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The Analysis of Taxation Socialization Activities to Increase Compliance of Individual Taxpayers at KPP Pratama Jember in 2021

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ABSTRACT

The tax socialization activity is one of the efforts to make it easier for the public to calculate, pay and report taxes at KPP Pratama Jember, which includes tax classes, seminars, and workshops and conducts outreach activities through social media such as Instagram. This research aims to discover the socialization activities carried out by KPP Pratama Jember in increasing taxpayer compliance, the effectiveness of these socialization activities, the obstacles encountered, and the impact of these socialization activities. This study used a qualitative descriptive method with primary data from interviews with KPP Pratama Jember officials. The data used in this study is data for 2021. The results of this study indicate that KPP Pratama Jember has programs related to tax socialization, referred to as Tax Education. This program consists of two program models: routine and incidental or thematic. There are obstacles faced by KPP Pratama Jember, namely internal obstacles and external obstacles. The effectiveness of the socialization program at KPP Pratama Jember towards taxpayer compliance is quite effective. The impact of the socialization program at KPP Pratama Jember on taxpayer compliance is excellent.

Keywords: *Taxpayer Compliance, Tax Education, Tax Socialization*

INTRODUCTION

Indonesia is a state of law that preserves the rights and obligations of each community following the 1945 Constitution. Indonesia is also one of the developing countries with revenue from various sources, one of which is derived from taxation. The dominance of taxes as a source of revenue for a country is very natural. Also, the lifespan of this source of income is unbounded due to the growing population. The governments need tax revenue to perform their functions, including providing public goods, maintaining the law and national defense, and ensuring economic development and redistribution of society's wealth (Nguyen & Darsono, 2022).

Taxes have a huge role and are increasingly reliable for development and government spending. Every year, the government remains to maximize the tax revenue to finance state expenditures because a country's capacity to finance development increases with its volume of tax revenue, and vice versa (Prabowo, 2015). The Indonesian government has an incentive to maximize tax revenue to support the increase in the tax ratio. It is because Indonesia has one of the lowest tax ratios in Asia-Pacific (Sari & Qibthiyah, 2022). Tax revenue is frequently considered as an alternative form of sustainable financing within stable and predictable fiscal environment to promote growth and enable governments to finance their social and infrastructural needs (Egbunike et al., 2018).

Taxpayer compliance refers to a taxpayer's attitude of discipline, commitment, and order toward the tax laws and systems that have been established and are used in a certain area. Then, when a taxpayer is not dedicated to the laws and taxes system that is enforced, the taxpayer actually has the ability to engage in activities that are opposed to taxpayer compliance (Fitri et al., 2022). The attitude of taxpayers that are disciplined in paying taxes has a significant influence in increasing the tax revenue. When the taxpayers are late or do not deliberately pay taxes, it will cause a country's tax revenue to be hampered.

Tax compliance is a situation where taxpayers fulfill all the tax obligations and fulfill their taxation rights. Taxpayer compliance is influenced by several factors, one of which is tax knowledge. Tax knowledge as the level of awareness or consciousness of taxpayers about tax legislation, including the process of taxation and other tax-related information. It is a situation where taxpayers fully understand why they have to pay taxes and comply with the law (Amin et al., 2022). According to (Zuhdi, 2015) the lack of tax knowledge in taxpayers can be an obstacle in the implementation of taxpayers. By having good tax knowledge, the taxpayers will understand all the provisions related to applicable tax obligations for they will easily conduct their tax obligations and will increase the taxpayer compliance itself (Prabowo, 2015).

Socialization to taxes is a factor that may have an impact on a taxpayer's compliance. Tax socialization is an effort of the General Directorate of Taxation to provide understanding, information, and guidance for all taxpayers. In order to

achieve its objectives, the tax socialization activities are divided into three efforts, called socialization activities for prospective taxpayers, socialization activities for new taxpayers, and socialization activities for registered taxpayers (Sukesi & Yunaidah, 2020). Referring to the circular letter of the Director General of Taxes Number: SE-98/PJ/2011, Tax socialization is an effort and procedure to channel various information about taxation in order to create knowledge, skilled attitudes and public behavior both in the business world, apparatuses and government and non-governmental organizations to be motivated to understand, care, be aware of and contribute to fulfilling tax obligations (Lestary et al., 2021).

