousness of taxpayers and tax penalties that is the determinants of taxpayer compliance. The authors also conducted interviews with informants from various elements that arise various perceptions related to taxpayer compliance that is perception of justice and secrecy. The perception is a view of the various elements involved in taxation which later be concluded whether the policy is effective in improving taxpayer compliance and tax revenue in Indonesia.

III. RESEARCH METHOD
3.1 Location and Period of Research
This research was conducted at Tax Office (KPP) Pratama East Denpasar. The reason for this research is to know perception of Implementation Government Regulation in Lieu of Law (PERPPU) Number 1 of 2017 in Tax Office (KPP) Pratama of East Denpasar.
3.2 Determination of Data Sources and Data Types
This reaserch are use:

1) Primary Data

Primary data is data obtained directly from the informant concerned. In this study using purposive sampling method will be applied to the respondent or informant that is the interview on resource related to this research is:

Table 2: Description of Resources

No	Informant	Descrition	Amount
1	Taxpayers	Tax object	1
2	Fiskus	Tax Subject	1
3	Tax Consultants	Tax agency	2

2) Secondary Data

Secondary data were obtained through literature studies both in the form of literature books, Laws, and scholarly work of scholars related to this research.

3.3 Data Colllect Technique

Research conducted in the type of data collected is primary data and secondary data. To collect primary data and secondary data the author uses some data collection techniques are:

1) Interview

To get a detail of the problem, then the researchist needs to conduct interviews to some parties related to the research being conducted. In this study the authors will take the information from Taxpayers, Fiskus and Tax Consultants.

2) Documentation

In addition to interview techniques, the authors also do the documentation by collecting written data in the Tax Office (KPP) Pratama of East Denpasar.

3.4 Data AnalyzeTechnique

Qualitative analysis method is a study that uses text data, perceptions, and other written materials to know somethings that are not measurable with the intangible. Components and processes undertaken in the study will produce information, therefore the results of data acquisition obtained from interviews, documents and records and observations necessary to produce the information. Analysis of the data used following interaction model:

Data obtained from the field quite a lot, it is necessary to record carefully and detailed and sorting data relevant to the research purpose. In this study, the results of the interview are united and reduced by searching for themes and patterns to better suit the desired research objectives.

Presentation of data is how to expose data in detail and systematically after being analyzed into a format prepared for it. However, the data presented is still in the form of temporary for the benefit of the researchist in order to further examination carefully to obtain the level of validity. Conclusions/findings, these conclusions are still temporary, since they are initially unclear, and are still likely to change as conditions develop in the field. Verify, after repeated data reduction and conformity with the presentation of data, then the conclusion is temporarily enhanced through verification, it can be drawn the final conclusion which is the research findings. Final conclusions/findings, after preliminary findings are verified through techniques of verifying the validity of the research findings, further formulating the conclusions of the findings abstracted into the propositions. The conclusion in this research is expressed in the form of description or text description based on result of research in the field. The conclusion is done continuously. The more data obtained and processed then the conclusions obtained

IV. DATA ANALYSIS AND DISCUSSION

4.1 Result of Analysis Data

From the interviews to the speakers I Nengah Suwastika as Manager of PT.Lestari Budaya Bali as a taxpayer entity registered in KPP Pratama East Denpasar. Its taxpayers didn't know in detail about Government Regulation in Lieu Of Law (PERPPU) No. 1 of 2017, but taxpayers knew about the application of Government Regulation in Lieu Of Law (PERPPU) that get information through print media, electronic media, social media and information from tax consultant. Implementation Government Regulation in Lieu of Law (PERPPU) No. 1 of 2017 is expected to provide solutions for the tax system in Indonesia.

Result of interviews to tax consultants who handle taxpayers in KPP Pratama of East Denpasar, I Wayan Kaniarta, S.S.T. and I Dewa Putu Gede Sumertayasa, S.E., BKP. Government Regulation in Lieu Of Law (PERPPU) No 1 of 2017 describes the era of financial data disclosure of taxpayers through banking or other financial institutions, meaning that the government through AEOI (Automatic Exchange of Information) will open access to financial information on banking and other financial services for the benefit of taxation.

