

## CHAPTER I INTRODUCTION

### A. Background

In the Qur'an an explanation of the tax is contained in At-Taubah verse 29, namely:

قَاتِلُوا الَّذِينَ لَا يُؤْمِنُونَ بِاللَّهِ وَلَا بِالْيَوْمِ الْآخِرِ وَلَا يُحَرِّمُونَ مَا حَرَّمَ اللَّهُ  
وَرَسُولُهُ، وَلَا يَدِينُونَ دِينَ الْحَقِّ مِنَ الَّذِينَ أُوتُوا الْكِتَابَ حَتَّى  
يُعْطُوا الْجِزْيَةَ عَنْ يَدٍ وَهُمْ صَاغِرُونَ ﴿٢٩﴾

“Fight those who do not consider unlawful what Allah and His Messenger have made unlawful and who do not adopt the religion of truth from those who were given the Scripture – [fight] until they give the jizyah willingly while they are humbled.” (Q.S At-Taubah 9:29)

In addition there is one dalil, which is made the basis for the tax, namely the Hadith of the Prophet Muhammad, he said that:

إن في المال لحقا سوى الزكاة (ماجة بن و الترميذى روه)

“In property there are other rights besides Zakat.” (HR Tirmidzi of Fatimah binti Qais RA., Book of Zakat, Chapter 27, Hadith No. 659-660 and Ibn Majah, Book of Zakat, Chapter III, Hadith No.1789 )

Based on the dalil above, the Ulema allows taxes but it should remain to be made and implemented in accordance with Islamic Sharia. Because taxes

are the main pillar of state revenue, taxes have a big contribution to the running of government activities.

The government tax should to carry out the mandate of paragraph 4 of the Preamble of the 1945 Constitution which contains the objectives of the state. A tax according to Article 1 of Law No. 28 of 2007 concerning general provisions and procedures for taxation is mandatory contributions to the state owed by individuals or compelling bodies under the law, with no direct reciprocity and used for state purposes as much as the prosperity of the people.

The current condition of taxpayer compliance in Indonesia can be seen from the percentage of tax revenue realization with the tax revenue target is set by the government. The realization of this tax revenue has never reached or exceeded the target set by the government. Based on the Ministry of Finance Performance Report for 2018, the realization of tax revenues as of December 31, 2018 reached Rp1,315.9 trillion or 92% of the target set in 2018 of Rp1,424 trillion. One of the causes of not achieving the tax revenue target is the low compliance of taxpayers.

According to Mulyani (2018), in recent years tax revenues in Indonesia have been classified as very low. The government tax revenue in the last few years has always been below the target. In addition the compliance of taxpayers to report their wealth is still low so that the Indonesian's tax ratio is small. As the result, the state revenue is not optimal.

Nowadays, the development of technology is very fast. It can be seen from the Internet. According to APJII (2018), internet users in Indonesia reached 64.8% of the total population in Indonesia around 264.16 million users. The growth of the Internet annually has always increased. This can be seen from the survey data that has been conducted in the past. The result showed that in 2010, Internet users in Indonesia only reached 42 million users, while in the year 2018, there was an increase of 3 times in just 8 years. Additionally the survey results showed that as many as 91% of Internet users are between ages 15 and 19 years. Along with the development of internet users, online shopping is also more attractive in Indonesia. The development of social networking sites or social media also increases the prospects of this online shopping.

Saputra (2014) said that the growth of business in Indonesia, especially in Indonesia's online business, increasingly develops. This rapid development is due to the easier way to access the internet for the people lately. The increase in the number of users began in 2012 and this is one of the forerunners of the proliferation of online businesses. This is because Indonesia is a country with a large online trading intensity. It is evidenced by the growth of the largest online store in the world with an average growth of 17%. The development of online stores in Indonesia can be seen from the Tokopedia website on December 9, 2014, where many online businesses in Surabaya amounted to 1490 stores while Jakarta had 1594 stores.

According to Olivia (2018), the number of online shoppers is estimated to reach 11.9% of the total population in Indonesia. The percentage is achieved by dividing the population and the number of buyers in Indonesia annually. It is estimated that E-commerce market revenues amounted to 9.1 billion dollars. Online business in developed countries may not be something new, but in Indonesia, this online business is very flourishing. This is due to a wide range of supporting factors.

