



Optimization of the Use of Technology for Taxpayers in the Tax System in Indonesia

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| Article Info | Abstract | |
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| <p>Keywords: Technology Optimization; Taxpayers; Taxation System.</p> | <p>Introduction: The development of tax reform shows that technology has a very important role. For this reason, the sustainability of tax collection in the State of Indonesia itself has at least an online system based on how taxpayers work to fulfill their obligations. However, the optimization of the application must be properly reviewed first to find out the effectiveness of the technology made.</p> <p>Purposes of the Research: This writing aims to study, analyze and discuss optimizing the use of technology in the taxation sector in Indonesia.</p> <p>Methods of the Research: This paper uses a normative research method, namely research that is focused on providing a systematic explanation that governs a certain category. The problem approach is the legal approach (statute approach) and the conceptual approach (conceptual approach). The collection of legal materials through primary legal materials is then linked to secondary legal materials. Management and analysis of legal materials is described qualitatively with the aim of describing the findings in the field.</p> <p>Results of the Research: The results obtained from this paper are that, in principle, the technology used by the State of Indonesia is oriented to three pillars, namely: e-registration, e-filing and e-billing by means of technology that aims to strengthen taxpayer compliance. In addition, this technology has weaknesses, namely a good network and inefficient use of technology and the advantages of being able to access quickly and transparently.</p> | |

1. INTRODUCTION

The dynamics of world change is a form of current change. One of the main changes that have played an important role from the past until now is technology. Technology is the result of order and actualization in responding to a challenge. Technology is no longer a form of new lifestyle for development, on the contrary technology is a vortex of needs that must be owned by all fields. The technological framework used to process data, including processing, obtaining, compiling, storing, manipulating data in various ways to produce quality information, namely information that is relevant, accurate and timely, which is used for personal, business, government purposes and is information strategic for decision making. As it is known today, technology is not only limited to computer technology (*software & hardware*) used to process or store information, but also includes communication technology to transmit information so that all fields require technology, whether it be economic pillars, banking, health, law and so on. .

As the expression "*ubi societas ibi ius*" which means that where there is society there is law, the existence of law is indispensable in regulating human life. without the law of human life will be wild, whoever is strong he wins. Indeed, it is not if the law follows human development, but the dimensions of the purpose of the law must still be maintained where the objectives of the law itself include justice, legal certainty, and expediency that must be able to be realized simultaneously and in a balanced manner or can be stated proportionally. Simultaneous is defined as simultaneously; while being balanced is defined as not only focusing or concentrating on one or two legal objectives. ¹If it refers to the purpose of the law, there is a formulation of rights and obligations which means the right to obtain legal objectives and the obligation to become part of the law. In line with the above adage and its relation to the massive use of technology so that the existence of technology emerges as a means to facilitate the achievement of legal objectives (context of means), further to strengthen this, the relationship between law and technology can basically be seen in the current Indonesian taxation field.

Talking about taxes certainly has an important role in contributing to state revenue. As a source of state financing and national development, taxes account for nearly 80% of Indonesia's total revenue. Taxes in collection, apart from requiring the active participation of tax officials, what is most needed is the awareness of taxpayers to pay taxes. In Indonesia, to collect state revenue through taxes is carried out by the Directorate General of Taxes. To adapt to the times, the Directorate General of Taxes continues to carry out digital transformation to improve service quality and increase the effectiveness of supervision of taxpayer compliance. The concept of technology in taxes is then known as *E-Tax* which is an information system and technology that can be utilized in the current situation. *E-tax cash management* is where personal or corporate tax data are sent online to the state treasury.²

In line with the development of this technology through the existing tax base, various systems were born as part of the modernization of taxation reforms that brought together technology as an inseparable part. One of the relevance between taxes and technology can be found by the way it is applied, meaning that technology is applied to tax services. As for this, it can be proven that in early 2005 the tax service in each taxation work area had implemented a system by utilizing technology as an implementing object, for example in the tax administration section an *e-system* or *e-Electronic System was loaded*. Regarding the object of this system, its functions can also be classified, including: this electronic system is embedded for tax administration matters which can take the form of several features to be used, such as: *e-registration*, *e-felling* and *e-billing*. In addition, technology in taxes is also seen as an order that will further develop in the future as well as an important pillar of tax service reform because its benefits will have an impact on the *tax ratio*, avoidance and evasion of taxes and can also encourage compliance in paying taxes. This means that the technology format will be oriented towards the aspect of having to pay taxes from various forms of taxation.

