

Covid 19 Incentives in the Perspective of Tax Collection Principles

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Abstract— The Indonesian government has issued several tax incentive policies. One of the tax incentive packages provided is the relaxation of Personal Income Tax. The Income Tax incentive policy is expected to ease the economic burden of taxpayers affected by the COVID-19 pandemic. This study aims to analyze the perspective of taxpayers on the COVID-19 tax incentives in terms of the principles of tax collection. The distribution of questionnaires was done by distributing questionnaires to SMEs in Surabaya with a total of 100 respondents. The sampling technique used for the questionnaire is non-probability sampling. Based on the principles of tax collection, the personal income tax incentives provided by the Indonesian government received a positive response from the majority of respondents. In providing the COVID-19 tax incentives, the government should consider the principle of equality. This is because there are still people who are affected by the COVID-19 pandemic but do not get the COVID-19 tax incentive. Most respondents hope that the COVID-19 tax incentive can be given until economic conditions can return to normal.

Keywords— Tax Incentive, Covid-19, SME.

I. INTRODUCTION

In the last few years the COVID-19 pandemic (corona virus disease 19) has changed the order of human life, ranging from patterns of work, study, worship, business transactions, and so on. The higher transmission rate has prompted the government to apply an appeal to the public to practice physical distancing, namely an appeal to maintain distance between people, stay away from activities in all forms of crowds, gatherings, and avoid gatherings that involve many people. As an anticipatory step, several provinces have implemented a PSBB (Large-Scale Social Restriction) policy where community activities outside the home are restricted. This is done to reduce the rate of transmission of COVID-19 in Indonesia.

The appeals and policies set by the central and regional governments have an impact on the domestic economy. Several sectors of the economy experienced sluggishness. Data from the Ministry of Finance in Hastuti (2020) predicts economic growth to be only 2.3% and if conditions worsen, economic growth is estimated to be negative 0.4%. This condition is considered to have an impact on households, SMEs, corporations, and the financial sector.

To anticipate these conditions, the Government issued a new policy strategy in the economic, monetary, and fiscal sectors. In the field of taxation, the government has issued several tax incentive policies. One of the tax incentive packages provided is the relaxation of Personal Income Tax. The Income Tax incentive policy is expected to ease the economic burden of taxpayers affected by the COVID-19 pandemic. This study aims to analyze the perspective of taxpayers on the COVID-19 tax incentives in terms of the principles of tax collection.

This study aims to determine and analyze the perspective of individual taxpayers on the covid 19 tax incentives in terms of the principles of tax collection, namely Equality, Certainty, Convenience, and Efficiency. This research is expected to contribute in:

1. Provide an overview for further research related to the perspective of individual taxpayers on the covid 19 tax incentive in terms of the principles of tax collection, namely Equality, Certainty, Convenience, and Efficiency.
2. Provide an overview for the Government, especially the Directorate General of Taxes regarding the perspective of individual taxpayers on the covid 19 tax incentives in terms of the principles of tax collection, namely Equality, Certainty, Convenience, and Efficiency.

II. LITERATURE REVIEW

2.1. Tax Incentive

The provision of tax incentives is one of the efforts made by the government to stimulate the economy. Through the provision of tax incentives, it is expected that it will have a positive impact on the national economy (Rachmawati and Ramayanti, 2016). Based on previous research, every policy made by the government, especially tax incentives has an effect on the behavior of taxpayers (Guenther, 1994; Yin and Cheng, 2004; Ali et al., 2011; Rohman et al., 2011). One of them is Rachmawati and Ramayanti (2016) who found that tax incentives in the form of ease of calculating, depositing, and reporting income tax payable as regulated in PP 46 have a positive and significant effect on taxpayer compliance. Based on the results of the interview, it is known that the attention of MSMEs in fulfilling their tax obligations is not only seen from the ease of calculating taxes, but rather how much burden must be borne by MSMEs. But besides that, Bolnick in Selvi (2020) suggests the negative side of giving tax incentives. The negative side is the loss of government revenue which may be needed in carrying out government and development, especially considering that the main tax function is the budgetair function. In addition, tax incentives can be misused to avoid paying taxes, not to mention the increase in tax administration costs.

2.2. Tax Collection Principle

The principles of tax collection were first put forward by Adam Smith in the book *An inquiry Into The Nature and Causes of the Wealth of Nations*. The book explains that there are four principles of tax collection, namely:

1. Equality (the principle of balance with ability or the principle of justice)

Tax collection must be fair and equitable. Fair means that each taxpayer contributes money for government expenditures in proportion to his interests and the benefits requested.

2. Certainty (principle of legal certainty)

Certainty is that the tax is not determined arbitrarily, on the contrary the tax must be clear to all taxpayers and the whole community, namely how much to pay, when to pay, and how to pay it. If there is no certainty to the taxpayer about his tax obligations, then the tax payable depends on the discretion of the tax officer who can abuse his power for his own benefit.

3. Convenience of Payment (principle of timely tax collection or principle of pleasure)

When the taxpayer must pay taxes should be in accordance with the times that do not make it difficult for the taxpayer, for example when the taxpayer earns income. According to Suandy (2016), it provides an understanding of convenience that when taxpayers have to pay taxes, it should be determined at a time that will not make it difficult for taxpayers, for example when taxpayers receive salaries or receive other income, such as when receiving deposit interest.

