The effectiveness of tax volunteers in increasing taxpayer compliance

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INTRODUCTION

Tax revenue is one of the vital elements in the State Budget and Expenditure Plan, this is because ± 85% of the revenue comes from taxes. According to the Indonesian CNBC in 2020 tax revenue in 2017 did not reach the target, namely Rp.1,147.5 trillion or 89.4% of the target of Rp.1,283.6 trillion, and tax revenue in 2018 also did not reach the target, which is Rp. 1,315.9 trillion, or only 92% of the realization of the target in 2018 amounting to IDR 1,424 trillion (Iswari, 2019). The government is targeting a 15% increase in the tax ratio by 2020, this can be achieved by increasing compliance with tax report submission. Efforts currently underway by the government include tax reform (in the form of business processes, improved regulations, administrative systems, human resources, and organizational governance), one of which is the tax ratio target that rises proportionally and gradually (Dwiaknka & Sofia, 2019). The Directorate General of Taxes extends and intensifies tax revenue to increase tax revenue. Intensification is pursued by increasing the number of active taxpayers, while intensification can be pursued through increasing taxpayer compliance, improving the quality of tax officials, excellent service to taxpayers and guidance to taxpayers, administrative supervision, inspection, investigation, passive and active tax collecting and law enforcement. (Sari & Afriyanti, 2012).

Efforts to increase the tax ratio, tax officer are working to improve services for taxpayers. Tax volunteers become a strategic alternative tool specially to hook taxpayers among millennials and other taxpayers who have not been optimal in their tax obligations. Tax Volunteers have the main task of assisting taxpayers, both personally and in groups in carrying out tax obligations, specifically tax reporting (Faisol & Andini, 2019). The existence of a Tax Volunteer who helps assist with technology-based tax reporting is expected to make it easier for taxpayers to fulfill their tax obligations (Dwiaknka & Sofia, 2019). The long-term goal with the existence of this Tax Volunteer is to be able to increase taxpayer compliance on an ongoing basis so that it will have an impact on state revenue. This research is expected to show the effectiveness of tax volunteers can affect the increase in tax compliance.

This study aims to determine whether there are differences in tax revenues, the number of taxpayers who pay and submit tax report before and after the tax volunteer program. The period before tax volunteers is in March 2018 - February 2019 and the period after

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tax volunteers is in March 2019 - March 2020. This research took place at Pratama tax office in badung selatan. The data in this study were analyzed using independent t-test.

**Literature Review**

**Conceptual Background and Hypothesis Development**

**Tax Volunteer**

Such community tax volunteers have also begun in the country of Canada, they call it the Community Volunteer Income Tax Program (CVITP) with wider service activities. Tax Volunteers are not something new. In the United States, Tax Volunteers are known as VITA and TCE, namely Volunteers whose duty is to assist the community in fulfilling their taxation rights and obligations, specifically the assistance for filling the Annual Tax report via e-filing (DJP, 2019). In Indonesia, the initiation and enthusiasm of students to realize the same thing has started at some universities in Indonesia. They carry out various voluntary activities such as opening assistance outlets for filling Annual Tax, assisting PPh 21 for exchequer of Local Governments, and Business Development Services for PP 46 Taxpayers.

In Indonesia, this activity involves students from the university. This activity is a collaboration between the Directorate General of Taxes and universities in order to increase tax awareness. Tax volunteers are expected to have a role to assist taxpayers in fulfilling their tax obligations. For this reason, in order to prepare competent Tax Volunteers who are able to assist taxpayers, it is necessary to carry out stages including program socialization to all students at the university concerned, recruiting members of the Tax Volunteer community, working with the Directorate General of Taxes to conduct training activities, conduct a feasibility test for Tax Volunteers and placement, assisting taxpayers and evaluation (Dwianika & Sofia, 2019).

**Tax Compliance**

Taxpayer compliance is a willingness and awareness of taxpayers regarding their obligations in the field of taxation. Willingness and awareness of taxpayers will later become the basis for changing attitudes of taxpayers in fulfilling their tax obligations and rights (Apita, Pangemanan & Warongan, 2019). Tax compliance is very related to the characteristics of a taxpayer (Kakunsi, Pangemanan & Pontoh, 2017). Compliance in fulfilling voluntary tax obligations is the basis of the self-assessment system, where taxpayers are responsible for setting their own tax obligations and accurately and timely paying and reporting tax payable. There are two types of compliance, namely formal compliance, and material compliance.

Formal compliance is a situation where taxpayers fulfill tax obligations formally in accordance with the provisions in the taxation law. In this case, formal compliance includes taxpayers paying taxes on time, taxpayers paying taxes with the right amount, taxpayers do not have land and building tax liability. Material compliance is a condition where the Taxpayer substantially fulfills all taxation provisions, which are in accordance with the contents and spirit of the tax law. The definition of material compliance, in this case, is that taxpayers are willing to report information about taxes if officers need information, taxpayers are cooperative (not to bother) tax officers in the implementation of the tax administration process.