Therefore, it is necessary to have tax services as an effort to increase the understanding of taxpayers in conducting their tax obligations (Tyas & Amalina, 2018). Tax socialization activities are one of the efforts to facilitate the community to calculate, pay, and report taxes at KPP Pratama Jember which includes tax classes, seminars, workshops and also conduct socialization activities through Instagram. From the socialization activities, researchers want to know the efforts made by KPP Pratama Jember in increasing taxpayer compliance, the effectiveness of the socialization activities, the obstacles faced and the impact of the socialization activities to the taxpayers.

The purpose of this research is to determine the tax socialization activities conducted by KPP Pratama Jember, the obstacles in the implementation of tax socialization activities at KPP Pratama Jember, examine the level of effectiveness of tax socialization in efforts to increase taxpayer compliance at KPP Pratama Jember and the impact of tax socialization activities in efforts to increase taxpayer compliance at KPP Pratama Jember in 2021.

RESEARCH METHODOLOGY

This research uses a normative research method to identify, educate, or persuade people about what they should do in accordance with a particular set of norms and values (Winoto & Pudjolaksono, 2022). The location in this research is the Tax Service Office (KPP) in Jember, on Jl. Karimata No.54 A, Gumuk Kerang, Summersari, Jember, East Java. The subject of this research is the tax socialization activities conducted by KPP Pratama Jember which are used to determine efforts to increase taxpayer compliance at Kpp Pratama Jember in 2021. The data sources used in this research are primary data and secondary data in 2021. The research methods used in this research are interviews conducted directly or indirectly to informants from KPP Pratama Jember, documentation and observation. This research uses a study design that contains data about the intended sources and analyzes the necessary documents along with practical aspects such as the provision of time and tools needed during the interview to answer the research questions.

RESULT AND DISCUSSION

The tax socialization program conducted by KPP Pratama Jember aims to provide guidance to taxpayers both individually and collectively. Taxation counseling is also conducted in order to improve taxpayer compliance in reporting and paying taxes with good commitment. KPP Pratama Jember targets both taxpayers who are still candidates, newly registered and long-registered taxpayers through several planned socialization programs. The tax socialization program is generally divided into three themes, such as one-way information delivery without feedback, the activities that focus on taxpayer skills in conducting tax reporting online or offline procedures through the helpdesk, and focuses on changing the behavior of taxpayers, which is marked by reporting and paying taxes from taxpayers after the socialization activities. This statement is as explained by Mr. Willy as the tax extension assistant and Mrs. Eni as the Head of Service Section.

From the interview result, it can be seen that tax socialization or called tax education is conducted in three major themes. In general, the material on these themes has been determined by Central Tax Office for the Tax Office in each region only needs to adjust by using the material prepared before. This tax education activity has different methods for its implementation, called direct and indirect methods. The direct method means that there is direct interaction during socialization with taxpayers, while the indirect method means that interactions are conducted indirectly such as socialization through podcast talk shows and so on. This taxation education activities can also be through offline or online media. In addition to these programs, there are also routine programs such as tax goes to campus, tax goes to school and tax centers. The tax socialization program is also differentiated based on its procurement which is divided into two, called routine programs and incidental (thematic) programs.

In making the program as described above, the KPP Pratama Jember refers to the rules set by the Central KPP. In facilitating this, the Central Tax Office provides an application system named *sisuluh* that each KPP can download the material and then also get instructions related to the target and guidelines for this tax socialization. In addition, the KPP is also required to report related activities, from the planning stage, organization, and documentation.