The juridical basis for taxation has been stated in the Law of the Republic of Indonesia Number 28 of 2007 concerning the Third Amendment to Law Number 6 of 1983 concerning

¹ Agus Setiawan, "Legal Reasoning Capable of Realizing Legal Objectives Proportionately," *Legal Journal of the Justitia pulpit*, no. 2 (2017): 204-215, <https://doi.org/10.35194/jhmj.v3i2.257>

² Lely Suryani, "Information Technology, Account Representative Professionalism and E-Tax Applications on Tax Revenue," *Pamulang University Accounting Scientific Journal*, no. 1 (2019): 26-45, <http://dx.doi.org/10.32493/jiaup.v7i1.2202>.

General Provisions and Tax Procedures (hereinafter referred to as the KUP Law) so that it is based on the Subjective and Objective requirements as stipulated in the Law of the Republic of Indonesia. Article 2 paragraph (1) which reads:

"Every Taxpayer who has fulfilled the subjective and objective requirements in accordance with the provisions of the taxation legislation is obliged to register himself at the office of the Directorate General of Taxes whose working area includes the residence or domicile of the Taxpayer and he is given a Taxpayer Identification Number"

Departing from the above provisions, it specifically provides opportunities for tax subjects who by their rights and obligations then become taxpayers who in this case as tax objects must then report, calculate, and submit their obligations to the government in this case the Directorate General of Taxes (hereinafter referred to as DGT).).

The combination of state revenues cannot simply be separated from the mechanism applied to hook more taxpayers to prioritize tax collection based on the prevailing principles and system. In addition, the system that Indonesia has currently patented is the *self-assessment system*. The *self-assessment system* gives the tax authorities the authority to determine the amount of tax payable that must be paid by the taxpayer. Taxpayers are passive, so it is the tax authorities who are more active in finding taxpayers and determining the amount of tax owed. Meanwhile, in the *Self Assessment System*, taxpayers are entrusted with determining, calculating, depositing and reporting the amount of tax that must be paid by themselves. The application of this system does not mean that taxpayers are given full freedom to fulfill their tax obligations at will, because the KUP Law has set up a control mechanism and sanctions for taxpayers who do not fulfill their tax obligations. The ³effectiveness of the *self-assessment system* in the world of taxation certainly requires the role of technology as well as a form of seeing tax payments by each income taxpayer, but the technology which is essentially issued by the government through the DGT is deemed not very well interpreted by every taxpayer. We can see this assumption in the technology accessibility provided by the government for taxpayers.

Geographically, we can see that the sovereign territory of the State of Indonesia as an *archipelagic state* which indicates that Indonesia's territory has the use of technology amounted to 196.7 million or 73.7% in the second quarter of 2020, meaning that until now the State of Indonesia has existed in the dynamics of extraordinary technological developments. Furthermore, for the study and analysis, it is necessary to apply appropriate technology, especially in the midst of the technological need for the State of Indonesia for the implementation of tax collection. Challenges and regulations need to be synchronized through administrative policies that are fast and open, but still run according to regulatory provisions as a guiding light to get Indonesia's target based on an archipelagic state to optimize technology as a way of collecting taxes. The problems above will reflect how much technology is being applied in Indonesia for tax collection and what are the challenges currently facing taxpayers to optimize technology-based tax collection and payment.

2. METHOD

This paper uses a normative research method, namely research that is focused on providing a systematic explanation that governs a certain category. The problem approach

³ Imam Nur Akbar, "The Influence of Individual Taxpayers' Perceptions on the Implementation of the Self Assessment System," *Journal of Taxation (JEJAK)* 7 no. 1 (2015)1-5.

is the legal approach and the conceptual approach. The collection of legal materials through primary legal materials is then linked to secondary legal materials. Management and analysis of legal materials are described qualitatively with the aim of describing the findings in the field.

3. RESULTS AND DISCUSSION

3.1 Overview of the Use of Technology Against Taxpayers

Nowadays, the use of technology is getting faster and is being carried out for the whole society. Therefore, the separation of the use of technology is needed so that the technology in question has a combination and collaboration in accordance with the reality that occurs in the applied field. The foremost aspect of the use of technology for every taxpayer is understanding in the form of understanding and other elements of explanation so that each user can then properly examine it, especially in the world of taxation in Indonesia.

