

Indonesian General Tax Authorities:

The Optimization Strategies of Compliance Behavior by Using Joint Analysis Program

Kartika Putri Kumalasari*, Astri Warih Anjarwi,
Diana Khaira Ernengsih
Departement of Business Administration, Taxation
Universitas Brawijaya
Malang, Indonesia
*kartikasari23@ub.ac.id

Mohd Aliff Syahmi bin Abdul Rashid
School of Government (SOG), COLGIS
Universiti Utara Malaysia
Malaysia

Abstract—The Tax Authorities is an agency that has the goal of optimizing state revenue and reforming tax administration. Then, this goal is outlined in the Tax Authorities at 2015-2019 Destination Statement. The policy set in 2018 is the Synergy of Agencies, Governments, Institutions, Associations, and Other Parties. The form of synergy conducted by Tax Authorities and Customs is in terms of exchanging data and information so as to help optimize the monitoring of potential tax revenue. The joint analysis synergy program expected to provide new motivation for taxpayers in carrying out tax obligations. The theoretical model used in implementing this policy is the Van Meter and Van Horn Policy Implementation Model. In this study using qualitative research methods with a descriptive approach. The results are joint analysis program able to support the tax revenue to be better. The data gather of tax payers are more complete and ease for both institution to do inspection for the potential loss revenue. However, the challenge between those institutions to work together needs more synergy, especially to harmonize the way of managing the big data on different business process. The solutions are bureaucracy between Tax Authorities and Customs also Tax payer should be better by developing adequate system.

Keywords—*joint analysis program, tax authorities, compliance behavior, bureaucracy, tax revenue*

I. INTRODUCTION

The Directorate General of Tax (DGT) is an agency that has optimization objectives state revenue and tax administration reform. Then, this goal is outlined in the Destination Statement. The policy established in 2018 is the Synergy of Agencies, Governments, Institutions, Associations, and Other Parties (ILAP). This policy is contained in one of them a synergy program between DGT strengthening customs and excise reforms. The government is always trying to improve gradually the tax ratio; this was revealed by Mariwan [1], that the increase gradually of tax ratio, tax administration, so that the tax base can be more extensive, and the tax potential is there can be collected optimally.

The form of synergy between DGT and DJBC is in terms of data exchange and information so as to help optimize oversight of potential tax revenue.

Through data exchange, space to avoid and hide for those who do not want to pay taxes will be increasingly narrow. This data exchange program is called a program joint analysis synergy. This synergy program is carried out due to less optimal data exchange jointly between DGT and DJBC which causes potential loss of the above tax revenue and the need for strengthening of joint analysis activities between DGT and DJBC in head office and vertical units. In this case, the Fiscal Policy Agency (BKF) as

Tax policy makers play an important role in the implementation of this policy. Other than that, the Tax Supervisory Committee (Komwas) has the task of carrying out technical and administrative services in order to support the implementation of the technical duties of the tax supervisory committee sounds cause potential loss above and administrative in order to support the implementation of the technical duties of the supervisory committee taxation.

The joint analysis synergy program until December 2017 succeeded in gaining acceptance country exceeds the specified target. The receipt was Rp. 3.56 trillion from the target of Rp. 1.97 trillion. The Director General of Customs and Excise, Heru Pambudi stated, an exchange joint data and analysis of potential tax revenues, import duties, export duties and excise and target high-risk taxpayers. This is done so that it can be identified taxpayers who are included in the status of supervision and / or inspection. Violation non-compliance by the tobacco products industry has a detrimental impact on state revenue of Rp. 909.45 billion, this is based on a survey conducted by The Directorate General of Customs and Excise took the Gadjah Mada University (UGM) out of 426 Regency / City. From this survey, it is stated that there are still 7.04% circulation of illegal cigarettes from total legal cigarettes on the market.

Meanwhile, the joint analysis synergy program between DGT and DJBC is expected to provide new motivation for taxpayers in carrying out tax obligations. When two agencies synergize in managing cigarette tax and excise data, the taxpayer will feel it is useless to engineer VAT and PPh data if the excise band ordering data has been bagged by the tax man.

Therefore, researchers are interested in researching about the title "Implementing the Joint Analysis Synergy Program Policy in the Profile Update Effort Taxation of Tobacco Product Industry (Cigarette Factory) Taxpayer.