The obstacles felt by the KPP Pratama Jember, come from the external KPP Pratama Jember. As explained by Willy as a tax extension officer. The issues arise is the location, especially for areas outside the city such as in Puger, Jombang, Gumuk Mas, or the southern area, because it is difficult to reach the location without being affected by traffic jams. While it was unable to meet in person yesterday due to the epidemic, the community's IT competency is still inadequate and needs to be led. As a result, the KPP Pratama Jember opens numerous channels in an effort to gradually draw in the audience. Also, because there is a lack of financial literacy, taxpayers are divided between persons and entities.

When someone registers their taxpayer, the person is required to file a financial report. Then, the KPP Pratama Jember tries to make the explanation of financial statements as simple as possible. The obstacle is on the financial literacy, especially in remote areas where the level of literacy is certainly lower, even KPP Pratama Jember also found a case that an entity that has been running its business but still has not submitted its financial statements. Meanwhile, Ms. Nurfitriah as a tax extension assistant, perceived obstacles come from internal sources that the lack of personnel. In addition to the number of personnel, technical obstacles when conducting socialization that are not in the realm of KPP's power are also considered as obstacles in conducting the activities. In addition, external obstacles are coming from facilities and pre-facilities, for example, infrastructure such as projectors that suddenly error and hampering the socialization process. According to the Head of Service Section, Ms. Eny, Online services in Jember have not been fully utilized due to a number of factors, including the human aspect (taxpayers) and their lack of technological proficiency.

The tax education program conducted by KPP Pratama Jember is implemented with various methods, media and materials. These programs must be evaluated to examine its level of effectiveness. Based on the interviews result with informants, almost every informant admitted that the tax education program that has been conducted at KPP Pratama Jember is effective. The impact of the tax socialization conducted by KPP Pratama Jember is the increase in the number of taxpayers and the number of annual tax returns received by KPP. Based on the results of interviews conducted with informants, it is known that there is a growth in individual taxpayers and also an increase in tax returns in the last few years. All interviewees stated that the impact of the tax socialization program is the increase in the number of taxpayers and tax revenue through tax returns. The taxpayers are educated and interested in reporting and paying taxes since they already know their rights and obligations in paying taxes and the risks if they do not pay.

Table 1. The Effectiveness of Tax Return Reporting

Years	WP OP	Acceptance Tax Return	Percentage	Description
2017	71,780	71,328	99%	Effective
2018	78,621	70,795	90%	Effective
2019	89,573	76,314	85%	Moderately Effective
2020	101,814	74,629	73%	Less Effective
2021	112,682	93,410	83%	Moderately Effective
Average			86%	Moderately Effective

Source: Processed Data

Table 2. The Comparison of Jember population with private taxpayers

Years	Total Working Population in Decent Category	Total WP OP	Percentage	Description
2021	894,873	357,345	39.93%	Not effective

Source: Processed Data

Table 3. The Growth of Individual Taxpayers

Years	WP OP	Percentage
2018	78,621	10%
2019	89,573	14%
2020	101,814	14%
2021	112,682	11%
Average		12%

Source: Processed Data

Table 4. The Growth of Tax Return Receipts

Years	Acceptance Tax Return	Percentage
2018	70,795	-1%
2019	76,314	8%
2020	74,629	-2%
2021	93,410	25%
Average		8%

Source: Processed Data

Discussion

Based on the interview results, it is known that there are several programs conducted by KPP Pratama Jember in instructing and educating the society regarding taxes. These initiatives seek to boost tax-related community compliance to ensure that this tax education program is effectively implemented and has a goal. As known in the research results, the program target is determined by Central KPP through the Sisuluh Application that contains materials and guidelines as well as the flow of reporting that must be reported by the KPP Branch. In addition, the KPP Branch might request a budget increase by submitting recommendations for the procurement operations in the next year.