The word technology comes from the Greek, *techne* which means "skill" and *logia* which means "knowledge". Technology in a narrow sense refers to objects that are used for the convenience of human activities, such as machines, tools, or hardware. Others argue that technology is the development, application and assessment of systems, techniques and tools to improve and enhance human learning processes. This opinion prioritizes the learning process itself in addition to tools that can help the learning process.⁴The existence of the term technology is also described by those who have competence, namely experts, here are some assumptions about understanding technology.

According to Henslin, the term technology can include two things. First, technology refers to equipment, namely the elements used to complete tasks. Technology refers to equipment from as simple as a comb to as complex as a computer. Second, the skills or procedures needed to make and use the equipment. Technology in this case not only refers to the procedures required to make a comb and a computer, but also includes procedures to produce an acceptable hairdo, or to be able to enter the internet.⁵The essence of technology by Henslin actually refers to the tools that are applied to get the results of the technology and the mechanisms that are applied to making something out of the technology.

Meanwhile, Toynbee said that technology is a hallmark of the existence of a human glory, this proves that humans cannot live just to eat alone, but need more than that. Furthermore, Toynbee said that technology can enable the non-material constituents of a human life, namely feelings, ideas, thoughts, intuitions, and ideals, and technology also proves a manifestation of the intelligence of a human mind.⁶Toynbee's focus is more on the concept of a technology maker without any concretization or facts about what technology will be like.

As a state of law or other terms, namely (*rechtsstaat* or the rule of law), is a country whose every action is based on rules or in accordance with established laws, therefore the term technology in the State of Indonesia itself is regulated in the Law of the Republic of

⁴ Nasution, *Educational technology*, (Jakarta: PT. Bumi Aksara, 2012), p. 1.

⁵ Muhammad Ngafifi, "Technology Advances and Patterns of Human Life in a Socio-Cultural Perspective", *Journal of Educational Development*, no. 1, (2014): 33-47, <https://doi.org/10.21831/jppfa.v2i1.2616>

⁶ Novi Tri H. and Alexander Wirapraja, "Analysis of the Use of Green Computing Technology in Supporting Management Performance of Educational Institutions", *Executive Journal*, no. 2, (2017): 229-240.

Indonesia Number 18 2002 concerning the National System of Research, Development, and Application of Science and Technology. In Article 1 number 2 explains:

"Technology is a method or method as well as a process or product resulting from the application and utilization of various scientific disciplines that produce value for meeting needs, continuity, and improving the quality of human life."

The important elements of technology according to the author of this regulation are:

- 1) Technology is a compilation of methods and processes to produce something that will be useful;
- 2) Technology has a very broad sub-work which includes various elements of the field; and
- 3) Technology seeks to become an ecosystem that has an impact on the needs in the implementation of the order of life in society.

Tax reform in Indonesia is currently underway and facing a reform of the tax administration system. *Commercial Off The Shelf (COTS)* is used as a package of applications, sub systems, and software modules that have been designed according to a standard. In fact, the government can create tax policies for inclusive growth, besides continuing to support increasing the capacity of the tax system and ensuring the sustainability of public spending. Results will be achieved not only from every single policy, but also from a careful balance of policy choices and trade-offs.⁷

Comparison of tax concepts As is the case with Japan where in a journal that entitled *Public Service Reform through e-Government: a Case Study of 'e-Tax' in Japan*, the focus of the research lies in the case study of the National Tax Agency of Japan (NTA) and initiatives in the implementation of *e-government* in it, the core of which lies in the application of *e-tax*. *E-Tax* is an online tax mechanism that includes filing, reporting and tax payment services for individuals and companies. Reflecting on *e-tax systems* in other countries, *e-tax* in Japan focuses on self-serving taxpayers via the internet. This is a new method created and available for both individual and corporate taxpayers. This system is not a substitute, but as a complement to a way that still meets national tax law compliance. By using this system, the National Tax Administration of Japan is intended to be able to change the taxation public administration system that tends to be bureaucratic into a service system oriented to the needs of citizens based on modern organizations, so as to be able to regain the trust of citizens, and achieve policy and compliance outcomes, better tax laws in a global industrialized nation. Since the *e-tax system* was implemented the public considers that *e-tax* is a system to be proud of, in connection with the use of more applications This is a modern version of the system that previously tended to be traditional (eg tax filings using paper, and face-to-face or just calling to consult tax services). From the results of this initial analysis, it is known that the *e-tax system* adopted by the Japanese National Tax Agency imaged that they had made a change in performance and public services for the better.⁸

⁷ Joel Slemord & Christian Giltzter, "Tax System", *National Tax Journal*, no 2, (2016): 461-470, <https://www.jstor.org/stable/44014531?seq=1>.

