

**COMPARISONAL CONTRIBUTION ANALYSIS OF REGIONAL TAX PAYMENTS
BEFORE AND AFTER USING TAPPING BOX ON
REGIONAL ORIGINAL INCOME (PAD)
IN BANDAR LAMPUNG CITY**

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Abstract

The regulation of local tax payment policies with a manual system over time is increasingly ineffective for Bandar Lampung City Original Revenue. In 2018 the Bandar Lampung City Government made the latest breakthrough, namely paying local taxes using the Tapping Box, especially hotel taxes, restaurant taxes, entertainment and parking taxes, but problems arise in the use of the system. Regional tax payment arrangements with the system before and after using the Tapping Box in its application there are still taxpayers who do not comply with the payment arrangements. The contribution of local tax payments with the system before and using the Tapping Box needs to be increased in quantity and quality. Constraints and solutions in using the system before and after using the Tapping Box, the government must socialize the use of the Tapping Box to taxpayers who do not understand the benefits of using the tool and the government must supervise several tax objects.

Keywords: *State Finance Law, Local Tax, Tapping Box, Locally-generated revenue*

INTRODUCTION

According to Law Number 17 of 2003 concerning State Finance, State Finance includes all state rights and obligations that can be valued in money and everything that can become the state's property in the form of money or goods in connection with implementing these rights and obligations. Since the issuance of Law Number 22 of 1999 concerning Regional Government, the discourse of regional autonomy is still a hot topic of discussion among government practitioners, politicians, and academics. This discourse concerns the most fundamental principle of governance, namely regional autonomy, which has not yet led to the welfare of the people. One of the benchmarks for the unsuccessful implementation of regional autonomy is the high rate of poverty and unemployment across the country. Not to mention the *Human Development Index*, which has shown dismal results in various regions. Furthermore, the state of road infrastructure and infrastructure for education, health, and public services in different regions, particularly in rural areas, is still far from adequate. However, it has shown satisfactory results in urban areas.

According to current developments, technology and information have advanced rapidly over time, resulting in the effect of globalization, which has removed the physical or geographical distance between one island and another to say hello, even for a brief moment, removing it as a limiting factor in human relations. Advances in technology and information have ushered humans into the information age, in which all knowledge and people's lives are dependent on technology and information, which can help humans communicate with one another for free. Technology has been described as a creative process involving humans, knowledge, and material resources to solve problems and improve efficiency.¹

The advancement of technology provides an opportunity for the community to continue to develop science and knowledge by utilizing any available information without having to look everywhere. In Bandar Lampung City, technology and information have penetrated the fabric of people's lives because they see the development of community needs at this time. The importance of taxpayers carrying out their tax obligations and good tax services to achieve tax compliance is one of the most critical aspects of social life. Tax compliance will not be achieved without the convenience of the Tax service itself, especially for Local Taxes. In order to achieve a modern and flexible tax service following tax developments, there is a need for integrity between tax administration, technology, and information.²

"Taxes are contributions to the state (which can be imposed) owed by those who are obliged to pay them according to regulations with no return, which can be directly appointed, and whose purpose is to finance general expenses related to government duties."³ The tax collection authority divides the tax distribution into two categories: Central Tax and Regional Tax. The Directorate General of Taxes and the Ministry of Finance jointly manage the central tax, which the central government manages in this case. Income and value-added tax are two types of central taxes levied by the government.

On the other hand, Regional Taxes are collected and managed at the Regional Government's Provincial and Regency/City levels. Regional Taxes, also known as Taxes, are compulsory contributions to regions owed by individuals or entities that are coercive, based on the Law, and are used for regional purposes for the greatest prosperity of the people without receiving direct compensation.⁴ The role of Local Government Revenue in financing is critical.

This tax is expected to be the primary funding source for regional development. As a result, local governments must be able to increase revenue from within the region. As a result, it will be able to increase the amount of regional financing available. Hotel taxes, restaurant taxes, entertainment taxes, parking taxes, and other types of Regional Tax receipts are among them.

