

Value Added Tax Treatment on Health Services After Tax Regulations Law Harmonization for Government, Health Service Institutions and Recipients

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ABSTRACT

One of the changes related to Medical Health Services after the enactment of the VAT Cluster Law on the Harmonization of Tax Regulation is the provision of VAT exemption facilities for these services. This change is further regulated in Government Regulation no. 49 of 2022. This study aims to examine VAT on Medical Health Services after the enactment of the Law on the Harmonization of Tax Regulations and the policy implications of VAT exemption on medical health services for the community as the end consumer. The research method used in this research is descriptive qualitative with the use of secondary data. The results of this study conclude that service providers are obliged to be confirmed as Taxable Entrepreneur to collect VAT for people who do not use health services not borne by the government. However, Taxable Entrepreneur cannot credit its input tax.

Keywords: Law on the Harmonization of Tax Regulations, Medical Health Services, Tax Credit, Tax Exemption

INTRODUCTION

As of October 29, 2021, the Draft Bill on the Harmonization of Tax Regulations (UU HPP) has been ratified by the government and the People's Representative Council (DPR) to become Law Number 7 of 2021 and declared officially to come into effect. The issuance of these laws was to improve welfare, justice, and social development to increase sustainable economic growth and support the acceleration of economic recovery through fiscal consolidation, as well as to improve budget deficits and increase tax ratios through adjustments to Income Tax (PPh) policies.), Value Added Tax (VAT) to arrangements regarding carbon taxes and policies in the form of voluntary disclosure programs (PPS) for taxpayers (Nurrizqi et al., 2022).

The Law on Harmonization of Tax Regulations (UU HPP) has six main discussions, namely General Provisions and Tax Procedures (KUP), Income Tax (PPh), Value Added Tax (PPN), Voluntary Disclosure Program (VDP), Carbon Tax, and Excise. Each scope has a different policy enforcement time. Amendments to the Income Tax Law take effect starting from the 2022 Tax Year,

changes to the VAT Law take effect from April 1, 2022, changes to the KUP Law take effect from the date of promulgation, VDP policies apply from January 1, 2022, to June 30, 2022, carbon taxes come into effect April 1, 2022, and changes to the Excise Law effective from the date of promulgation (Ministry of Finance, 2021)

The issuance of The Law on Harmonization of Tax Regulations Law changed the provisions regarding Value Added Tax and Sales Tax on Luxury Goods. The Director General of Taxes, Suryo Utomo, revealed three main changes to the VAT Law sector, expanding the tax base through refocusing VAT exemptions and facilities, increasing VAT rates gradually, and implementing the final VAT (Yulianto, 2021). The expansion of the VAT base was due to the suboptimal tax revenues in the VAT sector, which resulted in Indonesia's low tax ratio compared to neighboring countries. The IMF (2021) stated that one of the reasons for Indonesia's tax revenue not being optimal is the wide range of goods and services that are not subject to VAT and the large number of VAT facilities provided. The expansion has made several types of goods and services that were formerly non-taxable goods/non-taxable services turn into taxable goods/services. This expansion can be reflected in the reduction in the category of goods/services included in Article 4A paragraph (2) and Article 4A paragraph (3) of the VAT law and the addition of goods and services groups that get VAT-free facilities as contained in 16B of the VAT law and more, further explained in Government Regulation Number 49 of 2022 concerning Exemption of VAT and VAT or VAT and Sales Tax on Luxury Goods Not Collected on the Import and/or Delivery of Certain Taxable Goods and/or Certain Taxable Services and/or Utilization of Certain Taxable Services from Outside the Customs Area.

One type of goods/service affected by the expansion of the tax base is medical health services which were initially non-taxable services according to the VAT Law. Removing medical health services from the list of services exempt from VAT raises pros and cons among the public. Therefore, research is needed to discuss VAT on medical health services further. This research will discuss the provisions of VAT exemption on medical health services and analyze the implications of the VAT exemption policy on medical health services for the community as the end consumer.

This research is expected to benefit business actors engaged in medical health services regarding changes to VAT tax provisions on medical health services in fulfilling Value Added Tax obligations. Based on the research background, this study aims to examine VAT on Medical Health Services before and after the enactment of the Law on the Harmonization of Tax Regulations and the policy implications of VAT exemption on medical health services for Government, Health Service Institutions and Health Service Recipients.