According to Lisda (2012), the supporting factors include : a) the competitive selling price, b) the presence of a responsive, fast, and friendly buying service, c) the availability of clear and complete goods and services information, d) the offer of several bonus rewards, such as coupons, discounts to attract buyers, e) the presence of special attention to the buyer such as the proposal of purchase when the prospective buyer asks for advice, and f) the availability of the community to discuss suggestions and criticism between the customer and the seller.

According to Muniriyanto (2015), The Act No. 7 of 2014 chapters VIII of Article 65 governs that any business actors who trade goods and/or services by using electronic systems are obliged to provide data or information completely and correctly. Any business perpetrators are prohibited from trading goods and/or services using electronic systems that do not conform to data or information and users of such electronic systems shall comply with the provisions stipulated in the Information Law and Electronic transactions.

The increasing development of online business or E-commerce transactions in Indonesia has become the concern of the Government to start to move on the taxation aspects of E-commerce transactions. This is done so that the target of tax revenues in Indonesia is fulfilled. As we know, taxes are an important part of a country's economy. With the tax collection, the state can carry out development, prosper the people, finance the education of the nation and finance the country's own households. The largest government funding source is obtained from the budget, where each year the APBN is around 70% obtained by tax, and the remainder of the state acceptance is not a tax.

Presently, there is no particular law regarding E-commerce income tax. According to Wibowo (2019), transactions in the e-commerce sector can reach more than Rp. 7 Trillion is only from 10 percent value added tax (VAT) and compliance to pay 100 percent tax. The contribution of the e-commerce sector to the economy in Indonesia is quite significant. According to data from Mckinsey (2017) in Wibowo (2019) estimates the transaction value to reach Rp. 117 trillion and is predicted to quadruple in five years or around Rp. 800 trillion. There are a lot of potential taxes to be gained. If it can be excavated by the government, it can boost the state revenue from the tax sector. However currently, the government does not have specific regulations regarding the imposition of this E-commerce tax. As the consequence, it still follows the general tax regulations. The taxpayer's understanding of tax regulations is very important in its application to reduce state revenues to

meet the common needs. The tax receipt will be optimal and follows the specified target if a taxpayer wants to fulfill its tax obligations.

The law number 28 of 2007 concerning general provisions and procedures for taxation, states that taxpayers are individuals or entities (taxpayers, tax cutters, and tax collectors) who have appropriate taxation rights and obligations following the provisions of taxation laws. In this year, Indonesia targets the source of the cash receipts of the country from tax 2016, as much as 84.9%.

The current taxpayer compliance is an issue that must be resolved. According to Rifa (2016), Taxpayer compliance is a state where the taxpayer fulfills an obligation of his taxation and carries out the tax rights. The compliance is identified as the taxpayer's obligation to understand all provisions of the taxation legislation, to fill in the tax form with completely and clearly, to deposit the SPT, and to comply in calculating tax arrears that must be paid. There are two kinds of adherence, formal obedience and material compliance. Formal compliance is a taxpayer state to fulfill its obligations formally by the provisions of tax laws. Material compliance is a state of taxpayer meeting all provisions of taxation material that is following the contents and souls of taxation laws.

According to Arianto (2014), this government targeted a tax receipt of Rp. 1,110.2 trillion or 66.6% of the country's total revenue target. The site of Ministry of Finance of the Republic of Indonesia, the Directorate General of Taxation also reveals the same regarding the target of tax revenues in 2014.

The target rose by about 11.6% or Rp. 115 trillion compared to the tax target in the 2013 APBN-P. The Directorate General of Tax has also compiled steps in the form of a strategic work program to be able to optimize and achieve the predetermined tax revenue target. However, according to Arianto (2014), as seen from the previous years, the set target had never been achieved. This result is not only due to the global economic slowdown but also due to the low compliance of taxpayers in Indonesia. The government sees that individuals engaged in online businesses are actually taxpayers.

According to Ritonga (2011), Consciousness is the behavior or attitude towards an object involving the assumption and feelings and the tendency to act accordingly. Hence, the taxpayer awareness is an attitude to understand the taxpayer body or individual to understand the meaning, function, and purpose of payment of taxes. People who have high tax awareness will understand the function of tax, both understand the benefits of tax for the public and private self. Thus, the public will volunteer and will be more discipline to pay tax without compulsion.

According to Hanna (2014), the value of transactions from the online business continues to grow thus far. However, there is no tax imposition. Seeing the fact, the government needs to do tax extensibility. Extensibility is done because the current tax receipt does not reach the set target or does not increase in accordance with the development of the E-commerce field. In this case, the study was conducted to determine education level, taxation

knowledge, level of trust in government systems, moral norms, tax examination, and tax consciousness.