II. METHODOLOGY

This type of research used in this research is descriptive qualitative. According to Moleong, qualitative research is research that intends to understand phenomena about what is experienced by research subjects for example, behavior, perception, motivation, actions, etc., holistically, and by means of descriptions in the form of words and language, on a special natural context and by utilizing various scientific methods [2].

III. LITERATURE REVIEW

A. Definition of Public Policy

Dye in Agustino explains that public policy is a choice whatever actions the government does or does not want to take [3]. Refer in this sense, it can be concluded that the notion of public policy is work done by the government (whether it aims to solve problems, increase human resources, stop action terrorism, or other) and the work produced something.

B. Public Policy Actors

Public policy actors are divided into primary policy makers and makers of secondary policy. Primary policy-making administrative bodies consist of three Institutions, as follows:

The president as chief executive has an important role to play in policy formulation. The president's involvement in policy formulation can be seen in presidential commissions, as well as in cabinet meetings.

The authority possessed by the judiciary is to conduct a review legal reset (judicial review). This is not only the power of the judiciary to enact laws for legislative products of parliamentary and executive institutions only, but also has the power to overturn a decision if found Such public policy turns out to be contrary to more laws high (disharmony regulations), especially if it is against the constitution.

If someone asks us, "What is the main role of legislators?" then the answer that always comes out of our lips is making legislation (products law in the form of policy. Like Anderson's argument in Agustino states that "The legislature has the main task of making or formulates policy" [3].

Policy implementation is a crucial stage in the public policy process. A policy program must be implemented so that it has the desired impact or objectives. Grindle in Winarno gives his view on implementation by saying that in general, the task of implementation is to form a linkage that facilitates policy objectives can be realized as the impact of a government activity [4]. Thus, public policy is a broad statement about the

goals, objectives and means to realize a policy. So that the programs contained in the policy can be implemented to bring about change in the community environment.

Furthermore, Van Meter and Van Horn in Winarno limit implementation as actions taken by individuals (or groups) of government or private that are directed to achieve the goals set in the decisions previous policy [4]. Furthermore, the action in question is an effort made to change decisions into operational actions within a certain period of time, as well as efforts taken to continue previous policy decisions. A more complete understanding of policy implementation is explained by Mazmanian and Sabatier in Agustino, stating that policy implementation is [3]:

"Implementation of decisions is usually in the form of laws, but it can also take the form of orders or important executive decisions or judicial bodies' decisions. Typically, the decision defines the problem to be addressed, states clearly the goals or objectives to be achieved, and various ways to manage the implementation process. "

So it can be concluded that, the implementation of the policy consists of three elements, namely First, is the implementation of the law or provisions that have been formulated which are implemented by individuals or groups. Second, it has the aim of efforts in implementing decisions. Third, policy implementation has various programs and projects to realize public policies. Thus, the implementation of public policy can bring about changes in the policy environment, which can be interpreted as the impact of a program.

1) *Function of Directorate General Taxes (DJP):* Agency It is the duty of the Directorate General of Taxation in accordance with the regulation of the Minister of Finance No. 234/PMK.01/2015 on the Organization and Operations of the Ministry of Finance to formulate and implement technical policies and standards in the field of taxation [5].

In carrying out the task, the Direktorat Jeneral Pajak (DJP) performs the following functions [5]:

- Formulation of policies in the field of taxation;
- Implementation of taxation policy;
- Drafting of taxation rules, standards, procedures, and criteria;
- Providing technical guidance and assessment in the field of taxation; and
- Implementation of Direktorat Jeneral Pajak (DJP) administration.