The impact of VAT on Health Services After HPP Law for the Government

The change in VAT on health services from initially not being payable to being exempt means that health service institutions which are included in VAT-exempt services must register themselves

as PKP. This new regulation certainly have impact for Government because government especially Directorate General of Taxes (DGT) has obligation to monitor the fulfillment of obligation from health service institutions

H₁: VAT on Health Services After HPP Law has an impact for the Government

The impact of VAT on Health Services After HPP Law for the Health Service Institutions

The change in VAT on health services from initially not being payable to being exempt means that health service institutions which are included in VAT-exempt services must register themselves as PKP and carry out their tax administration as PKP, both from issuing invoices and reporting VAT Periodic Tax Returns.

H₂: VAT on Health Services After HPP Law has an impact for the Health Service Institutions

The impact of VAT on Health Services After HPP Law for the Health Service Recipients

Apart from shifting several health services which were initially excluded from services subject to VAT to become VAT exempt, there are certain health services which become Taxable Services which are subject to VAT. However, this is only charged for services that are not covered by National Social Health Insurance (BPJS). This service is generally used by middle to upper income people so that this group of people will bear a greater VAT on this service.

H₃: VAT on Health Services After HPP Law has an impact for Health Service Recipients

There is only a few research on VAT on health services, especially regarding the VAT facilities. One of the previous research on VAT on health services is Value Added Tax on Medical Health Services After the Harmonization of Tax Regulations (Febriana et al., 2022), which discusses the Main Considerations for Imposing VAT on Medical Health Services and the Application of Health Services Tax in Several Other Countries. This research differs from previous studies where this research will discuss the types of health services that get VAT-free facilities and the implementation of VAT exemptions for medical health services to the public as the end consumers.

As for research on VAT facilities after the enactment of the Harmonization of Tax Regulations Law has also been researched several times. Kartiko (2020) examines VAT facilities on produced goods mining or drilling. Nurrisqi et al. (2022) reviewed VAT facilities for meat. Saragih et al. (2022) on educational services. Gultom et al. (2022) on rice. This research is different from various facility studies after Harmonization took effect Tax Regulations, which are focused on medical health service.

METHOD, DATA, AND ANALYSIS

The research method used in this research is descriptive qualitative. Qualitative methods are used to obtain in-depth data, namely data that contains meaning. The method used is by examining word per word in the recent and previous literature regarding VAT on health services. According to Kuncoro (2009), descriptive qualitative analysis is analyzing problems by describing, comparing and explaining a data or condition so that a conclusion can be drawn. Source of data used in this research is secondary data. from official government websites, legal literature review, journals and news websites. The data analysis technique is using descriptive statistics, namely by describing the data obtained. Description or presentation of data tables and percentages are carried out.

This research is based on provisions related to VAT on Medical Health Services namely Law Number 7 of 2021 concerning Harmonization of Tax Regulations and Government Regulation Number 49 of 2022 concerning Exemption of VAT and VAT or VAT and Sales Tax on Luxury Goods Not Collected on Import and/or Delivery of certain Taxable Goods and/or Taxable Services Certain Taxes and/or Utilization of Certain Taxable Services from Outside the Customs Area. In addition, the author compares the provisions contained in the previous law.

RESULTS AND DISCUSSION

Value Added Tax

In a study by Keen and Lockwood (2010), VAT is known as a 'money machine.' VAT is one of the most significant contributors in terms of tax revenue for a country. VAT Is a tax on consumption paid by the final consumer (OECD). Tait (1988) VAT is an unsatisfactory modification of the sales tax because the tax on the tax occurs when the taxable product moves from the manufacturer to the wholesaler to the retailer. The seller must be the party subject to tax because VAT is a tax on transactions when the seller provides goods and services to the buyer. The seller must register to be confirmed as a taxable entrepreneur with the taxation authority that has a role in collecting VAT. The laws and regulations in Indonesia governing Value Added Tax are regulated in Law Number 8 of 1983 concerning Value Added Tax on Goods and Services and Sales Tax on Luxury Goods. This law has been amended several times, namely:

1. The first amendment to Law Number 11 of 1994 took effect from 1 January 1995.
2. The second amendment to Law Number 18 of 2000 took effect from 1 January 2001.
3. The third amendment with Law Number 42 of 2009 took effect from 1 April 2010.
4. The fourth amendment to Law Number 7 of 2021 Harmonization Tax Regulations come into force on 1 April 2022

According to Terra & Kajus (2021), Value Added Tax has the following legal characteristics:

1) Indirect Tax

Indirect tax defines the bearer of the tax burden, and the person responsible for the tax are different parties. Bearers of the VAT burden referred to in the law are consumers of goods and/or services, but the seller is obliged to pay, deposit, and report VAT to the government/state.