Based on the above background, the author wishes to study it further in the form of a thesis titled:

**“THE ANALYSIS FACTORS THAT INFLUENCE TAXPAYER COMPLIANCE OF PERSONAL TAX REPORTING IN THE FIELD OF E-COMMERCE (A Study On Online Shopping Entrepreneurs)”**

This research is a replication of the research of Esti Rizqiana Asfa I & Wahyu Meiranto (2017) "Pengaruh Sanksi Perpajakan, Pelayanan Fiskus, Pengetahuan Dan Pemahaman Perpajakan, Kesadaran Perpajakan Terhadap Kepatuhan Wajib Pajak (Studi Empiris Pada Wajib Pajak Orang Pribadi di KPP Pratama Semarang Barat)". The difference from the previous research is that in the previous study, the variables used were taxation sanctions, fiscal services, knowledge and understanding of taxation, tax awareness, taxpayer compliance. The results the previous study were all variables except tax sanctions significantly influence taxpayer compliance. Meanwhile, this study used the different variables, namely education level, taxation knowledge, level of trust in government systems, moral norms, tax examination, and tax conscience. In addition, the sample used is different. In the previous research, it was found that the taxation knowledge and the taxation consciousness have a positive effect on taxpayer compliance. On the other hand, the research conducted by Ermawati (2018) and As'ari (2018) discovered that taxation knowledge and tax consciousness have no effect on taxpayer compliance.



In addition, this research replicates a study from Aprilina (2016) "Pengaruh Penagihan Pajak, Pemeriksaan Pajak dan Sanksi Perpajakan terhadap Tingkat Kepatuhan Wajib Pajak di KPP Pratama Kepanjen". This study also examined whether there was an effect of tax examination on the level of tax compliance. The previous research is different from this research. It can be seen from the sample and variables used in the previous studies. The results of the previous research showed that the tax examination has a positive effect on taxpayer compliance. The results of this research are different from the results of research conducted by Prakosa (2018), where the tax examination does not affect the taxpayer compliance.

## **B. Research Scope**

The scope of this research are:

1. The variables used in this research are 6 independent variables consisting of education level, taxation knowledge, level of trust in government systems, moral norms, tax examination, and tax consciousness. Meanwhile the dependent variable is tested in this study is the taxpayer compliance.
2. The sample used in this research is Entrepreneurs of Online Shopping

## **C. Research Questions**

Based on the background, the research questions in this study are:

1. Does education level have a positive effect on taxpayer compliance of personal tax reporting in the field of E-commerce?

2. Does taxation knowledge have a positive effect on taxpayer compliance of personal tax reporting in the field of E-commerce?
3. Does the level of trust in government have a positive effect on taxpayer compliance of personal tax reporting in the field of E-commerce?
4. Do the moral norms have a positive effect on taxpayer compliance of personal tax reporting in the field of E-commerce?
5. Does the tax examination have a positive effect on taxpayer compliance of personal tax reporting in the field of E-commerce?
6. Does the tax consciousness have a positive effect on taxpayer compliance of personal tax reporting in the field of E-commerce?

#### **D. Research Objective**

The objectives of the research in this study are as follows:

1. To obtain whether education level has a positive effect on taxpayer compliance of personal tax reporting in the field of E-commerce
2. To obtain whether taxation knowledge has a positive effect on taxpayer compliance of personal tax reporting in the field of E-commerce
3. To obtain whether the level of trust in government has a positive effect on taxpayer compliance of personal tax reporting in the field of E-commerce
4. To obtain whether the moral norms have a positive effect on taxpayer compliance of personal tax reporting in the field of E-commerce
5. To obtain whether tax examination have a positive effect on taxpayer compliance of personal tax reporting in the field of E-commerce

6. To obtain whether tax consciousness has a positive effect on taxpayer compliance of personal tax reporting in the field of E-commerce

#### **E. Significance of the Study**

The expected benefits of this study are :

1. Theoretically

To give insight for students in particular and society in general about what factors that influence taxpayer compliance of personal tax reporting in the field of E-commerce.

2. Practically

To provide an overview for the Direktorat Jendral Pajak regarding which factors provide the greatest influence on the compliance of individual taxpayers engaged in E-commerce. In order to overcome the causes of non-compliance in the future and increase taxpayer's compliance.