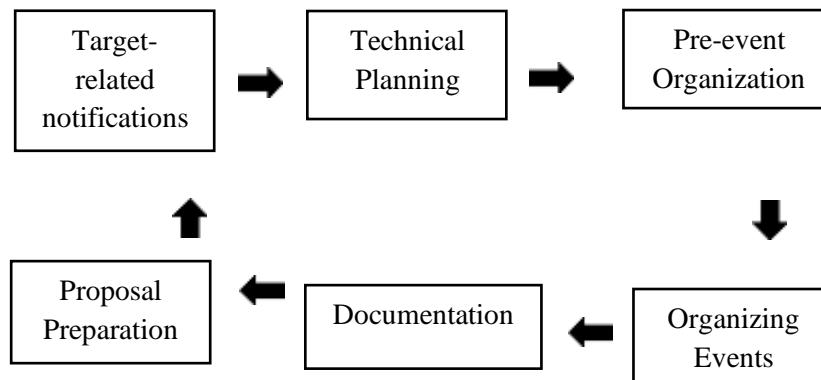


Figure 1. The cycle of procuring socialization activities for KPP Pratama Jember
Source: Processed Data

From the interview results, it can be seen that there are 10 kinds of programs implemented by KPP Pratama Jember to educate the public. There is a Business Development Services program, which is a class program that presents the presenters in certain fields such as finance, marketing and digital marketing for the MSME actors. This program provides resources, encourages to report, and information on the advantages of filing taxes. Tax Goes to Campus and School, is a seminar program that aims to educate students about taxpayer compliance. The material provided is also in the form of tax-related information.

Tax Center is a partnership program between KPP Pratama Jember and five universities in Jember, such as Universitas Negeri Jember, Universitas Muhammadiyah Jember, STIE Mandala atau Institut Teknologi Mandala, Politeknik Jember, dan UIN Jember. Pajak Bertutur is a program of teaching tax awareness in elementary schools to universities. This program is conducted on Tax Day as one of the events to commemorate it. Helpdesk Stand is a program to reach the public directly by the Tax Office through opening an inquiry stand at crowded places or potential places such as at Car Free Day Events, Elite Housing and other events. Pojok Pajak is a tax advertising program through print media or semi-digital media such as banners, videoframes or billboards.

This program is one of the public advertisements that aims to attract the public interest. The KPP Pratama Jember itself has advertised this in famous places in Jember such as Roxy and Lippo. Social Media Content is a tax education program by KPP Pratama Jember through online media. The content is distributed in posts on social media such as Instagram, Facebook and Tiktok. In addition, KPP Pratama Jember also releases content of podcasts and conducts the live through Instagram to attract the community interest, especially the younger generation for obedient and understand the benefits of taxes.

Moreover, there is an Online Helpdesk program, which is an online consultation service for people who cannot come to the tax office. Online Helpdesk

from KPP Jember is currently using WhatsApp that conduct the intense consultations. The KPP previously employed the DM feature or social media inbox, which slowed down the response time. The SPT filling simulation (e-form) is a training and education program for the community to be able to independently complete the SPT sheets online. This program aims to attract more taxpayers to pay their tax returns without having to come to the office offline.

The Voluntary Disclosure Program (Tax Amnesty II), is a program for reporting taxable assets from the public and entrepreneurs by providing amnesty that makes entrepreneurs and the public interested in reporting the value of their assets in this period due to the elimination of fines. The Socialization of Tax Laws is a unique program run by the Tax Office with the goal of informing people about changes to tax laws, such as the socialization of the HTT Law. The pre-authorization socialization of this regulation is crucial in order to avoid shocking the public with the changes in the regulations.

The obstacles faced by KPP Jember are internal obstacles and external obstacles. Based on the results of interviews obtained, the internal obstacles faced by the KPP Pratama Jember are the lack of personnel in the service division. The number of personnel in the service division at KPP Pratama Jember is only five people, while the number of programs charged for tax education reaches more than 50 per year. In addition, they also have to serve people who come through offline and online channels, that will certainly burden the personnel in service division for providing maximum service to the community. Meanwhile, the external problems faced by KPP Pratama Jember are the access and distance from KPP Pratama Jember Office to remote locations that difficult to reach and conduct counseling at these locations.