⁸ Novy Setia Yunas, "Policy Design for Tax System Reform through E-Taxation in Indonesia: Learning from the Success of Taxation System Reform in Japan", *Journal of Government Science*, no 1, (2018): 71-89, <https://doi.org/10.24198/cosmogov.v4i1.15903>

Taxation in the State of Indonesia also implements several uses of technology to respond to the effects of globalization in facilitating current tax obligations. All the technologies referred to are oriented towards a single unit called an e-system, including:

1. *e-Registration*

This *e-registration system* is a product of DGT's services based on the Decree of the Director General of Taxes Number: KEP-173/PJ/2004 which was issued on December 7, 2004 concerning Registration and Elimination of Taxpayer Tax Numbers as well as the Inauguration and Revocation of Taxable Entrepreneurs and starting effective in 2005. Then, with the aim of perfecting the legal basis of this system, the government again made updates by issuing the Director General of Taxes Regulation Number: PER-24/PJ/2009 concerning Procedures for Registration of Taxpayer Identification Numbers or Confirmation of Taxable Entrepreneurs and Changes in the Data of Taxpayers or Taxable Entrepreneurs through the e-Registration system.

Thanks to these changes, it is easier for taxpayers because there are various regulations that guarantee more activities that do not require face-to-face meetings. With the e-registration system, in accordance with its objectives, it is hoped that the public can experience the convenience of services to register, update, or delete public data and information as taxpayers. DGT is very optimistic that this can happen because with an online system like this, it is not only taxpayers who will get the convenience of flexibility and speed of service, the DGT will also benefit a lot. Through a system like this, DGT will have more opportunities to store and integrate data from taxpayers. Even if it can only maintain the effectiveness and efficiency of DGT's services, a system like this will also make it easier for DGT to carry out security and supervision. In addition, the *e-registration system* helps the public in making taxpayer registration easier, while for tax officers this system is used to process taxpayer registration. An increase in the number of taxpayer registrations is certainly a good thing in carrying out tax obligations.⁹

Based on article 1 point 1 of the Regulation of the Director General of Taxes Number: PER-24/PJ/2009 concerning Procedures for Registration of Taxpayer Identification Numbers or Confirmation of Taxable Entrepreneurs and Changes in Data of Taxpayers or Taxable Entrepreneurs through the *e-Registration* system referred to as *e-system-Registration* is: "*E-Registration System is a Taxpayer registration system and/or the confirmation of a Taxable Entrepreneur and changes to the data of a Taxpayer and/or a Taxable Entrepreneur through the internet that is directly connected on-line with the Directorate General of Taxes.*"

In particular, the function of the e-Registration is as a medium for registering every taxpayer in order to obtain a Taxpayer Identification Number as stipulated in article 1 number 6 of the KUP Law which states: "*Taxpayer Identification Number is the number given to the Taxpayer as a means in tax administration which is used as a personal identification or identity of the Taxpayer in exercising his tax rights and obligations.*"

In addition, as a place for registration of the Taxpayer Identification Number (hereinafter referred to as NPWP), there are also several compilations of the functions of the e-Registration which are mandated in the Regulation of the Director General of Taxes

⁹ Fitria Alamri, Arif Widyatama, "Technology Acceptance Model (Tam) as a Solution for Interest in Using E-Taxpayer Registration Services", *Professional Accounting Journal*, no. 10 (2019): 89-99, <http://dx.doi.org/10.23887/jap.v10i2.22870>

Number Per-02/Pj/2018 concerning the Second Amendment to the Regulation of the Director General of Taxes Number Per-20/ PJ/2013 concerning Procedures for Registration and Provision of Taxpayer Identification Numbers, Business Reporting and Confirmation of Taxable Entrepreneurs, Elimination of Taxpayer Identification Numbers and Revocation of Inauguration of Taxable Entrepreneurs, as well as Changes in Data and Transfer of Taxpayers, which refers to Article 1 number 15 which reads: *"e-Registration application is a means of registration of Taxpayers and/or business reporting to be confirmed as a Taxable Entrepreneur, changes in data of Taxpayers and/or Taxable Entrepreneurs, transfer of Taxpayers, deletion of Taxpayer Identification Numbers, and revocation of inauguration of Taxable Entrepreneurs through internet that is directly connected online with the Directorate General of Taxes."*

The optimism of this technology platform through the system that was launched was intended to emphasize the importance of how technology works in smoothing out a tax point.