¹ AL-Bahra Bin Ladjamudin, *Analisis dan Desain Sistem Informasi*, (Tangerang: Graha Ilmu, 2005), hlm. 21.

² *Ibid.*, h.23-24.

³ H.Boharudin, *Pengantar Hukum Pajak*, (Jakarta: PT Raja Grafindo Persada, 2016), hlm.23.

⁴ Undang-Undang Republik Indonesia Nomor 28 Tahun 2009 tentang Pajak Daerah dan Retribusi Daerah, Pasal 1 angka 10.

In 2010, the government of Bandar Lampung City took a variety of steps to increase Regional Tax revenues so that regional development in all sectors of the city could proceed smoothly. Tax payments were still made manually in the early stages of implementation.

The Government of Bandar Lampung City has taken several steps to increase Regional Tax revenues to ensure that regional development in all city sectors proceeds smoothly. Tax payments were still made manually in the early stages of implementation. This application is carried out with the government's help to give taxpayers confidence. In addition, following Law Number 28 of 2009 concerning Regional Taxes and Regional Retribution, taxpayers must calculate, deposit, and report taxes owed within 1 (one) month or another period regulated by a Regional Head Regulation.⁵ However, there are still taxpayers who do not pay taxes because they consider them to be a burden. Those who already understand that, in this age of technology and information, they expect convenience in the tax calculation, reporting, and payment processes.

However, in its application, there are still taxpayers who do not comply with taxes and consider paying taxes a burden. Those who already understand that, in this age of technology and information, they expect convenience in the tax calculation, reporting, and payment processes.

Installing a *Tapping Box* in every hotel, restaurant, entertainment, and parking area was one of the steps taken by the Government of Bandar Lampung City in 2018 to increase the revenue from this Regional Tax. The *Tapping Box* is a cash register-mounted electronic transaction recording device. All transactions made by the cashier are recorded by this *Tapping Box* and printed in the form of a shopping receipt, ensuring that taxpayers can no longer deceive the Regional Government by using this *Tapping Box* tool. The goal of enacting this electronic tax is to increase tax revenue by tracking turnover and removing direct contact between tax officials and taxpayers. Every hotel, restaurant, entertainment venue, and the parking lot has been tested with this system. The facility is linked to an integrated system with Bandar Lampung City's Regional Tax and Retribution Management Agency in this trial. Due to budget constraints, the City Government of Bandar Lampung has not installed *Tapping Box* in all of these locations.

However, it has not been running effectively since the initial application of taxes electronically using the *Tapping Box* until 2019. Electronic taxes are due to an element of deliberate or fraudulent use by business owners to avoid paying taxes by turning off the device at specific times. As a result, the Government of Bandar Lampung City asked the hotel, entertainment, restaurant, and parking business owners to follow the rules, collect taxes from their customers, and deposit them in the Regional Treasury. However, many entrepreneurs do not collect taxes or collect taxes but do not deposit them in the regional treasury. The Government of Bandar Lampung City faces many challenges in implementing this *Tapping Box*, including taxpayers' refusal to install a *Tapping Box*, *Tapping Box* being frequently turned off, and taxpayer complaints about system disruptions.

RESEARCH METHOD

This study approaches the problem using a normative juridical approach that incorporates both primary and secondary data. Data is gathered through a literature review. Data selection, classification, and compilation are all steps in the data processing process. Then do a qualitative data analysis to get conclusions under the discussion of the subject matter.