Results of interview to Account Representative in KPP Pratama East Denpasar, Panne Ferry Fernandes, the Government through the Directorate General of Taxation has special authority to access financial information in banking. So the taxpayer can not hide his financial data in the bank or do hiding tax through bookkeeping doubled accounts and others things. The tax system in Indonesia uses Self Assessment system, makes taxpayers obedient itself, than the government plays an important role in enforcement justice through the regulations issues. Most of the taxpayers want to breaking the tax regulations, because of the accounting system incoming tax auto expense can reduce profits. Implementation Government Regulation in Lieu Of Law (PERPPU) certainly can strengthen the authority for tax officers to be able to access the data. Taxpayers feel more supervised, and can make taxpayers more compliant. Taxpayer's point of view the implementation of the regulation make the taxpayers become anxious.

4.2 Discussion
1) Behavioral Beliefs
      With the tax system in Indonesia that embraces Self Assessment System means taxpayer compliance is determined from the behavior means whether the taxpayer took the initiative to pay taxes or not and based on the evaluation of the results means that the action has been implemented whether the results obtained to continue or not
2) Normative Beliefs
      Motivation to reach the hope, Government Regulation in Lieu Of Law (PERPPU) No. 1 of 2017 taxpayer to compliance of the tax obligations need to understand the tax, in order the taxpayer right execution of the tax. The importance of the role of tax consultants in taxpayers in educating for not to breaking the regulations and must be compliance tax obligation.
3) Control Beliefs
      In this case tax awareness and tax sanctions are the factors that determine taxpayer compliance of taxpayers. If the taxpayer has an awareness of the importance to paying taxes for development of the state, then the taxpayer realize the intention by paying its obligations. With the Implementation Regulation of substitutes the law (PERPPU) No. 1 of 2017 it can provide threats of criminal and civil sanctions for third parties namely banking, financial institutions and other entities in accordance with Government Regulation in Lieu of Law (PERPPU) No. 1 of 2017:

V.   CONCLUSION
5.1 Conclussion
      Based on the results of research on Perception of Implementation Government Regulation in Lieu of Law (Perppu) No. 1 of 2017 on Taxpayer Compliance in Tax Office (KPP) Pratama East Denpasar can be drawn conclusion as follows:
1. According tax / tax office, Implementation of Government Regulation in Lieu Of Law (PERPPU) No. 1 of 2017 to strengthen the authority for tax officers to be able to access the taxpayer financial data. Taxpayers feel supervised, thereby reducing the possibelity of taxpayers for non-compliance. With the implementation of PERPPU is expected to provide justice for the taxpayer. When the taxpayer feels treated fairly, the relevant will increase tax compliance, so the sense of togetherness in building the State will be greater, because basically the tax as a source of funds in the development of the country.
2. According to the tax consultant with the implementation of PERPPU, the government through the Directorate General of Taxes has special authority to access financial information in banking. Taxpayers can not hide their financial data in the bank or do hiding tax through double account bookkeeping or double bookkeeping. By implementation of PERPPU Number 1 of 2017 the confidentiality of taxpayer datal , because not all tax officers can ccess taxpayer data without permission of the Ministry of Finance.
3. According to the taxpayer by the implementation of PERPPU No. 1 of 2017, taxpayer justice can be realized, with the disclosure of financial information for the benefit of taxation, no more taxpayers cheating in carrying out tax obligations. Secrecy guarantee of financial data is very necessary to be obtained by the taxpayer, because it is personal the need for guarantee from the government so that the tax officer does not use his authority for the benefit of outside the rules.