2. *e-Filing*

This improvement in tax services can be seen by the development of modern tax administration and information technology in various aspects of activities. Fundamental changes related to tax modernization occurred in early 2005, namely the implementation of types of services to new taxpayers in the context of submitting notification letters and submitting the extension of annual notification letters using electronic (*e-filing*).

Regulation of the Director General of Taxes Number Per - 02/PJ/2019 concerning Procedures for Submission, Receipt, and Processing of Tax Returns in article 1 point 8 explains: *"e-Filing is a method of submitting SPT through certain channels determined by the Director General of Taxes"*.

The basic consequences of *e-filing* are essentially a manifestation of Article 3 paragraph (1) of the KUP Law which reads: *"Every Taxpayer is obliged to fill in the Tax Return correctly, completely, and clearly, in the Indonesian language by using Latin letters, Arabic numerals, Rupiah currency unit, and sign and submit it to the office of the Directorate General of Taxes where the Taxpayer is registered or confirmed or other place. determined by the Director General of Taxes"*

Basically, the submission of the Tax Return (SPT) by *e-filing* is an effort from the Directorate General of Taxes to provide convenience services for taxpayers in reporting the amount of tax that must be paid. Because taxpayers do not need to come directly to the Tax Service Office to fulfill their tax obligations in terms of submitting a tax return (SPT). As for the Tax Officials, this *e-filing* technology is able to facilitate them in managing the database because the storage of taxpayer documents has been done in digital form. With this technology, the Government hopes that there will be an increase in taxpayer compliance in the implementation of their tax obligations. Tax reporting using *e-filing* can help reduce the time and cost required by taxpayers to prepare, process, and submit notification letters to the Tax Service Office correctly and on time. Another advantage of *e-filing* is that the quality of the system and the quality of *e-filing* information can make it easier for taxpayers to make tax reporting quickly and safely. Based on these advantages, *e-filing* is expected to be effective and feasible as a means of electronic tax reporting that can satisfy taxpayers in

reporting their annual tax returns.¹⁰ So that through this tax e-Filing, taxpayers can avoid the risk of delays and fines from the DGT. Certain e-filing application service providers, for example, also always send automatic reminder emails that remind application users to report taxes on time, even earlier, to avoid technical problems.

3. E-Billing

On January 1, 2016, tax payments that were previously made with a Tax Payment Letter (SSP) were replaced by using the DGT e-billing system mechanism. The implementation of the e-billing system is a form of improving DGT services for taxpayers which is intended to provide convenience, comfort and security in paying piracy. In addition, the transition from manual tax payments to electronic tax payments is expected to make it easier for taxpayers to pay taxes owed anytime and anywhere.

In its application, the use of e-Billing itself has very clear legal provisions according to the Regulation of the Director General of Taxes Number Per -26/PJ/2014 concerning the Electronic Tax Payment System which states that e-Billing is: "Billing System is an electronic payment method using a Billing Code"

E-billing is also part of the second generation state revenue module (MPN-G2) update. MPN-G2 was developed to support the implementation of good cash management by presenting information on state revenues in real time by utilizing technology. According to DPJ, the billing system is a system that issues billing codes for payment or deposit of state revenues electronically. The e-billing system will guide users to fill out the electronic Tax Payment Letter (hereinafter referred to as SSP) correctly and correctly in accordance with the transaction to be completed.

e-Billing according to the Directorate General of Taxes (DGT) is an online (electronic) tax payment system by first generating a billing code or billing ID. This tax e-billing is here to realize DGT's commitment in shifting the manual system to an electronic tax system. Billing system is a series of processes that include registration of billing participants, billing code generation, payment based on billing code and billing reconciliation in the state revenue module system.¹¹ There are several benefits derived from e-billing, namely: (1) Providing access to taxpayers to monitor the status of tax payments; (2) Minimizing the occurrence of human or system errors, in data recording, payment, to deposit; (3) Provide flexibility to Taxpayers to make draft of deposit data; (4) Making the work process more concise because there is no need to bring a lot of documents to the bank to make deposits; (5) Facilitate integration between Taxpayers, Perception Banks, and the Government. Thus, some of the uses of technology that can be reviewed by the author as a form of implementation of the principal of taxation in Indonesia today. The emphasis on the effectiveness of technology above also poses risks in reality on the ground, of course, this leads to an understanding that technology reference is an important consensus in order to answer the pillars of the gap in optimizing the form of tax payments for every taxpayer who by regulatory regulations must be taxed.