RESULTS AND DISCUSSION

Tax Payment Policy Regulation in Bandar Lampung City Using Manual System and *Tapping Box*

Law Number 28 of 2009 concerning Regional Taxes and Regional Retribution governs the implementation of regional tax payment policy arrangements. According to Article 1 paragraph 10 on Regional Taxes, what is called a tax is a mandatory contribution to the Region which is owed by an individual or entity that is coercive based on the Law, without receiving direct compensation, and is

⁵ Undang-Undang Republik Indonesia Nomor 28 Tahun 2009 tentang Pajak Daerah dan Retribusi Daerah, Pasal 1 angka 46.

used for regional purposes for the greatest prosperity of the people.⁶ Following Law Number 28 of 2009 concerning Regional Taxes and Regional Retribution, the Government of Bandar Lampung City must create a Bandar Lampung City Regional Regulation on Regional Taxes under the applicable laws and regulations. Furthermore, the Government of Bandar Lampung City enacted Regional Regulation Number 01 of 2011 on Regional Taxes.

The following payment procedures apply to Regional Tax payment policies:

- a. The due date for payment and deposit of tax is determined by the Mayor or official and is no later than 30 (thirty) working days after the tax becomes due and no later than 6 (six) months after the Taxpayer receives the SPPT.
- b. Tax payments must be made in one transaction and paid off using the SPPD in the Regional Treasury through the recipient's Special Treasurer or at another location designated by the Mayor and recorded in the Receipt Book.
- c. If the tax payment is made somewhere else, the result of tax receipts must be deposited into the Regional Treasury within 1x24 hours or within a time set by the Mayor or Official.
- d. The Mayor's regulation will govern any additional provisions regarding the deposit payment procedure and the payment location.

Implementation of Regional Tax payment policy arrangements, particularly for hotel, restaurant, entertainment, and parking tax objects that can be collected and paid by the Taxpayer or *self-assessment*. The Taxpayer calculates, determines, and self-reports the tax payable using the Regional Tax Return (SPTD). A warning letter may be issued if the Taxpayer does not know the deadline for submitting the SPTPD no later than 15 (fifteen) days after the end of the tax period or if the SPTPD is not submitted within the time limit or exceeds the time limit of 30 (thirty) days after the PTPD is received. The city government of Bandar Lampung then enacted a new regulation, namely Regional Regulation Number 06 of 2018 regarding The Electronic Regional Tax Payment System (*E-Billing*). The Government of Bandar Lampung City-issued Mayor Regulation Number 43 of 2018 regarding The Procedures For Implementing The Online Taxpayer Business Data Transaction System And The Mechanism of Payment And Reporting of Regional Taxes.

The purpose of enacting Regional Regulation Number 06 of 2018 is to serve as a guideline and legality for Regional Governments in implementing an electronic Regional Tax Payment System (*E-Billing*) as part of the Region's *e-government* development. With the change in electronic regulation, the goal is to:

- a. Ensure that payment transactions, deposits, taxpayer business data, and taxpayer reporting are all transparent.
- b. Reducing the risk of Regional Taxes being lost.
- c. Make it easier for taxpayers to pay their taxes.
- d. Integrate the licensing system with Regional Tax collection.⁷

Sistem pembayaran dalam sistem *E-Billing* menurut Peraturan Daerah Kota Bandar Lampung nomor 06 tahun 2018 Pasal 6 yaitu:

- a. Taxpayers make payments and deposit taxes at a Bank/Post Office designated by the Regional Government following the provisions of laws and regulations.
- b. Taxpayers make payments and deposit taxes to the Regional Treasury account by cash deposit, transfer, and/or using the payment and deposit facilities provided by the Bank/Post Office of Payment.
- c. The Payment Place Bank mentioned in paragraph (1) may offer tax payment and deposit services through the following methods:
 - 1) Automated Teller Machines (ATM),
 - 2) Internet Banking,
 - 3) Mobile Banking,
 - 4) Cash Management Service (CMS), and/or
 - 5) Other facilities owned and developed by the Payment Place Bank.

⁶ Undang-Undang Nomor 28 Tahun 2009 tentang Pajak Daerah Dan Retribusi Daerah.

