

Government Efforts to Violate Tapping Box in Malang City Taxpayers

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Abstract

This research describes a tool in assisting the supervisory function of local tax revenues to support the realization of targets on regional original revenue. A device called a tapping box is present in the tax object registered on the local government server to be installed between the cash register and the printer. Every transaction will be recorded on a device that has been connected to the local government server so that when the reporting arrives, the taxpayer only deposits the nominal that has been listed. Although supervision is assisted by technology, local governments also conduct intensive supervision to follow up on tax objects that take preventive actions. Various efforts of local governments in expressing and imposing sanctions such as quadruple nominal payments, and so on. The method in this study uses literature reviews sourced from journals and articles. It was found that some tax objects carried out the revocation of tapping boxes, doubling accounts.

Keywords: Local revenue, Sanction, Tapping box



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Introduction

The wheels of the regional economy are sourced from tax revenues received from the community and managed by the government to support the implementation of development activities whose benefits can be felt jointly by the community. Tax within the meaning of Law Number 28 of 2009 concerning General Provisions and Tax Procedures is a mandatory payment by an individual or legal entity to a state that has a coercive nature. Therefore, taxes have sufficient potential for the sustainability of regional development activities (Desmon & Hairudin, 2020).

Areas that have the authority to regulate government affairs and community interests are called autonomous regions (Kholik, 2020). This authority gives the government to involve the community in the process of realizing development such as service improvement, and empowerment (Fristin et al., 2023). Regional independence in realizing these goals can be seen from local governments being able to raise as many funds as possible, as well as the ability to manage finances (Oki et al., 2020). Financing in the implementation of development is received from the results of tax object levies named in Regional Original Revenue as a form of implementation of the regional autonomy system (Sudarmana & Sudiarta, 2020). Malang City is part of an autonomous region that has similarities with other regions in improving PAD.

Financial sources obtained from regional revenues come from equalization funds, regional levies, and other legitimate PADs, especially local taxes (Magfiroh, 2019.). The law emphasizes taxes levied by the region in this case at the district and city levels, including entertainment tax, Restaurant Tax, billboard tax, Street Lighting Tax, non-metal and Rock Mineral Tax, parking tax, Groundwater Tax, Swallow's Nest Tax, Rural and Urban Land and Building Tax, and Land and Building Rights Acquisition Duty (Kasahara & Muhammad, 2023).

The tax collection process or the so-called tax collection system aims to create smoothness during tax revenue so that it is developed optimally by the needs of the community

and the government (Takwim & Tomanggung, 2022). According to an article written by Agung Jatmiko on September 9, 2022, entitled "Understanding the 3 Tax Collection Systems in Indonesia" explained, the application of collecting income using 3 systems, namely the self-assessment system, official assessment system, and withholding system. Suastika (2021) says the official assessment system is the opposite of self-assessment which emphasizes the calculation of taxes owed by the tax officer so that taxpayers only make payments of taxes owed. Tax calculations carried out by third parties are called the withholding system. (Anastasya Sinambela & Rachman Putra, 2021), The self-assessment system gives confidence to taxpayers to carry out their duties. The support of tax knowledge of this system becomes a guideline in (calculating, reporting, and paying) so as not to be confused (Aryanti, 2020).