2) *Organizational structure of Directorate General of Taxes (DJP)*

3) *Human resources in directorate general of tax.*

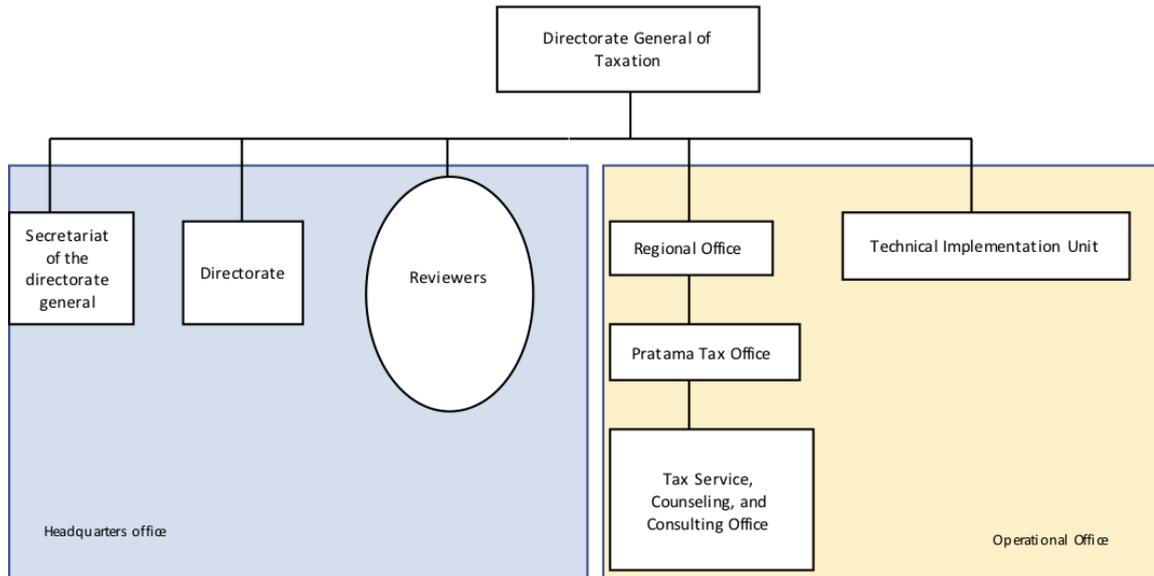


Fig. 1. The organization structure of directorate general of taxation in Indonesia.

Human resource management in the Directorate General of Taxation is responsible for employing, hiring and recruiting new employees to meet the job market needs for its department. The number of workers employed has increased over the years. Based on Direktorat Jeneral Pajak (DJP) Annual Report 2017, the total workforce for this department is 43 052 employees. The table below shows the division of employees in several provinces [5].

TABLE I. THE DIVISION OF EMPLOYEES IN SEVERAL PROVINCE

Java	Sumatera	Sulawesi and North Maluku	Kalimantan	Bali and Nusa Tenggara	Papua and Maluku
28 519	7013	2636	2302	1828	754

4) *Human resource development of Directorate General of Tax (DJP)*: In 2017 DGT entered the fourth or the last period of Human Resource Management Blueprint 2011-2018. The topic for this stage was "Building a culture of appreciation as the basis for creating and developing talent management". Directly after the whole human resource management have been formulated, developed and implemented. DGT is expected to be capable of making the employees with the best capabilities and the best execution of performance which is upheld by an adequate culture of appreciation so that the management full of talent can be developed and those employees are given prioritize to hold the strategic position inside DGT [5]. There are several initiatives that have been taken by Directorate General of Tax in order to increase performance of its employees. Performance Award Program

(PKP) is a reward given to the best performing representatives which reason is to rouse workers in doing their obligations and duties. In 2017, the program was implemented for ten position category, namely as; Head of Tax Office, echelon IV official, Tax Auditor, Tax Appraisal, Tax Investigator, Tax Objection Reviewer, Account Representative, Tax Bailiff, Front Officer, and supporting staff [5].

5) *Scholarship program, own-cost education permit, development and training, and short course*: In order to improve their employees' quality of performance, DGT carries out series of employees' skill development effort through scholarship programs as well as own-cost education permission. In order to improve specialized and general competency, DGT likewise assign workers to join arrangement of development and training programs; local or abroad; that are composed and organized either by DGT, Financial Education and Preparing Agency as well as Foreign Nation [5].

6) *On-the-job training*: On-the-Job Training (OJT) is a performance building program that is meticulously led through at-the-workplace internship job program which includes new workers/Civil Servant Applicants and experienced workers; as the trainees and the coaches; consecutively. DGT has been conveying this program out since 2010 and has been assessing its adequacy and effectiveness ever since. To new employees / Civil Servant Candidates, OJT is a means of training, under the guidance and supervision of the Head of Tax Office and Head of Section, by placement in the real working conditions at the Tax Office. Similarly, for employees holding new positions as Tax Objection Reviewers, Tax Auditors, Account Members, Tax Bailiffs, Operator Controller, and Treasurers, OJT under the direction of Head of Section, senior employees

meeting the requirements, or Tax Auditor Team Leader is introduced with a structured learning program comprising related material to the new position [5].