3.2 Constraints to the Use of Technology in the Taxation System in Indonesia

¹⁰ Syifa Ainun Qalbi et al, "Implementation of Tax Reporting Using E-Filing", *Journal of Taxation Research*, no.1 (2020): 01-150.

¹¹ Rindy Citra Dewi, " The Influence of the E-Billing System and Service Quality on Taxpayer Compliance", *Journal of Technology and Business Information Systems*, no.2 (2019): 13-17.

Laws governing taxation have been established and enforced in Indonesia, but there are still many problems or fundamental obstacles in their implementation. This greatly affects the results of tax revenues as a source of state revenue. Various obstacles caused by various factors which will be described in outline below. Lack of socialization from the government to the public as taxpayers regarding the importance of paying taxes, the benefits of paying taxes, and the sanctions that will be received if taxpayers neglect their obligations. Besides awareness of knowledge of Human Resources (HR) is still low, it also affects, where Taxpayers do not understand the importance of paying the tax, do not know how to register, calculate and report themselves Tax Objects that are controlled, owned and utilized.¹²

Apart from that, the use of the applied technology turns out to have several obstacles in its implementation, these obstacles as a manifestation of the non-optimality of each technology being applied. As described above regarding the various types or types of use of technology for taxation, each of which includes : *e-registration, e-filling and e-billing*. Every policy taken in smoothing technology as a means of taxation allows for obstacles to occur. These obstacles include:

- 1) Don't understand the procedure
The lack of understanding of the procedures provided by the DGT in registering NPWP online is one of the problems. Not a few people still feel that the procedure will be difficult and long-winded. Of course, this cannot be blamed, considering that everything related to bureaucracy tends to be remembered as a long process that wastes time.
- 2) No time
This second problem arises from the skepticism of the people mentioned above, that the process related to the government bureaucracy will take a lot of time and be ineffective. This image has slowly changed for the better, with various innovations made by DGT.
- 3) Process and Data Validity
Given the online system regarding the use of the internet, it is natural to then arise concerns about the validity of the processes and data entered. The data used is personal data, which is of course confidential and not to be disseminated. Data leaks can be used by irresponsible parties to commit crimes.
- 4) Use of Multiple Channels for Various Business
If you specifically register your NPWP online using the site provided by the DGT, then the public still has to be bothered with using various channels to complete their tax affairs. Indeed, NPWP registration can be done on the official channel, but what about other matters such as paying and reporting taxes.
- 5) Adequate facilities
In general, adequate facilities enable technology services to be guaranteed, this assumes that the certainty of facilities has a very important role. On the one hand, the very wide area coverage in the State of Indonesia also provides a very difficult position, therefore a very fundamental correlation is needed related to these facilities for areas that are considered far from reach.
- 6) Network inequality

¹² Niru Anita Sinaga, "Tax Collection and Its Problems in Indonesia" *Scientific Journal of Aerospace Law*, no.1 (2016), 142-157, <https://doi.org/10.35968/jh.v7i1.128>

The nature of network inequality is a very serious problem. The network function for technology services provides extraordinary reforms, therefore the existence of the State of Indonesia with a large enough area can allow for better control of less than optimal networks.

7) Human resource crisis

The correlation of human resources in carrying out all technology-based activities with the existing system is to be understood as an essential point, but what then happens is that the resources of the community, both taxpayers and tax employees, are less than optimal in empowering technology so that it runs well. This will have an impact on the smoothness of tax collection with the existing system.

Departing from the problems above, it is felt that the application of technology still has many obstacles, of course, nowadays these points should not occur because the system with available features allows the usability of technology to run well.

3.3 Optimizing the Use of Technology-Based Systems for Every Taxpayer in Taxation in Indonesia

In general, taxes are mandatory levies without counter-achievements that are used, among others, to finance public expenditures, administration of government, construction of infrastructure facilities, maintenance of education, salaries of state apparatus, maintenance of health facilities, and the largest source in the State Revenue and Expenditure Budget (hereinafter abbreviated as APBN). ¹³Taxes are said to have a coercive nature because they can be threatened with administrative sanctions or criminal witnesses as a form of fulfilling the obligations of a citizen for the rights obtained in the life of the state. And juridically, it can be seen in the provisions of Article 1 Number 1 of the KUP Law which explains that: "*Taxes are mandatory contributions to the state owed by individuals or entities that are coercive in nature based on the law, without receiving direct compensation and are used for the needs of the state for the greatest prosperity of the people*".

