The Effects of Self-Assessment System and Tax Collection Letter on Value Added Tax Revenue at the Bandung Cibeunying Primary Tax Service Office

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Abstract---This study aims to find out how the effect of the effect of self-assessment system and tax collection on tax added tax revenue at the Bandung Cibeunying Primary Tax Service Office. The object of this research is self assessment system and tax collection letter on value aded tax revenue. The research method used in this study is descriptive and verification methods. Data analysis used in this study is multiple linear regression analysis at a significance level of 5%. Research results show that self-assessment systems and tax collection letters have an effect on value added tax revenue. So the higher the self-assessment system and tax collection letter, the more value added tax revenue.

Keywords---Self-assessment system, Tax collection letter, Value added tax revenue, Primary tax service office

I. INTRODUCTION

The Indonesian state is said to be a developing country because of the very high population growth rates, high unemployment rates, low productivity, low quality of life, dependence on the agricultural/primary sector and dependence on vulnerable external economies. This can cause problems in various sectors, especially the economic sector. Besides that, the increase in world oil prices, the high inflation rate, the weakening of the rupiah exchange rate against the US dollar, the rising prices of goods and the decreasing purchasing power of the people are problems that must be overcome by the Indonesian government. each year state revenues from the tax sector increase. (Opissen, Muhammad, Desyana. 2012). The source of tax revenue is not only from within the country but also from the internal sector such as foreign loans, but along with the development of analytical capabilities from economic practitioners said that foreign loans will be a boomerang for the Indonesian economy so that economic revenues from the external sector should be reduced, from that the government must strive to maximize revenue from the internal sector, namely taxes. each year state revenues from the tax sector increase. (Opissen, Muhammad, Desyana. 2012). The source of tax revenue is not only from within the country but also from the internal sector such as foreign loans, but along with the development of analytical capabilities from economic practitioners said that foreign loans will be a boomerang for the Indonesian economy so that economic revenues from the external sector should be reduced, from that the government must strive to maximize revenue from the internal sector, namely taxes. State revenue from the tax sector is the driving force of the economic life of the community which is a real means for the government to be able to provide various economic infrastructure that is shown for the welfare of the community (Saudi, 2018). Therefore, it is clear to us that taxes can directly increase economic growth and community welfare (Suyanto: 2012). Taxes contribute significantly to state revenues. In the structure of APBN revenue, there are two revenue posts, namely the tax revenue post and the state revenue post. The following is table 1.1 which illustrates the development of the contribution of tax revenue to state revenues in the last five years.

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Table 1.1: *Contribution of Tax Revenue to State Revenues (Billion Rupiah)*

Year	Government Revenue	Tax Revenue	Percentage
2013	1.438.892	1.077.307	74%
2014	1.550.291	1.146.866	74%
2015	1.508.020	1.240.419	82%
2016	1.786.225	1.539.166	86%
2017	1.737.629	1.495.894	86%

Source: Central Bureau of Statistics (reprocessed data)

From table 1.1 above it can be seen that tax revenue contributes quite high to state revenues, with a percentage above 50%. Therefore many efforts must be made by the government to increase tax revenue which in this case is the duty of the Directorate General of Taxes (DGT) so that tax revenues do not decrease and increase every year. The following table presents the development of State revenues for 2012-2016.

Table 1.2: *State Revenue Development, 2012-2016 (trillion rupiah)*

Source Revenue	2013	2014	2015	2016	2017
Revenue	1525,1	1665,7	1790,3	1820,5	1748,9
Tax Revenue	1192,9	1280,3	1179,9	1546,6	11398,8
Domestic Tax	1134,2	1226,4	1328,4	1506,5	1464,7
Income tax	584,8	586,3	644,3	757,2	787,7
Value-added tax	423,7	492,9	524,9	571,7	493,8
Property tax	27,3	25,4	26,6	19,4	17,2
Duties on acquiring land and building rights	0	0	0	0	0
Excise	92,0	116,2	126,7	146,4	157,1
Other Taxes	6,3	5,4	5,6	11,7	8,7
International Trade Tax	58,7	53,9	51,5	40,0	34,0
Import duty	27,0	33,9	37,2	37,2	33,7
Export Tax	31,7	19,9	14,3	2,8	,340
Non-Tax Revenue	332,1	385,3	410,3	273,8	250,0
revenue of of Natural Resources	197,2	225,9	254,2	124,8	86,9
profit section of BUMN	33,5	40,0	44,0	34,1	41,0
Other Non-Tax Revenues	77,9	94,0	89,8	79,4	84,4
Service Agency Revenue Umum	23,4	25,3	22,2	35,3	37,7
Grant	4,4	1,3	3,2	2,0	1,3
Amount	1529,6	1667,1	1793,5	1822,5	1750,2