The freedom to apply the self-assessment system raises problems with taxpayer compliance which can be known from understanding, understanding, and complying with the right to carry out tax obligations. Given that compliance with the self-assessment system is quite significant to the 2023 Malang City regional tax realization target of 1 trillion (Wira, 2023), the supervisory function starting from compliance with tax return reporting, the accuracy of payments, giving reprimands to taxpayers who are not good needs to be emphasized (Rusnan et al., 2020). Utilizing technology during the supervision process can realize effectiveness in collecting local government revenue sources. The contents of Malang City Regional Regulation Number 8 of 2019 explain that the mayor through the head of the regional apparatus has the right to install a device or system recording business transaction data and taxpayers must be willing to install the device. Hotel tax, restaurant tax, entertainment tax, and parking tax are part of the types of taxes listed in the bylaw. The tool in question is a tapping box that records every incoming transaction data in real time and is connected to the Malang City Government server (Anggraeni, 2020). However, in its implementation, obstacles were found during the installation of the device, including rejection from business actors on the grounds of objection, feeling aggrieved, feeling supervised, and feeling untrusted (Raihan et al., 2021). In addition, even though the tapping box has been installed where it should be, taxpayers have loopholes to commit acts of misappropriation. With these obstacles, the Malang City government has the authority to provide sanctions for taxpayers. This journal aims to discuss the actions given by Malang City bureaucrats to taxpayers who commit misappropriation of tapping boxes.

Literature Review

The implementation of the regional autonomy system gives regional governments the authority to regulate their regions, one of which is regional finance. Regional financial resources are obtained from the APBD and PAD. Local Original Revenue (PAD) is obtained through a tax collection system with applicable provisions as operational financing for government and development. In line with what was stated (Suryono, 2020) the financing of government and development sustainability is sourced from PAD so that these results can be felt together by the community.

Regional Tax is a mandatory contribution paid by individuals and entities to regions without getting compensation, which aims to finance regional development. In addition, taxes have promising potential in increasing regional revenues. The types of local taxes collected at the city and provincial levels have been listed in Law Number 8 of 2009. From the tax contribution, the Malang City government received IDR 240 billion which is enough to contribute to funding regional development (Mataraman, 2022).

The self-assessment system is a tax collection system that is fully run by taxpayers. Because the amount of tax to be paid is only known to the taxpayer, so the tax employee only receives. Often this system is applied to countries whose population: (1) has a good level of education, because calculating the amount of tax paid requires supporting knowledge, (2)

understand the level of awareness, because individuals who understand will support the realization of targets from regional revenue sources, (3) have morality and loyalty, which is shown from providing data in reality to tax officials.

A transaction recording device (tapping box) legitimized in the Malang City Bylaw has been placed on the specified tax object. This prevents errors from implementing a self-assessment system supported by an online monitoring system. With the help of technology, the collection process will be effective, and efficient, and the realization of tax targets will be met. Instruments in the prevention of tax fraud are carried out to provide taxpayers with an understanding of tax compliance. All forms of violations committed by taxpayers may be subject to sanctions by the government based on Law Number 28 of 2007 concerning General Provisions and Tax Procedures (Putra, 2020).

Method

This research uses the literature review method from secondary data obtained from articles, news, and journals related to local government efforts to crack down on tapping box misappropriation by taxpayers in Malang City. The collection, analysis, and evaluation of relevant topics from various sources are called a literature review (Putra Ananta & Dirdjo, 2021).

Result and Discussion

Rusnan (2020) stated that the implementation of the self-assessment system must be supported by strict supervision so that data transparency can be carried out to optimize regional revenues. In its efforts, the Corruption Eradication Commission through the Regional Tax Administration Agency (BPPD) prepared a device known as a tapping box as a monitoring tool or supervision of every transaction in real-time at the taxpayer's place (Angraeni, 2019). As shown in Kasahara & Muhammad's (2023) study, a device called a black elongated box-shaped tapping box functions when the cash register records incoming transactions and does not interfere with taxpayer operations. Consumers will receive a transaction receipt as a result of the transaction. Consumers will also feel comfortable because the money deposited so far is not used for unnecessary things, and they will also contribute to the increase in regional income. Similarly, the authorities can find out the number of customers and the value of incoming transactions, turnover, and nominal tax that must be paid by taxpayers (Sampurno, 2021).