A tax volunteer program is a form of service to taxpayers whose aim is to facilitate taxpayers in fulfilling their tax obligations so that it is expected to increase taxpayer compliance. Several factors affect taxpayer compliance, one of which is service quality. The quality of service will provide a positive perspective for taxpayers so that they will be encouraged to comply with their tax obligations. For this reason, it is expected to increase taxpayer compliance. Several factors affect taxpayer compliance, one of which is service quality. The quality of service will provide a positive perspective for taxpayers so that they will be encouraged to comply with their tax obligations.

Based on this explanation, the hypothesis in this study will be divided into 3 (three) according to the indicators to test the differences before and after the tax volunteer program:

**Based on the indicator of tax revenue report**

H₀: Tax revenue before and after the tax volunteer program is no different significant.

H₁: Tax revenue before and after the tax volunteer program is significantly different.

**Based on the indicator of the number of taxpayers who pay taxes**

H₀: The number of taxpayers who paid taxes before and after the tax volunteer program did not differ significantly.

H₂: The number of taxpayers who paid taxes before and after the tax volunteer program differ significantly.

**Based on the indicator of the taxpayer who submit tax report**

H₀: The number of taxpayers who submit tax before and after the tax volunteer program did not differ significantly.

H₃: The number of taxpayers who submit tax report before and after the tax volunteer program differ significantly.
Research and Methodology

This research takes place in the South Badung Pratama Tax Office. The data used in this study are tax revenue, the number of taxpayers who pay and report taxes. The sample in this study is an individual taxpayer. Tests conducted in this study are comparing tax revenue, tax payments and tax report before and after the tax volunteer program. The period before tax volunteers is in March 2018 – February 2019 and the period after tax volunteers is in March 2019 - March 2020. The data in this study will be analyzed using the Independent sample t-test.

Findings

The results of the hypothesis test are presented below.

<table>
<thead>
<tr>
<th>Table 1: Result of Hypothesis One Test</th>
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<tbody>
<tr>
<td><strong>Tax Revenue</strong></td>
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<tr>
<td>March 2018- February 2019</td>
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<td>March 2019- March 2020</td>
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The results of the comparison of tax revenue between the period before tax volunteers (March 2018-February 2019) and the period after tax volunteers (March 2019-March 2020), obtained a significance value of 0.436 or greater than 0.05, this shows that there is no a significant difference in tax revenue before and after-tax volunteers. This condition can occur because the tax volunteers who are assigned are only authorized to provide an explanation to individual taxpayers, which if seen as the contribution of income tax revenue for individual taxpayers is not proportional to the income tax revenue of business entities, it can be concluded that the presence of tax volunteers has not been able to increase revenue especially the income tax sector.

<table>
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<th>Table 2: Result of Hypothesis Two Test</th>
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<tr>
<td><strong>Tax Payment</strong></td>
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<td>March 2018- February 2019</td>
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<td>March 2019- March 2020</td>
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The results of the comparison of the number of taxpayers who pay taxes in the period before tax volunteers (March 2018-February 2019) and the period after tax volunteers (March 2019-March 2020), obtained a significance value of 0.03 or less than 0.05. This shows that there are significant differences in the number of taxpayers who pay taxes in the period before and after the tax volunteers. In the description of the mean value shows that the number of taxpayers who make tax payments more in the period after the tax volunteers. These results indicate that the existence of this tax volunteer program has helped increase the number of taxpayers who pay taxes in March 2019-March 2020.

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<th>Table 3: Result of Hypothesis Three Test</th>
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<tr>
<td><strong>Reporting Tax</strong></td>
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<td>March 2018- February 2019</td>
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<td>March 2019- March 2020</td>
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The results of the comparison of the number of taxpayers who submit tax report in the period before tax volunteers (March 2018-February 2019) and the period after tax volunteers (March 2019-March 2020). In the description of the mean value shows that the number of taxpayers who submit tax report more in the period before the tax volunteers. The significance value is 0.401 or greater than 0.05. This shows that there is no significant difference in the number of taxpayers who submit tax report in the period before and after the tax volunteers. This can be caused by the duty of tax volunteers is only to help report tax for the annual tax report only,
and also because of the Covid-19 pandemic, so that operational activities are not running as usual and the number of taxpayers who report their taxes is still lacking.

Conclusions

Based on the results of the analysis, it has been concluded that the effectiveness of tax volunteers has a significant impact on increasing the compliance of individual taxpayers in terms of the number of taxpayers who pay taxes, but has not had a significant impact on the number of taxpayers who submit tax report and tax revenue in South Badung tax office. The data contribution from research can be used as a basis for Directorate General of Taxation to be able to evaluate the system that has been used and whether the presence of tax volunteers can also help in increasing taxpayer compliance. Also, it will become a reference for the Directorate General of Taxation in making decisions to make policy in the field of taxation, including creating another taxation system that will facilitate taxpayers in their tax obligations and expand the scope of tax volunteers in areas that have not been reached to date, is also important in conducting training for tax volunteers so that they can improve their competence to assist taxpayers in fulfilling their tax obligations.

This research is expected to provide input for expanding the duties of tax volunteers to aid taxpayers not only in the annual tax but also in reporting monthly tax, and not only focuses on assignments to help individual taxpayers but also corporate taxpayers so that they can help to increase tax revenue. For this reason, tax volunteers must be given training related to taxation so they can work optimally.

References