Source: Statistics Indonesia Realization of State Revenues 2013-2017

Judging from table 1.2 above shows that tax revenue plays a very large role in state revenue. Taxes originating in the country are greater than international trade tax revenues and Non-Tax State Revenues (PNPB). This seems very clear that the amount of tax revenue has an influence on the amount of state revenue. Therefore, Indonesia will try to further increase the potential of state revenue from within the country, and it cannot be denied that tax has contributed quite high in state revenue (Statistics Indonesia Realization of State Revenues 2013-2017). Tax is a compulsory contribution to a State owed by a person or a compelling body based on the law. Taxpayers do not get direct rewards, but the taxes deposited by citizens to the State Treasury are used for the purposes of the State and for the greatest prosperity of the people (Law number 28 of 2007 Article 1 concerning general provisions and procedures for taxation). Reported in Republika.com, Jakarta on Wednesday 06/04/2016. Finance Minister Bambang Brodjonegoro said the realization of tax revenue until the end of the first quarter of 2016 still did not meet expectations, because it was affected by the low income from Value Added Tax (VAT).

Besides that, in Kontan newspaper, 06/07/2017. Although the total realization of tax revenues in the first month of 2017 recorded growth, value added tax revenues (VAT) still recorded a negative performance or lower than last

year. Director of Potential, Compliance, and Tax Revenue of the Directorate General of Taxes of the Ministry of Finance (Ministry of Finance) Yon Arsal said the realization of VAT receipts for January this year was still lower than last year, continuing the trend in 2016. Based on the description of the research background, researchers are interested in making scientific papers or theses with the title "The Effect of Self Assessment System and Tax Collection Letter on Value Added Tax Revenue at the Bandung Cibeunying Primary Tax Service Office.

II. THEORETICAL FRAMEWORK
II.I. Effect of Self-Assessment System on Value Added Tax

In order to get optimal tax revenue, the government must create a quality taxation system. The taxation system which is the technical implementation in the tax collection process in Indonesia is regulated by the Directorate General of Taxation. The tax system includes three parts, namely taxation policy, taxation law and tax administration. Taxation habit serves as a tool to achieve government goals in the field of taxation (Siti Kurnia Rahayu, 2009). Taxation law is a set of rules governing the technical implementation of tax collection by the state against its people. While the tax administration contains systematic tax collection procedures. The tax system must work hand in hand and continuously in order to create an effective tax system. (Rochmat Soemitro, 2007). One element of the tax system that is a reference in tax collection is tax administration which regulates the tax collection system. The tax collection system that applies in Indonesia is the Self Assessment System, whose implementation is left to the taxpayer. Self assessment system is a tax collection system that authorizes taxpayers to determine (calculate and determine) the amount of tax owed and pay in accordance with the provisions stipulated in the applicable regulations (Diana Sari, 2013: 79). In the practice of taxation in Indonesia the Self Assessment System has an important role for tax revenue, one of which is Value Added Tax (VAT). Value Added Tax, which is one of the second largest tax revenues after Income Tax, we must increase each year, because the biggest source of APBN revenue comes from the Tax sector which will later become the cost of developing the country.