The definition of tax is also not necessarily interpreted by the provisions of the Indonesian juridical basis, however, directly the scholars or experts also define the understanding of the tax. Rochmat Soemitro also stated that taxes are "people's contributions to the State treasury (transfer of wealth from the private sector to the government sector) based on the law (which can be forced) without getting reciprocal services (tegen pretatie). which can be directly shown and which is used to pay for general expenses and is used as a deterrent or incentive to achieve objectives that are outside the financial sector."¹⁴

The application of technology as an element in tax collection is a manifestation of the weakening of the self-assessment system principle. Based on this system, tax collection by the tax administration begins with the activities of registering taxpayers, registering taxpayers; and towards the end of the tax year, before determining the tax, send a notification letter (SPT) to be filled out by the taxpayer. The SPT contains information about the amount of business turnover, costs incurred, assets, taxpayer debt, and so on. Based on the information contained in the SPT and data belonging to the administration (if any), the

¹³ Pranoto and Ayub Torry Satriyo Kusumo, "Tax Bureaucracy Reform as an Effort to Increase State Revenue from the Tax Sector", *Yustisia Journal*, no. 2 (2016): 395-414, <https://jurnal.uns.ac.id/yustisia/article/viewFile/8756/7840>

¹⁴ Mardiasmo, *Taxation*, (Yogyakarta: Andi, 2011), p. 1.

amount of taxable income will be calculated and then the amount of tax payable will be calculated (this is the determination process). The amount of tax payable is stated in a tax assessment notice called a *kohir*, which is then submitted to the taxpayer. The legal basis for self-assessment is regulated in Article 12 paragraph (1) of the KUP Law which states: "Every taxpayer is obliged to pay the tax owed in accordance with the provisions of the tax laws and regulations, without relying on the existence of a tax assessment letter ."

The application of this principle optimally is a standard consensus to be implemented. However, on the one hand, the study of weaknesses which are seen as points of ineffectiveness of this system is then considered. The following are some of the weaknesses that can be broadly described, among others:

- 1) Requires tax administration activities to register and register taxpayers;
- 2) Tax determination takes a long time, is ineffective and inefficient, especially at that time there was no computer to assist with tax determination;
- 3) Unable to accommodate the dynamics of additional taxpayers;
- 4) This in turn has an impact on the entry of tax revenue funds into the state treasury.

In order to answer the weaknesses of the *self-assessment system* and apply technology as a step taken to enforce tax payments, the government then issued a regulation, namely Presidential Regulation Number 40 of 2018 concerning Tax Administration System Reform. Article 2 paragraph (1) of the presidential regulation directly explains the purpose of the tax reform, namely:

The Tax Administration System Update aims to:

- a) Realizing a strong, credible and accountable tax institution that has effective and efficient business processes;
- b) Build optimal synergy between institutions;
- c) Improving taxpayer compliance; and
- d) Increase state revenue.

The application of technology as a form and role of the government to accommodate tax collection must also be supported by its optimization. This means that *the e-system* as described above with its various ways of working must also be studied how effective the system is. Optimization comes from the root word optimal which means the best. So optimization is the process of achieving a job with great results and profits without having to reduce the quality and quality of a job. The definition of optimization according to the Big Indonesian Dictionary is optimization comes from the word optimal which means the best, highest, so optimization is a process of elevating or improving.¹⁵ Furthermore, the definition of optimization according to the *Oxford Dictionary* "Optimization is the process of finding the best solution to some problem where "best" accords to pre stated criteria ". So, Optimization is a process, method and action (activity/ activity) to find the best solution in several problems, where the best is in accordance with certain criteria. Meanwhile, according to Winardi, optimization is "a measure that causes the achievement of goals or targets."¹⁶

¹⁵ Azmi Cindi Santina, "Optimization of IWF Steel Profile in 4-Story Motorcycle Parking Building Construction (Case Study of Spazio Tower 2 Building, Surabaya)", *Journal of Planning and Civil Engineering*, no. 2 (2018), 72-79.

¹⁶ Winardi, *Introduction to Sales Management* , (Bandung: Publisher PT. Citra Aditya Bakti), p. 4.

The success of a technology in the world of taxation can be determined by several aspects, including:

- 1) Careful planning;
- 2) Developer Vendors;
- 3) System Trial;
- 4) Human Resources Management;
- 5) Usage Capacity;
- 6) Troubleshoot;
- 7) Good Security System.