One of the locations mentioned is Sumberjambe and Tempurejo, while the KPP location is in Summersari. In addition, there are issues with location for KPP Jember and inconsistent internet availability in distant areas of Jember that making it occasionally impossible for individuals to access online services. The community services offered by KPP Pratama Jember are undoubtedly interrupted by this. In addition, there is a lack of financial literacy in the community, particularly those who own MSME enterprises. The majority of people are lack of financial awareness, as was stated in the previous section. Additionally, those that already own a business (MSME) experience this as well as common people, that they need to include their financial statement when reporting the taxes. Then, low IT literacy or community technology, the society does not fully comprehend how technology functions on the devices they have, and even many people still do not understand IT concepts such as captcha, email, and so on.

The last is inadequate facilities and pre-facilities in the location of socialization activities outside the KPP Pratama Jember office. One of them is the projectors. The obstacles described above are generally passive obstacles. Then the KPP Pratama Jember does not have too much difficulty in dealing with these

obstacles. Some of the ways done by the KPP Pratama Jember in dealing with obstacles in conducting socialization activities are opening massive service and education channels both online and offline for the public can interact with KPP Pratama Jember officers during operational hours. Also, make sure that the program schedule does not clash and still leave one or two personnel to remain standby to serve the community from the office.

In general, the socialization program conducted by the KPP Pratama Jember is quite effective. The analysis of effectiveness of tax socialization activities on taxpayer compliance is an important focus of this discussion. The analysis of the effectiveness of tax socialization activities based on the increase in taxpayer compliance in conducting the tax obligations reflected by the reporting of the Annual Tax Return. The effectiveness value of the program based on the number of tax returns received compared to the number of registered taxpayers. Based on the table above, it can be seen that the average percentage value of effectiveness of SPT revenue at KPP Pratama Jember is at 86% or quite effective in the last five years.

The effective SPT acceptance rate is due to the incessant socialization conducted by KPP Pratama Jember, which makes people want to register themselves as taxpayers (through NPWP) and pay taxes. Although there was a decline in 2020 due to the pandemic, the SPT acceptance rate increased in 2021 to 10% compared to 2020. However, there is still an imbalance in the ratio of personal taxpayers and the number of Jember residents working in decent category. Based on the table above, it is known that the number of registered taxpayers at KPP Pratama Jember amounted to 357,345 in 2021. While the people of Jember who work in decent category amounted to 894,873 in the same period with an effectiveness ratio of 39.3%. This shows that there is still potential taxpayers that can be maximized by KPP Jember.

It is known that the program has an impact on the compliance of the residence in Jember. This statement is reflected in the average value of taxpayer growth which increased to 12% and the number of tax return receipts with an average of 8% in the last five-year period. In addition, it shows a steady upward in the growth graph of individual taxpayers that indicates that the tax education held has an impact on the community. The community believes that paying taxes enables them to participate and reap benefits, particularly in the PPS program where they are granted amnesty on the fines based on the value of the products they report. Hence, it may be inferred that tax-related socialization, which also emphasizes the advantages and contributions of taxes, motivates people to disclose their income and comply with tax obligations.

CONCLUSION

Based on the research that has been conducted, the researcher draws the conclusion that KPP Pratama Jember has programs related to tax socialization called Tax Education. This program consists of two program models, called routine programs and incidental or thematic programs. This program is conducted by KPP Pratama Jember to increase the compliance of taxpayers in Jember. In addition, the obstacles faced by the KPP Pratama Jember in implementing the program are distance or remote locations at several points in Jember, lack of financial and technology literacy of the community, slow or even non-existent internet access at some points, inadequate facilities and infrastructure, and limited number of personnel in the service division of KPP Pratama Jember. The obstacles faced tend to be passive obstacles that there is no explicit rejection by the community. Then, the effectiveness of the socialization program at KPP Pratama Jember on taxpayer compliance are quite effective proven by the percentage value of SPT revenue at KPP Pratama Jember. It is still necessary to strengthen the program because it is ineffective for those who have not enrolled as taxes. The KPP Pratama Jember socialization program has a very positive effect on taxpayer compliance as shown by the growth of individual taxpayers and the reception of tax returns which is steadily increasing although it has decreased during the pandemic.

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