II.II. Effect of Tax Collection Letter on Value Added Tax Revenue

The basis for tax collection according to Article 18 of Law No. 28 of 2007 in Oyok Abudamin (2016: 165) is Tax Collection Letter, Underpayment of Tax Assessment Letter, Additional Underpayment Assessment Letter, and Correction Decree, Decree of Objection, Appeal Decision, and Review Review Decision, which causes the amount of accrued tax to increase. The collection action is carried out if the Taxpayer has not paid the accrued liability until the specified time. This collection action can trigger taxpayers to fulfill their tax obligations and increase tax revenue. Billing efforts are carried out by paying attention to the optimization of the number of taxpayers being billed. The optimization is intended to generate tax revenue and also consider the aspect of justice in treating taxpayers. Therefore, it is endeavored that each taxpayer will get a turn to be examined in order to test the fulfillment of his tax obligations. If the taxpayer after being billed has not met his tax collection, then the KPP has the right to collect with the tax forced letter in accordance with the Taxation Law (Syahab and Hartono, 2008).

II.III. Effect of Self-Assessment System and Tax Collection Letter on Value Added Tax Revenue

According to Thomas Sumasan (2013), states: "Self Assessment System is a tax collection system that gives authority, trust, responsibility to taxpayers to calculate, calculate, pay, and report on the amount of tax that must be paid. The characteristics of the Self Assessment System according to Mardiasmo (2011) are: (1) The authority to determine the amount of tax payable is the taxpayer himself; (2) Active taxpayers, ranging from counting, depositing and self-reporting of tax payable; (3) The Fiscus does not interfere and only supervises. Tax collection by Self Assessment System, tax authorities or tax employees carry out tax collection if the debt arises and before the payment due date or tax payment. Law No. 19 of 2000 concerning amendments to Law No. 19 of 1997 concerning tax collection by forced letter, article 1 number (9) confirms: "Tax collection is a series of actions for aging Tax Payers to pay off tax debts and tax collection fees by reprimanding or warning, carrying out instant and simultaneous billing, notification of Forced Letters, proposing prevention, carrying out foreclosures, carrying out hostages, and selling items that have been confiscated. So by conducting tax collection, it will be very important to overcome the increase in tax arrears which will later enter the state treasury as the cost of developing the State. Based on the framework of thought can be expressed in a framework of thought as follows:
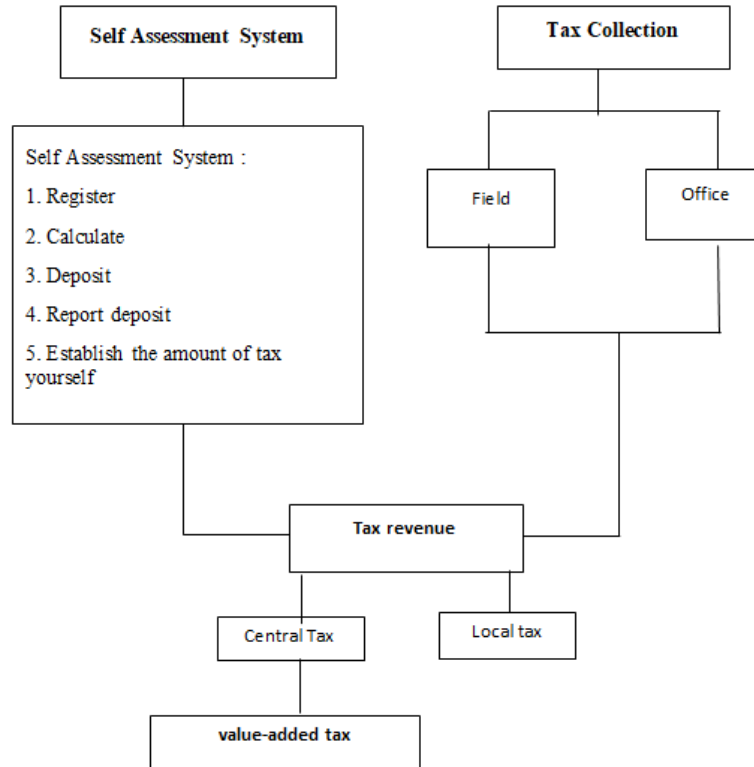
Figure : *Theoretical Framework*

Based on the above frame of mind, a research paradigm was developed as a strategy to increase Value Added Tax revenue. It will clearly be depicted in the 2.2 picture as follows:

III. RESEARCH METHODOLOGY

The author uses descriptive methods and verification methods, in this study is a form of research carried out based on data collected during the study, accompanied by analysis and interpreted based on theories and literature related to the research that the author took, in this case regarding the Self Influence Assessment System and Tax Collection Letter on Value Added Tax Revenue. This research is an explanatory research, explanatory research is a research method that intends to get clarity of phenomena that occur empirically and try to get answers to causal relationships between variables through hypothesis testing. The variables in this study must be very clearly defined so that they do not cause double understanding. In accordance with the research title, namely "The Effect of Self Assessment System and the Quality of Tax Fiscus Service on Value Added Tax Revenue". The data analysis method used in this study is quantitative analysis. Before conducting multiple linear regression analysis there are several tests including descriptive statistics, classical assumption tests, hypothesis testing (T test) and (F test), and the coefficient of determination. To facilitate data processing, researchers used the help of the SPSS 20.00 software for windows so that the data generated was faster and more precise.

IV. RESULT AND DISCUSSION

IV.I. Effect of Self-Assessment System on Value Added Tax Revenue

Based on the results of the study shows that the self assessment system affects the value added tax revenue. The magnitude of the effect of self assessment system in contributing to the influence of value added tax revenue was 42.2%. The results of this study are also supported by the previous discussion which states that one of the efforts made by the government to increase tax revenues is to carry out tax reform. Changes to the fundamental system of Indonesian tax management from the official assessment system to the self assessment system. Changes to the system aim to reduce direct contact between tax officials and taxpayers who previously feared could lead to illegal practices to avoid or reduce the tax obligations of the taxpayers concerned (Diana Sari, 2013: 7). Self assessment system is a tax collection system that authorizes taxpayers to determine (calculate or determine) the amount of tax owed and pay according to the provisions stipulated in the applicable regulations (Diana Sari, 2013: 79).

Compliance with voluntary tax compliance is the backbone of the self assessment system, where the taxpayer is responsible for setting his own tax obligations and then accurately and timely paying and reporting the tax (Rahayu, 2013: 138). In the practice of taxation in Indonesia, the self-assessment system has an important role for tax revenue, one of which is value added tax. The implementation of self assessment system is expected to foster and encourage awareness and active role of taxpayers in fulfilling their tax obligations, so that it can impact on the increase in value added tax revenue. So the higher the self assessment system, the higher value added tax revenue will be. The results of this study are supported by the results of previous studies conducted by Waalidain (2014), Dharmawan (2014), and Hirzan (2016). The results of his research show that the self assessment system affects the value added tax revenue.

IV.II. Effect of Tax Sanctions on Value Added Tax Revenue

Based on the results of the study showed that tax sanctions affect the value added tax revenue. The magnitude of the effect of taxation sanctions in giving contribution to the influence of value added tax revenue is 48.2%. The results of this study are also supported by the previous discussion which states that tax sanctions are a guarantee that the provisions of taxation legislation (tax norms) will be obeyed / obeyed / obeyed. Or it could be in other words, taxation sanctions are a preventive tool so that taxpayers do not violate taxation norms (Diana Sari, 2013: 272). The tax sanction based on Article 7 of the KUP Law Number 28 of 2007 is imposed if the taxpayer does not submit a Notice (SPT) on time according to the SPT submission period or the deadline for extension of the notification letter where the period is in accordance with article 3 paragraph 3 and article 3 Paragraph 4 of the General Taxation Law No. 28 of 2007. Taxpayers who pay taxes must comply with tax regulations that have been determined because in every regulation there are tax laws that follow. For the trust given to taxpayers, it is necessary to take measures to improve taxpayer compliance in conducting taxation, such actions are one of them by giving sanctions to non-compliant taxpayers (Zain, 2007: 35).

Sanctions here are intended to provide positive penalties to taxpayers who have been negligent in fulfilling their tax obligations so that by giving sanctions, taxpayers will feel deterrent and want to learn from the mistakes they have made to fulfill their tax obligations in the future. Indeed, no action is needed, if with fear and the threat of punishment (sanctions and criminal) only the taxpayer will comply with his tax obligations. This feeling of fear is a powerful deterrent to reduce tax smuggling or tax negligence. If this has developed among taxpayers, it will have an impact on compliance and awareness to fulfill its tax obligations (Zain, 2007: 35). The existence of tax sanctions can increase the awareness of taxpayers to fulfill their tax obligations, so that it will impact on increasing tax revenues, one of which is value added tax revenue. So the higher the tax sanctions, the higher the value added tax revenue. The results of this study are supported by the results of previous studies conducted by Sari (2014) and Hirzan (2016). The results of his research show that tax sanctions affect the value added tax revenue.