2) Tax objective.

An objective tax is a tax whose collection considers the value of the tax object. The existence of a tax object determines the obligation to pay VAT. In contrast to subjective income tax, VAT does not consider the taxpayer's condition in collecting it. Therefore, whether taxpayers have high or low income, the imposed VAT rate remains the same as long as they consume goods or services subject to tax.

3) Non-Cumulative Multi Stage Levy

VAT is imposed on every link in the production and distribution chain. This characteristic means that every delivery of goods or services that become the object of VAT, starting from the manufacturer's level to the trader, is subject to VAT. Therefore, entrepreneurs in the production and distribution lines must register with the Tax Service Office (KPP) as a vertical unit of the Directorate General of Taxes to be confirmed as Taxable Entrepreneurs.

4) Calculations use the indirect subtraction method

VAT that the selling Taxable Entrepreneur collects from consumers does not necessarily have to be deposited and paid to the state treasury. This VAT is calculated by subtracting the VAT collected (Output Tax) by the Taxable Entrepreneur from the VAT paid to the buyer (Input Tax). If the value of the Output Tax is greater than the Input Tax, then the difference is deposited to the state, and vice versa; if the Input Tax value is greater, then the PKP Seller can compensate or submit a refund.

5) Tax on consumption

VAT is only imposed on goods/services consumed by individuals and entities in the country. Therefore goods imported from abroad are subject to the same tax as they will be consumed domestically. Therefore, goods exported are subject to a VAT rate of 0% because they are consumed abroad.

6) Neutral

Nightingale (2002) states that taxes are said to be neutral if they do not affect the economic choices of producers and consumers. VAT is imposed on both the consumption of goods and services. VAT will be collected using the principle of destination. VAT is collected greater where the goods or services are consumed.

7) VAT does not cause double taxation

Even though it is imposed on every line of production and distribution, VAT does not cause double taxation because VAT is only collected on added value. The tax credit mechanism

for Input Tax helps entrepreneurs recover VAT paid on acquiring raw materials, auxiliary materials, and capital goods.

Medical Health Service

Easy access to health services is the right of all Indonesian people as stipulated in the 1945 Constitution of the Republic of Indonesia Article 28H paragraph (1) that everyone has the right to live in physical and spiritual prosperity, to have a place to live, and to get a good and healthy living environment and is entitled to obtain health services. The state is obliged to provide them. This statement aligns with research conducted by Purnomo et al. (2021), which states that the government must implement a policy to optimize national development, such as adequate health services for the community for higher quality development.

One of the actions taken by the government in realizing this is by implementing a policy of granting VAT facilities exempt from the delivery of certain strategic Taxable Services (JKP). This provision is regulated in Government Regulation Number 49 of 2022 (PP 49/2022). One of the regulated services is medical health services. Based on this regulation, medical health services that are delivered within the Customs Area or utilized from outside the Customs Area within the Customs Area are exempted from the imposition of Value Added Tax. This also includes services for hospitals, maternity homes, health clinics, first-level medical facilities and advanced-level health services, health laboratories, and sanatoriums as regulated in the provisions of laws and regulations in the health sector.

Robert (1998) defines *health services* as any service that can contribute to improving health or diagnosing, treating, and rehabilitating sick people and is not necessarily limited to medical services or health care. Health services are often formally organized as well-established institutional systems and organizations to supply services in response to the needs and demands of the population within clear financial and regulatory frameworks. Health services can be in the form of health education, health promotion, and environmental services such as housing, sanitation, etc., which have known health benefits.

Based on Balangan Regent Regulation Number 25 of 2012, Health Services are services to the community that includes examination, treatment, medical treatment, medical rehabilitation, medical consultation, care, and use of health facilities provided by Hospitals or Technical Service Units at the Health Service Together with its network and medical services are defined as compensation for services provided by specialist doctors, expert assistant doctors, general practitioners, dentists, psychologists, and other medical personnel directly to patients in the context of observing, diagnosing, treating, consulting, visits, actions/ maneuvers, medical rehabilitation and or other services.