In 2019, the Malang City Regional Tax Administration Agency collaborated with Bank Jatim to provide 250 tapping boxes distributed in four types of taxes, including entertainment venues, restaurants, hotels, and parking. Before the installation, the Malang city government held a socialization attended by business actors to inform how the tapping box works so that taxpayers are ready and compliant during the installation which will be carried out in stages. In addition, a survey was conducted to find out how many business places have not supported the installation of the tool (Angraeni, 2019). The Malang city government through the Regional Revenue Agency (Bapenda) aims to add 200 recording devices or e-tax by 2022. This recording device has previously installed 500 tapping boxes at taxpayers' business premises.

According to the head of Malang City Bapenda Handi Priyanto said that the number is relatively small compared to the number of restaurants, hotels, parking, and entertainment in Malang which reached 3,000 business places. In addition, he guarantees that the security of company data or registered business places in Bapenda Malang City will not be leaked to any party (Wildan, 2022). Likewise, for taxpayers who still use a manual transaction recording system, one of which is Warung Subuh, the BPPD will still install tapping boxes using technology, namely Payment Online Server (POS) which works by recording the amount of income and total deposits that must be paid by business actors (Angraeni, 2019).

Tapping boxes installed in business actors are still supervised by the Malang city government to provide intensive supervision in the sustainability of PAD. Because, if a case of misappropriation is found, the Malang city government through Bapenda will communicate through a call to find a way out, and if the business actor does not come, the case will be taken to the Malang State Attorney to issue a civil lawsuit against the law. This happened to a hotel in 2019 that made tax arrears in April (Anggraeni, 2020).

The next irregularity occurred at a seafood restaurant on Jalan Trunojoyo, where officers found that the city government's server did not display incoming tax transactions. After being found on social media in crowded conditions, officers found the tapping box was not in its proper place but was moved to a gift shop. The officer also calculated that around 532 visitors were breaking their fast and as many as 11 million unpaid taxes (Nanda, 2023).

The doubling of the account on the cash register carried out by one of the stalls on Jalan Simpang Raya Langsep, Kelurahan Pisang Candi, Sukun District resulted in not displaying the entrance tax on the Malang city government server because the account used was not connected to the tapping box. The same thing happened to the stall on Jalan Simpang Raya Langsep, Kelurahan Pisang Candi, Sukun District. This stall uses an account that is not linked to e-tax. On the other hand, a Japanese grill restaurant on Jalan Dieng, Gading Kasri Village, Klojen District, uses calculations based on assumptions rather than the count per sales item (Nanda, 2023).

The Japanese-style grilled meat restaurant on Jalan Wilis, Gading Kasri Village, Klojen District was also visited by Bapenda, Satpol PP, and the East Java Audit Board (BPK) to activate e-tax. Because the device is disabled from 16:00-19:00. During that duration, officials estimated 314 diners ate during the previous 2 days. However, during the investigation process, business owners were uncooperative when officers asked to activate e-tax because the tax reporting was blank. Therefore, the penalty imposed is a fourfold fine. If it cannot pay off, the business place will be closed by Satpol PP or taken to the prosecutor's office (Nanda, 2023).

Conclusion

The implementation of regional autonomy requires the Malang city government to be able to manage its regional finances, especially regional original revenue (PAD) obtained from equalization funds, regional levies, and other legitimate PADs, especially regional taxes. Tax sources as potential PAD revenues are obtained through three systems, one of which is self-assessment. The implementation of self-assessment that gives confidence to taxpayers to be responsible for their obligations, and must be supported by intensive supervision. With the help of technology, the supervisory function can be performed more accurately, thereby reducing budget leakage that impacts the PAD. The e-tax device or tapping box is located between the cash register and the tax object printer machine so that every transaction will be recorded on the Malang city government server. Through data transparency, officers can see every transaction made from each tax object, so that if there are irregularities, regional officials through Bapenda will follow up firmly. In some places business actors such as revoking tapping boxes, and falsifying accounts. The efforts of the regional apparatus to deal with acts of misappropriation began with distributing invitations to call for communication between the two parties to legal steps followed up by the Law Attorney's Office. This is because the actions taken by officers in handling acts of misappropriation can help the realization of targeted taxes.

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