IV.III. The Effect of Self-Assessment System and Tax Sanctions on Value Added Tax Revenue

Based on the results of the study indicate that the self assessment system and tax sanctions affect the value added tax revenue. The magnitude of the influence of the self assessment system and tax sanctions in giving contribution to the influence of value added tax revenue is 90.4%. The results of this study are also supported by the previous discussion stating that the fundamental system changes to Indonesia's tax management from the official assessment system to the self assessment system. Changes to the system aim to reduce direct contact between tax officials and taxpayers who previously feared could lead to illegal practices to avoid or reduce the tax obligations of the taxpayers concerned (Diana Sari, 2013: 7). Self assessment system is a tax collection system that authorizes taxpayers to determine (calculate or determine) the amount of tax owed and pay according to the provisions stipulated in the applicable regulations (Diana Sari, 2013: 79). Compliance with voluntary tax compliance is the backbone of the self assessment system, where the taxpayer is responsible for setting his own tax obligations and then accurately and timely paying and reporting the tax (Rahayu, 2013: 138). In the practice of taxation in Indonesia, the self-assessment system has an important role for tax revenue, one of which is value added tax. In its implementation self assessment system has the disadvantage of giving confidence to taxpayers to calculate, deposit and report their own tax payable, in practice it is difficult to walk in accordance with what is expected or even misused. In order for the implementation of self assessment system to be effective, it is necessary to apply tax sanctions to taxpayers who do not fulfill their tax obligations.

The tax sanction based on Article 7 of the KUP Law Number 28 of 2007 is imposed if the taxpayer does not submit a Notice (SPT) on time according to the SPT submission period or the deadline for extension of the notification letter where the period is in accordance with article 3 paragraph 3 and article 3 Paragraph 4 of the

General Taxation Law No. 28 of 2007. Taxpayers who pay taxes must comply with tax regulations that have been determined because in every regulation there are tax laws that follow. For the trust given to taxpayers, it is necessary to take measures to improve taxpayer compliance in conducting taxation, such actions are one of them by giving sanctions to non-compliant taxpayers (Zain, 2007: 35). Sanctions here are intended to provide positive penalties to taxpayers who have been negligent in fulfilling their tax obligations so that by giving sanctions, taxpayers will feel deterrent and want to learn from the mistakes they have made to fulfill their tax obligations in the future. Indeed, no action is needed, if with fear and the threat of punishment (sanctions and criminal) only the taxpayer will comply with his tax obligations. This feeling of fear is a powerful deterrent to reduce tax smuggling or tax negligence. If this has developed among taxpayers, it will have an impact on compliance and awareness to fulfill its tax obligations (Zain, 2007: 35). The existence of tax sanctions can increase the awareness of taxpayers to fulfill their tax obligations, so that it will impact on increasing tax revenues. So the higher the self assessment system and tax sanctions, the higher value added tax revenue will be. The results of this study are supported by the results of previous research conducted by Hirzan (2016). The results of his research show that the self assessment system and tax sanctions affect the value added tax revenue.

V. CONCLUSION

Based on the results of the study using multiple linear regression analysis obtained the following conclusions:

1) Based on the results of the study shows that the self assessment system affects the value added tax revenue. The implementation of self assessment system is expected to increase awareness and compliance of taxpayers in fulfilling tax obligations, so that it can impact on increasing tax revenues. So the higher the self assessment system, the higher value added tax revenue.

2) Based on the results of the study indicate that tax sanctions affect the value added tax revenue. The application of taxation sanctions to taxpayers who do not meet their tax obligations are expected to have a deterrent effect so that taxpayers can fulfill their tax obligations, so as to impact on increasing tax revenues. So the higher the tax sanctions, the higher the value added tax revenue.

3) Based on the results of the research shows that the self assessment system and tax sanctions affect the value added tax revenue. So the higher the self assessment system and tax sanctions, the higher the value added tax revenue will be.

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