Types Of VAT Facilities

Facility theory According to Zakiah Daradjat in Hasan (2016), facilities are anything that can facilitate efforts and expedite work to achieve a goal. Furthermore, Suharsimi Arikunto in Hasan (Hasan, 2016) argues that facilities can be interpreted as anything that can facilitate and expedite the implementation of all businesses. According to KBBI, facilities are means to expedite the implementation of functions; convenience. Meanwhile, according to Daradjat (2012), facilities can facilitate efforts and expedite work to achieve a goal. The word tax facility is generally interpreted as a reduction in tax rates which causes the amount of tax payable to decrease.

Article 16B of the VAT Law stipulates that there are two VAT facilities provided by the state, namely VAT that is not collected and is exempt from VAT imposition, either temporarily or permanently. The fundamental difference between the two facilities lies in the crediting of Input Tax related to the delivery that gets the VAT facility. The elucidation of Article 16B of Law Number 42 of 2009, special treatment or facilities in the form of Value Added Tax which is payable but not collected, means that the Input Tax relating to the delivery of Taxable Goods and/or Taxable Services which receive special treatment referred to can still be credited. Thus, Value Added Tax remains payable but is not collected. The following illustrates the calculation of the non-collected and exempted VAT.

Tabel 1. Table of Comparison of the non-collected and exempted VAT

Description	Facilities	
	Non-Collected	Exempted
Sales	Rp 20.000.000	Rp 20.000.000
Output Tax	Rp 0	Rp 0
Input Tax	Rp 2.200.000	Rp 2.200.000
Input Tax that can be credited for the acquisition of taxable goods	Rp 2.200.000	Rp 0
VAT	(Rp 2.200.000)	Rp 0

Source: author

Development of VAT on Medical Health Services

The following are arrangements regarding the VAT treatment of medical health services over time.

- a. Law No. 8 of 1983 concerning Value Added Tax on Goods and Services and Sales Tax on Luxury Goods Not regulated by law.
- b. Law of the Republic of Indonesia Number 11 of 1994 concerning Amendments On Law Number 8 of 1983 concerning Value Added Tax Goods And Services And Sales Tax On Luxury Goods. Article 4A

Law Number 11 of 1994 states that the determination of types of goods that are not subject to Value Added Tax is through Government Regulations. However, the explanatory memory of Article 4A states the types of services that are not subject to Value Added Tax by Government

Regulation. One of them is services in the field of medical health services, such as general practitioners and specialist doctors.

- c. Law of the Republic of Indonesia Number 18 of 2000 concerning the Second Amendment to Law Number 8 of 1983 concerning Value Added Tax on Goods and Services and Sales Tax on Luxury Goods Arrangements regarding services not subject to VAT are regulated in Article 4A paragraph (3).

One type of service that is not subject to VAT is services in the field of medical health services. Furthermore, in Government Regulation of the Republic of Indonesia Number 144 of 2000 concerning Types of Goods and Services Not Subject to Value Added Tax, it is stated that types of services in the field of medical health services include:

- a. Services of general practitioners, specialist doctors, and dentists;
 - b. veterinary services;
 - c. Health professional services such as acupuncture, dentist, nutritionist, and physiotherapy;
 - d. midwifery and traditional birth services;
 - e. Paramedical and nursing services; And
 - f. Services for hospitals, maternity homes, health clinics, health laboratories, and sanatoriums.
- d. Law of the Republic of Indonesia Number 42 of 2009 concerning Amendments Third on Law Number 8 of 1983 concerning Added Tax Value of Goods and Services and Sales Tax on Luxury Goods

The exclusion of medical health services as a VAT object is regulated in Article 4A paragraph (3). In the explanatory memory, the types of medical health services that are not subject to medical health services include:

- 1. services of general practitioners, specialist doctors, and dentists;
 - 2. veterinary services;
 - 3. health professional services such as acupuncturists, dentists, nutritionists, and physiotherapists;
 - 4. midwifery and traditional birth services;
 - 5. paramedical and nurse services;
 - 6. hospital services, maternity homes, health clinics, health laboratories, and sanatoriums;
 - 7. psychological and psychiatric services; and
 - 8. alternative medical services, including those performed by psychics
- e. Law of the Republic of Indonesia Number 11 of 2020 concerning Job Creation Provisions regarding medical health services that are not subject to VAT in the Act Law Number 11 of 2020 is no different from the provisions contained in the previous Law, namely Law Number 42 of 2009