7) *e-Learning*: E-learning is one of the means of distant learning to improve the tax skills of DGT employees. It should also act as a measuring and mapping tool for the technical competence of DGT employees. The need to implement e-learning programs is based on a number of factors, namely the large number of DGT staff, the vast area to be covered, the limited availability of instructors and budget constraints. The growing way of learning of the millennial is also demanding DGT in order to facilitate these training needs by harnessing the development of IT [5].

The development and implementation of e-learning throughout 2017 are as follows [5]:

- e-learning training method is set to be one of the Key Performance Indicators of training hours;
- The introduction of e-learning to the Civil Servants Candidates as a reason to support their OJT program;
- Improving of the learning management system applications;
- e-learning module development, especially objections and appeals modules, objections and appeals simulation modules, and e-audit modules;
- Digital screening of employee performance recognition systems for 2017;
- Use of e-learning in the selection process for DGT Tax Investigator 2017.

8) *Leadership development program*: One of the determining factors for achieving organizational goals is the quality of leadership. DGT is committed to building and developing leaders in non-technical skills that are strong in character and reliable. The Leadership Development Program (LDP) is a capacity-building program designed to meet these commitments. This program is designed to develop the managerial skills of officials within the DGT. For echelon institutional officials, LDP operations are performed annually [5].

IV. RESULTS AND DISCUSSIONS

The size and objectives of the joint analysis synergy program policy are analytical activities undertaken by DGT and DJBC jointly to examine the level of tax compliance in the Taxation Sector. This synergy program is carried out against the background of less than optimal utilization of data exchange between DGT and DJBC which causes potential loss of tax revenue. And, it is necessary to strengthen the joint analysis activities between DGT and DJBC at the Head Office and vertical units. To answer the existing background, the objective of the joint analysis synergy program is to improve taxpayer compliance and optimize tax revenue and update tax

profiles that are can be used in other synergy programs. Implementation of policies that have been implemented targeting the targets / targets in the fields of taxation and / or customs and excise: exports; import; excise duty; recipient of Tax, Customs and Excise facilities. This program, which was implemented in 2018, has Milestone contained in KMK No.481 / KMK.01 / 2018 containing: The implementation of the joint analysis synergy program policy is carried out in accordance with the 2018 Milestone contained in KMK No.481 / KMK.01 / 2018 includes [6]: Formulation of Joint KEP (SOP) as the basis for implementing joint analysis; Internalization of Joint KEP (SOP) & Joint Analysis Assistance; Implementation of Joint Analysis on vertical units; Automation of business processes blocking the taxpayer's customs access that does not meet the tax return submission obligation; Making Joint Analysis Tools; Implementation of Joint Analysis Tools; Evaluation of the implementation of Joint Analysis; Evaluation Analysis Tools. Based on the results of research that has been done, it can be seen that the joint analysis synergy program that has been applied to the policy targets / targets benefits from this policy. One of them is the ease of business processes going forward for service users can be seen in the figure below. The success of the policy implementation process is highly dependent on the ability to use resources. In implementing this policy, the human resources or implementers whose roles are the Head Office of the Directorate General of Taxes and the Head Office of the Directorate General of Customs and Excise. The areas involved in the DGT Head Office are the Directorate of Potential, Compliance and Acceptance as the Policy Coordinator. Meanwhile, at the DJBC Head Office is the Audit Planning Division. In carrying out their duties, the implementer is tasked with in accordance with DJP-DJBC Joint Decree No. KEP 195 / PJ / 2018 and KEP 182 / BC / 2018 concerning Guidelines for Implementing Joint Analysis between DJP-DJBC [7]. In order to improve the quality of human resources, management on the job is needed through job rotation, internships, guidance, demonstrations, and example. And management off the job also needs to be done through training and formal education. However, in its implementation at the Head Office there is no formal training or education specifically for the joint analysis synergy program. Based on the results of research that has been done, to improve the quality of human resources as an implementer by conducting a Sharing Session that discusses joint analysis and knowledge transfer to learn from tax and customs. In addition to human resources, time and financial resources also need attention. The timing of the joint analysis is adjusted to the mutual agreement between the two agencies. Whereas the budget for policy implementation is obtained from the Budget used in implementing the Joint analysis synergy program based on KMK 481 / KMK.01 / 2018, all costs are charged to the Budget Implementation Entry List (DIPA): DGT Head Office and / or DJBC uses DIPA DGT Head Office and / or DJBC [6].