5.2 Recommendation
      To Government/Tax Officer, with implementation this policy with principle of justice in KPP Pratama of east Denpasar, especially attention to taxpayers upper middle class who have assets or wealth abroad, The Tax Consultans are expected to be more professional in terms of doing Tax Planing, educate taxpayers / clients who handled, so can stimulate the taxpayer will compliance his tax obligations and remain in line with the government. Any government policy should be supported by educating and convincing taxpayers to follow the rules issued by the government, Taxpayers, with the Implentation of PERPPU No. 1 of   2017 understand and

update with policies or regulations issued by the government,Make a good Tax Planning that does not breaking the law, Not neglecting the tax aspects in carrying out the obligations,Use the consultants services if unable to manage own tax obligations and Researchist who wants to research on Government Regulation in Lieu of Law (PERPPU) No. 1 of 2017 it is suggested to examine the influence of PERPPU No. 1 on taxpayer compliance after this rule running in one year. Because this rule is newly published and very good for extend the research.

REFERENCES

[1]   Anggraeni, R.S. 2013.The Influence of Perception of Tax Justice against Formal Compliance of Corporate Taxpayer at Surabaya Tax Office Surabaya.Thesis Faculty of Economics and Business Surabaya of University.
[2]   databoks.katadata.co.id/datapublish/2017/01/11/Tax   realization-2016-donate-83-persen-income   -state, accessed12 Oktober 2017
[3]   ekonomi.kompas.com/read/2017/04/01/0   04930526/.tax.amnesty.over .total.reporting.teasure.realization.rp.4.855.triliun., accessed 12 October 12'th 2017 years
[4]   Fidel. (2010). Easy & practical trick for understanding the problems of taxation. Jakarta. Rajagrafindo Persada.
[5]   Firdaus, N.A. 2014. The Influence of Tax Knowledge, co of Taxes, and Tax Justice Against Compliance of UMKM Taxpayer (Study onnfinience KPP Pratama Surabaya Karangpilang).Thesis Faculty of Economics and Business Airlangga of University.Surabaya.
[6]   Gunadi, Reformation of Tax Administration as a Contribution to Good Governance, Spoken At the Outstanding Professorship Examination Ceremony In The Field Of Taxation In The Faculty Of Social And Political Sciences Indonesia of University, March 13, 2004, p. 12
[7]   Kundalini, P.,2016, The Influence of Taxpayer Awareness and Service of Tax Officer on Taxpayer Compliance at Tax Office Primary of Temanggung Regency Year 2015'th years, Yogyakarta State University, Yogyakarta
[8]   Linda Hestiana C., 2013, Appeals Analysis Dispute of corporate Income Tax in Tax Court at Pendidikan Indonesia of University, library.upi.edu
[9]   Mulyono, Djoko 2009. Handle Taxes Wisely. Andi Offset, Yogyakarta
[10]   Nasution. (2012). Research method. Jakarta: Bumi Putra Aksara
[11]   MPR.RI General Secretary, Comparison of the Constitution of the Republic of Indonesia 1945'th Years
[12]   setkab.go.id/perppu-no-12017-petugas-pajak-berwenang-peroleh-akses-informasi-perpajakan-dari-lembaga-jasa-keuangan/, accessed 13 Oktober 2017
[13]   Article 1 Paragraph (1) and (2) of Law of the Republic of Indonesia Number 28 of 2007, Concerning Third Amendment to Law Number 6 of 1983, Concerning General Provisions and Tax Procedures.
[14]   Law of the Republic of Indonesia Number 95 of 2017 Determination of Government Regulation in Lieu of Law Number 1 of 2017 About Access to Financial Information For the Interests of Taxation, May 8, 2017. Addition to State Gazette of the Republic of Indonesia Number 6051
[15]   Waluyo dan Wirawan Ilyas, Introduction to Indonesian Taxation, Salemba Four, Jakarta, 2000
[16]   www.pajak.go.id/content/article/through-tax-we-develop-country, accessed October 11'th, 2017
[17]   www.pajak.go.id/content/article/7-Reasons-not-need-panic-over-realiztion-perppu-number-1-year-2017, accessed on October 11'th 2017