Provisions of The Law on Harmonization of Tax Regulations and Government Regulation No. 49

In the context of realizing tax justice and expanding the tax base, imposing VAT on medical health services is one of the main changes to the HPP Law. The Academic Text of The General Tax Provisions and Procedures Law (2021) explains that the problem with the exclusion of medical health services from being a type of service subject to VAT is that after the BPJS (Indonesia's national health insurance) era, health services for the poor have been borne by the Government so that the exclusion of medical health services as a type of service that is not subject to VAT is not needed again.

From the existing problems, it is necessary to rearrange the imposition of VAT on medical health services in the HPP Law. Changes in the imposition of VAT on medical health services are reflected in the abolition of medical health services from Article 4A paragraph (3) of the VAT Cluster HPP Law so that medical health services are no longer included in the types of services that are exempt from VAT imposition. By removing medical health services from services that are exempt from the imposition of VAT, it means that medical health services are basically a type that is subject to VAT or is called Rarely Taxable (JKP) so that it creates obligations for Taxable Entrepreneurs (PKP) who provide medical health services to issue a tax invoice.

Even though it is classified as a Taxable Service under the HPP Law, the treatment of imposing VAT on Medical Health Services as stipulated in Article 16B paragraph (1a) of the HPP Law and in the explanation section states that certain medical health services and those that are in the national health insurance program system are given exempt facilities from the imposition of VAT. Furthermore, Article 11 of Government Regulation (PP) Number 49 of 2022 states that medical health services exempt from the imposition of VAT are individual health services, community health services, and animal/veterinary health services. Further explanation regarding the scope of medical health services that receive VAT-free facilities is as follows:

Table 2. Types of Medical Health Services Exempted from VAT

Types Of Health Service Services			
Performed by Medical Personnel and Other Health Personnel	Performed in Health Service Facilities	Provided by Other Than Health Workers	Animal/Veterinary
Includes services: a. general practitioners, specialist doctors, dentists, and specialist dentists; b. health expert; c. midwifery; d. nurse; And e. psychiatrist, as stipulated in the regulatory provisions legislation in the field of health workers.	Including home services hospitals, maternity hospitals, health clinics, facilities primary and secondary health services further, health laboratory, and sanatorium as stipulated in the regulatory provisions legislation in the health sector.	Includes services: a. dentist; b. dukun; c. paramedic; d. psychologist; And e. alternative medicine personnel, including those performed by psychics.	Form veterinary services as regulated in provisions of laws and regulations in the field veterinary.

Source: Government Regulation No 49 (2022)

Implications of VAT Exemption For Government

Changes in the VAT imposition of medical health services certainly have an impact for the government especially for the Directorate General of Taxes. The new regulation states that medical health is to be a taxable service and has impacted medical health service entrepreneurs that have income more than 4,8 billion must to be registered as Taxable Entrepreneurs (PKP). This also helps DGT in expanding their tax bases. Once these taxpayers become Taxable Entrepreneurs they have obligations in making proper and thorough financial reports regarding their institution businesses.

With those provisions, taxpayers are obliged to report transactions in their periodic VAT report every month. Tax report from Taxable Entrepreneurs will help government to monitor the implementation of tax obligations of Taxpayers engaged in medical health services, such as by equalizing the revenue reported in the Periodic VAT in a tax year with the revenue reported in the Annual Tax Return

Implications of VAT Exemption for Medical Health Service Institutions

Changes in the VAT imposition of medical health services certainly impact medical health service entrepreneurs. The elimination of medical health services from the exemption from VAT imposes a new obligation for entrepreneurs in the medical health sector to be registered as Taxable Entrepreneurs (PKP) and the obligation is to issue a tax invoice with invoice code 01 for submissions that do not get VAT-free facilities and invoice code 08 for exempted VAT. Wijaya & Arsini (2021) explain that administratively the submission of Taxable Goods and/or Taxable Services that receive exemption facilities is still required to issue a tax invoice because the transaction is VAT payable and not non-taxable service.