Formation of Characteristics is done through joint activities with the relevant agencies. With the coordination and supervision of the Joint Secretary, it can form a disciplined

character for the implementer. During the course of the policies implemented by the DGT Head Office and DJBC Head Office there were no violations committed by the implementers and there were no specific rules governing violations and sanctions for the joint analysis implementer. In addition, the policies that have been implemented can be well received by the implementers concerned. Because it is already a Decree of the Minister of Finance and a Joint Decree between the DGT and DJBC. This joint analysis synergy program involves several parties, such as the Office of Tax and Customs Service and Supervision, and the Joint Secretariat. In carrying out their duties, communication with related parties is carried out formally and informally. In order to obtain success in implementing the policy, commitment is required in carrying out its duties. The implementing agent involved received the policy well, because it was already a regulation from the Minister of Finance. Thus, it has an obligation to comply with applicable regulations, with good communication and coordination; it makes it easy to carry out a joint analysis synergy program, so that it is carried out properly.

Supporting the success of the joint analysis synergy program based on KMK No.481 / KMK.01 / 2018 [6]: Data access between DGT; HR who has adequate knowledge of business processes in the fields of taxation, customs and excise; Synergy between DGT and DJBC both at the central level and in vertical units; the active role of the joint secretariat. The joint secretariat has a role in becoming a forum to accommodate aspirations and improvements for the joint analysis synergy program. So, the joint secretariat can convey to the policy makers to improve or add things that are considered necessary for joint improvement. Based on the results of the research obtained, the way to maintain supporters of the success of the policy is Trust towards implementers who are given responsibility based on the Decree of the Minister of Finance and Joint Decree.

V. CONCLUSION

To be concluded, Due to the Joint Analysis program, 3678 taxpayers placed under the supervision status had been able to realize RP 1.97T. In addition, 1120 taxpayers placed under examination, have been able to realize an amount of income to the state of RP 1.59T. Henceforth, 820 taxpayers were put under law enforcement. At the very end, 158 taxpayers placed under the DJBC Audit, the government were able to realize a total of RP 237.48 billion. Hence, the implementation of this Joint Analysis program, those who have made mistakes or misconduct in avoiding paying their taxes obligation have been caught and subjected to legal action. Therefore, the government can increase again the potential loss that has been borne by the government.

REFERENCES

- [1] M. Mariwan and Z. Arifin, "Analisis Kinerja Keuangan dan Penerimaan Pajak Penghasilan Badan Usaha pada Periode Sebelum dan Setelah Reformasi Pajak Tahun 2000 (Studi Kasus pada Badan Usaha di Wilayah Kabupaten Sleman, Kulonprogo dan Gunungkidul)," *Sinergi Kaji. Bisnis dan Manaj.*, 2005.
- [2] L.J. Moleong, *Qualitative research methodology*. Bandung: PT Remaja Rosdakarya, 2007.
- [3] L. Agustino, *Dasar-dasar Kebijakan Publik (Edisi Revisi)*. Bandung: Alfabeta, 2016.
- [4] B. Winarno, *Kebijakan Publik*. Yogyakarta: Caps, 2016.
- [5] Direktorat Jenderal Perpajakan, "Laporan Kinerja Direktorat Jenderal Perpajakan Indonesia." Jakarta, 2017, [Online]. Available: [https://www.pajak.go.id/sites/default/files/2019-03/LAKIN DJP 2017.pdf](https://www.pajak.go.id/sites/default/files/2019-03/LAKIN_DJP_2017.pdf).
- [6] Kementerian Keuangan, "Keputusan Menteri Keuangan Nomor 481/KMK.01/2018 tentang Program Sinergi Reformasi Direktorat Jenderal Pajak dan Direktorat Jenderal Bea dan Cukai." Jakarta, 2019.
- [7] Kementerian Keuangan, "Keputusan Direktorat Jenderal Pajak 195/PJ/2018 dan 182/BC/2018 tentang Petunjuk Pelaksanaan Joint Analysis antara Direktorat Jenderal Pajak dan Direktorat Jenderal Bea dan Cukai Terhadap Wajib Pajak." Jakarta, 2018.