4. Efficiency (economic principle)

This principle states that the cost of collecting taxes is attempted to be as economical as possible, lest the cost of collecting taxes is greater than the results of tax collection. According to Suandy (2016), tax collection should provide greater benefits to the community compared to the costs sacrificed by the whole community.

III. METHOD

This research begins by identifying the taxpayer's perspective regarding the covid 19 tax incentives. This perspective is studied based on the principles of tax collection. Data collection in this study was carried out by means of literature studies, distributing questionnaires, and interviews. Literature study was conducted by studying various previous studies to add information related to this research. The literature sources used are from books, journals, and various previous studies as the basis for formulating

hypotheses in this study. The distribution of questionnaires was done by distributing questionnaires to SMEs in Surabaya with a total of 100 respondents. The sampling technique used for the questionnaire is non-probability sampling. The sampling technique used the purpose sampling method. Respondents will be selected according to predetermined criteria, namely individual taxpayers who receive COVID-19 tax incentives. Interviews conducted in the study were conducted with tax practitioners and academics as well as taxpayers who received incentives. This is to explore the views of practitioners and taxpayers regarding the COVID-19 tax incentives in terms of tax collection principles. The analytical technique used in this research is Pearson Correlation. Based on these results, conclusions can be drawn to answer the existing problems.

IV. RESULT AND DISCUSSION

4.1. Descriptive Statistics Result

Descriptive statistics function to describe or provide an overview of the object under study through sample or population data as it is without analyzing and making generally accepted conclusions (Sugiyono, 2007). The variables of the principles of tax collection are measured using four indicators, namely the principle of convenience of payment, the principle of equality, the principle of convenience, and the principle of efficiency. The following are the results of descriptive statistics for each of these indicators.

1. Convenience of Payment Principle

The principle of Convenience of Payment (the principle of timely tax collection or the principle of pleasure) is a principle that reveals that taxes must be collected at the right time for the taxpayer (the best time), for example when the taxpayer has just received his income or when the taxpayer receives a gift. . The results of these descriptive statistics show the average value of the convenience of payment principle reaches 4.2, which is included in the high category. This shows that most of the respondents showed a positive response to the principle of convenience of payment. This condition shows that respondents consider the provision of tax incentives during the COVID-19 pandemic to be appropriate. However, on the one hand, respondents hope that tax incentives can be applied until the end of the pandemic.

2. Equality Principle

The principle of equality (the principle of balance with ability or the principle of justice) is a principle which reveals that the tax collection carried out by the state must be in accordance with the ability and income of the taxpayer. The results of these descriptive statistics show the average value of the principle of equality reaches 3.4, which is included in the sufficient category. This shows that most of the respondents showed a neutral response to the principle of equality. This condition shows that respondents think that the criteria set out in the provision of COVID-19 tax incentives are good.

3. Certainty Principle

Certainty principle (principle of legal certainty) is a principle which reveals that all tax collections must be based on the law, so that those who violate will be subject to legal sanctions. The results of these descriptive statistics show the average value of the principle of certainty reaches 4.1, which is included in the high category. This shows that most of the respondents showed a positive response to the principle of certainty. This shows that respondents agree that the provisions and rules related to the COVID-19 tax incentive have been clearly and understandably regulated.

4. Efficiency Principle

The principle of efficiency (the principle of efficiency or the principle of economics) is a principle which reveals that the cost of collecting taxes is attempted as efficiently as possible, lest the cost of collecting taxes is greater than the results of tax collection. The results of these descriptive statistics show the average value of the principle of certainty reaches 4.0, which is included in the high category. This shows that most of the respondents showed a positive response to the principle of efficiency. When viewed in detail, respondents tend to agree that the provision of COVID-19 tax incentives has been carried out efficiently.

4.2. Discussion

The results of statistical data testing show that the majority of respondents gave a positive response to the provision of Covid 19 tax incentives when viewed from the principles of tax collection. In providing the COVID-19 tax incentives, the government

should consider the principle of equality. From the results of statistical testing the principle of equality is classified as sufficient. This shows that there are still respondents who feel that the criteria set out in the provision of COVID-19 tax incentives need to be considered. RA, one of the respondents revealed in an interview that there are still people who are affected by the covid 19 pandemic but do not get the covid 19 tax incentive. This condition shows that there needs to be a review related to the mechanism for providing the covid 19 tax incentive.

In addition, when viewed from the principle of Convenience of Payment, respondents showed a positive response. This condition shows that respondents think that the COVID-19 tax incentive has been given at the right time. It's just that most of them hope that the period of the Covid 19 tax incentive can be extended. SR, one of the respondents, expressed his hope that the COVID-19 tax incentive could be given until economic conditions could return to normal.

V. CONCLUSION

Based on the principles of tax collection, the personal income tax incentives provided by the Indonesian government received a positive response from the majority of respondents. In providing the COVID-19 tax incentives, the government should consider the principle of equality. This is because there are still people who are affected by the COVID-19 pandemic but do not get the COVID-19 tax incentive, the criteria for receiving tax incentives. Most respondents hope that the COVID-19 tax incentive can be given until economic conditions can return to normal.

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