⁷ Peraturan Daerah Nomor 06 Tahun 2018 tentang Sistem Pembayaran Pajak Daerah Secara Elektronik (*E-Billing*), Pasal 2 ayat (1) dan (2).

d. If the system is disrupted, the payment described in paragraph (3) can be made through the Service/Revenue Agency's Treasurer.

According to the above regulations, every taxpayer must pay taxes using an electronic system, also known as a *Tapping Box*. The sales report can be compared to the data obtained from the *Tapping Box* tool installed on the taxpayer, and the BPPRD can record sales transaction data to the taxpayer, allowing for optimal tax collection. In Bandar Lampung City, the application of the *Tapping Box* to taxpayers received full support from the KPK's Deputy for Prevention. The KPK has monitored and evaluated the *Tapping Box*'s implementation several times.

Contribution of Tax Payments on Regional Original Income (PAD) in Bandar Lampung City Before and After Using the *Tapping Box*

Regional Original Revenue (PAD) is the revenue collected by the region based on regional regulations under Article 1 paragraph (18) of Law Number 33 of 2004.⁸ With the existence of Regional Original Income, it aims to give authority to regional governments to finance the implementation of regional autonomy following regional potential as a manifestation of decentralization. The Government of Bandar Lampung City attempts to increase Regional Tax revenues as one of the regional incomes that affect the consistency of Regional Original Income (PAD) in managing regional finances.

The implementation of a Regional Tax revenue system using the *Tapping Box*, where the taxation process in Bandar Lampung City is carried out in a structured and patterned electronic system, especially for the objects of restaurant, hotel, entertainment, and parking taxes, is one of the achievements of the government of Bandar Lampung City.

In looking at the total tax revenues that have been attached to the table of realization of Regional Tax receipts in 2014-2018, it has been seen that there is a very noticeable difference between the realization of Bandar Lampung City Regional Tax revenues before using the *Tapping Box* in 2014-2018 and the realization of Bandar Lampung City Regional Tax revenues. Since 2018, Bandar Lampung City Tax has used the *Tapping Box* in hotels, restaurants, entertainment venues, and parking lots. The Government of Bandar Lampung City aims to install 700 *Tapping Box*, but only 306 *Tapping Box* have been installed so far, and they are distributed to electronic taxpayers, including 41 hotels, 204 restaurants, 41 entertainment venues, and 20 parking services.

Based on the preceding discussion, the contribution of Regional Tax payments via a manual system would be better if the Government of Bandar Lampung City did not use it any longer because the manual tax payment system was detrimental to Original Local Income, and taxpayers were not transparent to the Government of Bandar Lampung City with this system. With the development of the era where now all manual systems will be changed to electronic systems to make it easier for taxpayers in all things. Meanwhile, the Regional Government of the City of Bandar Lampung is unaffected by tax payments made through the *Tapping Box* because the taxpayer is more transparent to the Regional Government of the City of Bandar Lampung as a result of the *Tapping Box*'s implementation. It will be easier for taxpayers to collect taxes from their customers with this tool and directly connect to the Regional Tax and Retribution Management Agency's network.

CONCLUSION

Based on the above description, it can be concluded that local governments trust taxpayers to deposit, pay, and calculate the amount to be paid based on sales turnover in their business when using a manual system for Regional Tax payment. Gradually, this method fell out of favor. Regional Taxes may leak due to taxpayers' lack of transparency in their payment systems. Meanwhile, the Government of Bandar Lampung City is no longer disadvantaged due to the use of the *Tapping Box* to pay taxes. As a result of the *Tapping Box*'s implementation, taxpayers are more transparent to the Regional Government of Bandar Lampung City. With this tool, the Regional Original Income can be increased, and it will be easier for taxpayers to collect taxes from their customers, as their sales turnover data will be directly connected to the Bandar Lampung City Regional Tax and Retribution Management Agency's network.

⁸ Undang-Undang Nomor 33 Tahun 2004 Tentang Dana Perimbangan, Pasal 1 ayat 18

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