The impact of changing the provisions on the imposition of VAT on medical health services for the community can be reviewed so that upon delivery, they are exempt from VAT and do not get VAT-free facilities. Article 11 PP 49 of 2022 explains in detail the types of medical health services that get VAT-free facilities. As mentioned, the VAT exemption facility for health services is provided for health services covered by the national health insurance system, which are generally consumed by the middle and lower middle class. Wijaya & Arsini (2021) explain that facilities exempt from imposition of VAT are facilities given to particular objects, which are VAT payable for the transaction, but the transaction is exempt from VAT. Furthermore, in the elucidation of Article 16B paragraph (3) of the VAT cluster HPP Law, it is explained that the existence of special treatment in the form of exemption from the imposition of Value Added Tax results in no Output Tax so that Input Tax relating to the delivery of Taxable Goods and/or Taxable Services that obtain VAT exemption cannot be credited. The provision of VAT facilities can cause the same problems as when medical health services are included in services exempt from VAT (non-taxable service), namely causing tax incidence. This is due to the imposition of input tax, which cannot be credited to the selling price, so the price of goods tends to be higher. However, the existence of health facilities

from the government in the form of a national health insurance system that the government bears make the selling price of health services still affordable for the community.

Implications of VAT Exemption for Medical Health Services Recipients

Adam Smith in "Wealth of Nations", stated one the principle of tax is equality yet VAT generally does not adhere to the equality concept applied to Income Tax, where individuals with higher incomes pay higher taxes. However, the imposition of VAT on healthcare services, as previously mentioned, can create a similar effect to that of Income Tax. This can result in a heavier tax burden for the service recipients. Healthcare services covered by the national health insurance system are typically utilized by the middle-income and lower-income segments of society. In other words, the taxpayer's financial situation indirectly plays a role in the exemption of VAT. Indirectly, it can be argued that high-income individuals who can access VAT-bearing healthcare services will bear a heavier tax burden compared to less affluent individuals who can only access VAT-exempt healthcare services. This, in turn, has implications for income distribution.

CONCLUSION AND SUGGESTIONS

After the Law on the Harmonization of Tax Regulations was officially enacted, there was a change in regulation, namely for the provision of medical health services that were no longer classified as services that were not subject to Value Added Tax and were classified as Taxable Services that received exempted VAT facilities. The consequence is that entrepreneurs must be confirmed as taxable enterprises and issue tax invoices. Through Government Regulation No. 49 of 2022, the government stipulates that medical health services get VAT-free facilities, and there is an obligation for taxable enterprises to collect VAT for people who do not use health services not borne by the government. The imposition of VAT on specific health services is a form of implementing the principle of fairness in taxation.

On the other hand, the application of HPP Law does not only affect DGT as the side of the government but also the healthcare institutions. The elimination of medical health services from the exemption from VAT imposes a new obligation for entrepreneurs in the medical health sector to be registered as Taxable Entrepreneurs (PKP) and the obligation is to issue a tax invoice with invoice code 01 for submissions that do not get VAT-free facilities and invoice code 08 for exempted VAT. As a Taxable Entrepreneurs, these institutions need to start hiring for more competent accountants for making the proper and standardized financial reports. Registering oneself as PKP surely comes with a lot of obligations. Not only one has to issue a tax invoice and report VAT monthly, a proper financial report to support their tax returns is needed. The health service recipients are also affected by the equality of the tax concept. Especially the high-income individuals who can access VAT-bearing healthcare services. They will bear a heavier tax burden compared to less affluent individuals who can only access VAT-exempt healthcare services.

This study is based on limited observations from 2020-2022. There are not many special paper studies on VAT on medical health services as described above, especially before the issuance of Government Regulation Number 49 of 2022. Due to this change in status, the Directorate General of Taxes needs to formulate and take strategic steps in terms of supervision. The change in status to a Taxable Service that is exempt from VAT has the consequence that entrepreneurs who have not previously been confirmed as Taxable Entrepreneurs, after the Law on the Harmonization of Tax Regulations come into effect, they must be confirmed as Taxable Entrepreneurs as stipulated in the Regulation of the Minister of Finance of the Republic of Indonesia Number 197/PMK.03/2013 concerning Amendments to Minister of Finance Regulation Number 68/PMK.03/2010 concerning Value Added Tax Limits for Small Entrepreneurs. Supervision includes tax obligations for taxpayers who have just become PKP. This obligation includes making invoices, crediting input tax, and reporting Periodic VAT Report..

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