As a reference and benchmark as well as to achieve the goal of optimizing the use of technology, the author would like to describe how optimized the use of technology is in the tax system in Indonesia, the following is a review:

1) Optimization of e-registration in the tax system

a) Advantages

optimization of *e-registration* can be seen from various sides. What is meant by the existence of this system is that every taxpayer has obligations that can be done quickly. With this system, taxpayers will find it easier to fulfill their obligations without having to queue at tax service offices so that they feel more effective and efficient.

On the other hand, the public can quickly find the transparency of this system with accurate data and a system that can be accessed at any time. In addition, the sending of notification letter 4 (SPT) data can be done anywhere and anytime, both at home and abroad, not depending on office hours, and can also be done on holidays even without the presence of a tax officer (24 hours in 7 days).

b) Weakness

With the management based on e-registration, the weakness that is often encountered is the problem of human resources that are not optimal in carrying out the functions of this application. In addition, the accuracy of data from the government about how many people have used online-based tax registration is not known. Because it uses an online-based application system, to continue the data validation process, new prospective taxpayers also use an internet connection, therefore if the internet connection or existing server is interrupted it will slow down the validation process so that new prospective taxpayers have to wait for the internet connection to stabilize again. and the card printing process is complete.

Socialization regarding *e-Registration* with the aim of making people understand more about e-Registration and understand the registration procedure, but due to lack of attention from the community itself during socialization , it makes it difficult for people to know what to do when registering through e-Registration so that officers have to assist in the process which will overwhelm them.

2) Optimization of e-filing in the tax system

a) Advantages

Convenience is the first advantage to be accepted by taxpayers who use this system, with all the elegant features and access methods that can be done anytime. e-filing can help improve compliance and increase the number of online reporting parties for Annual Tax Returns. The effectiveness of information on SPT can be

easily known by every taxpayer. Apart from that, taxpayers are trained to know transparency from the government through the DGT.

b) Weakness

Lack of knowledge of taxpayers can be in the form of lack of understanding of taxpayers about technology and the internet and lack of understanding of taxpayers about the rights and obligations of each taxpayer itself. The lack of understanding of taxpayers about technology and the internet is due to the age factor, in this case, taxpayers who are old and there are also taxpayers who are basically not familiar with technology.

The internet network can not only support the e-filing system but can also hinder the implementation of this e-filing. This is because in Indonesia itself the internet network is not evenly distributed and adequate. There are taxpayers who feel that the internet network is problematic. Especially at the end of the reporting deadline. It is a new program, for something new usually someone will have doubts and wonder about how and whether this new program is actually better than before. Therefore, convincing is an aspect and weakness of the optimization.

3) Optimization of e-billing in the tax system

a) Advantages

Provide access to taxpayers to monitor the status of tax payments; Minimizing the occurrence of human or system errors, in data recording, payments, to deposits; Provide flexibility to Taxpayers to draft deposit data; Make the work process more concise because there is no need to bring a lot of documents to the bank to make deposits; Facilitate integration between taxpayers and the government. As a manifestation of the advantages of e-billing, Indonesia, which adheres to Pancasila democracy, of course requires the disclosure of information to the public.

Based on Law no. 14 of 2008 concerning the disclosure of public information, this Law essentially obliges every Public Agency to open access for every applicant for public information to obtain public information. Thus, the real form of this system has been well elaborated based on existing regulations.

b) Weaknesses

Taxpayers find it difficult to pay taxes using the e-billing system; Taxpayers who have difficulty adapting in using the e-billing system and taxpayers often experience problems in applying the e-billing system so that the billing code generation is still assisted by tax officials. With regard to technological processes in the world of taxation, we can then take two very fundamental aspects to be able to determine the optimization of the use of technology in the world of taxation in Indonesia.

4. CONCLUSION

The use of technology in the world of taxation is a very appropriate way to answer and improve a mechanism in linking the stretching of taxpayers who will pay taxes. For this reason, various methods taken by the government for technology development in the form of an e-system scheme with the formation of a technology-based system, namely e-registration, e-filing and e-billing, are very appropriate steps. On the one hand, the problem of optimizing the carrying capacity of the application is also a challenge in addition to the advantages it has. The advantages of fast access, good transparency are part of the improvement in the system. However, poor networks, unequal access to technology and

public ignorance of this technology must be intensively carried out for the sake of and for the formation of a good hope in the world of taxation with technological mechanisms as a fast and appropriate way.

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