

The Role of Government Treasurer in State Universities in Tax Compliance

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Abstract: This study is directed to determine the role of government treasurer in state university in tax compliance. With the spirit of the state apparatus, especially the Civil Servant, in reporting the taxes, it is expected to become a continuously growing and infectious snowball to the taxpayers to report their taxes correctly, completely and clearly as well as to avoid administrative sanctions that are subject to such non-compliance. This study method used is qualitative, the source of this study is government treasurer. The use of this qualitative approach is based on the concept of natural setting, grounded theory, descriptive, more concerned with the process than the outcome, temporary design, and research results are negotiated and agreed upon. The results show that treasurers have a big role in tax compliance, but however, there are still many obstacles that must be faced in fulfilling their financial obligations. this research was conducted only in one state university, so that data that could be processed was very limited.

Keyword: Tax Compliance, Civil Servant, Government Treasurer

I. Introduction

Treasurer of the Government as a cutter and tax collector has the obligation to cut and collect taxes and report a Notice to the Tax Office where the treasurer is registered in accordance with the provisions of taxation, negligence of government treasurers in fulfilling tax provisions will reduce state revenue from the tax sector. With respect to income / purchases which have been deducted / collected by the Government Treasurer tax can be supervised through cross checks (cross check) between taxpayers' taxpayer tax returns and taxpayer tax returns that have been deducted / collected. Supervision of this cross check cannot be done if the Government Treasurer Taxpayer does not provide proof of deductions / levies to taxpayers who are deducted / collected. There are several reasons why the Government Treasurer does not / has not provided proof of deductions / levies to taxpayers who have been withheld / collected (Johannes, 2015), which include (1) forgetting to provide proof of deduction / collection; (2) the existence of arrogance, because they feel they are paying for the costs for which the tax is deducted or the payer for goods purchased; (3) there is an evil desire to take money that has been deducted / collected; and (4) there is no tax sanction if the Government Treasurer does not provide proof of deduction.

The Supreme Audit Agency (BPK) found problems with tax payments worth Rp859.64 billion and sanctions of Rp13.69 billion for 11 Institutional Ministries, nine provincial governments and 10 city / regency governments. "The tax deposit problem is an act of not and / or late depositing taxes that indicate a fictitious tax deposit and a delay in tax deferred by the perception bank," said Syafri Adnan Baharuddin, BPK's Main Financial State Auditor in submitting a report on the examination of tax obligations on the APBN / D management Jakarta, the BPK also found an unlawful act with an indication of a fictitious tax deposit worth IDR 674.6 million, the treasurer is suspected of having a fictitious Tax Payment (SSP) based on the results of a cross-examination of the State Revenue Module and confirmation to the State Treasury Service Office and Perception Bank. found tax reporting problems where there were delays in submitting SPT and the treasurer who did not submit SPT with potential sanctions worth Rp 3.1 billion, "Syafri said. (<http://www.antaraneews.com/print/286009/bpktemukan-probl-pajak-valued-at-rp85964-billion>).

Another case also occurred with a Government Treasurer in Pohuwato District in the working area of Gorontalo Primary Tax Office (KPP), who intentionally did not deposit to the State Treasury for Income Tax Article 21 that had been deducted for payment of Money Representation of Housing Allowances, Communication and Money Allowances Services of DPRD Membership Services conducted in the period January to In December 2009 at the hearing of the decision of the Marisa District Court in Pohuwato District on Thursday, November 20, 2014, it was convicted by a Judge with Criminal Procedure for 1 (one) year imprisonment with a fine of Rp. 273 million, a subsidiary of one month. Convicts are proven to violate Article 39 paragraph (1) letter c and ijo. Article 39A letter a of Law Number 6 of 1983 concerning General Provisions and Procedures for Taxation as amended several times, the latest by Law Number 16 of 2009. In this case the state suffered more than Rp. 331 million. Although with the consideration that the convicts during the examination period and the trial are always cooperative, have returned the tax principal that is not paid, and still have the responsibility of a young child, the Panel of Judges continues to impose severe penalties for the case.

The above problems indicate that the role of the Government Treasurer in carrying out its tax obligations has an influence in increasing Taxpayer Compliance. For state universities that have an international complexity, of course, they must be able to create information systems that can support the role of treasurer in improving the compliance of State Civil Servants Taxpayers, so that the ideals of having a Good University Governance can be realized.

II. Literature Review

Alm, Bahl, and Murray (1990) examine taxpayer compliance in Jamaica. The study was conducted on 1,345 companies (with total employees amounted to 69,724 people) with the object of research in the form of withholding of Income Tax by the company for 1984. The research was conducted randomly to 10,000 individual taxpayers. Income tax in Jamaica contributes to state revenue of 28.9% and 90% of this amount is obtained through inholding by employers. Jamaican tax rates are tiered and progressive, ie 30%, 40%, 45%, 50%, and 57.5%. The Jamaican Government enacts a rule that companies that do not report properly the calculation and withholding tax on the income of their employees will be examined by the Jamaica Tax Service (The Revenue Board of the Government of Jamaica). Alm, Bahl and Murray (1990) found that only 8% of taxpayers calculate and pay income taxes correctly, and 26% make tax refunds, while the remaining 66% are underpaid. Alm, Bahl, and Murray (1990) conclude that taxpayers will be more obedient (more opposed) to the tax system if the tax rate is lower (high). However, to improve taxpayer compliance, comprehensive change is needed which includes changes in tax rates, tax base and tax administration reform.

The low compliance of taxpayers can be caused by many things, but the most important is that there is no data on taxpayers that can be used to know its compliance (Alm, Bahl, Murray, 1990). Even if there is data, it is usually spread in various places with different structures from one another. While in New Zealand, the Government implements new rules aimed at promoting voluntary compliance of taxpayers (voluntarily compliance). For example, all payments made to suppliers, if done via bank transfer can be used as tax credit, whereas if paid by cash cannot be considered as input tax. These rules are applied so that all company transactions can be traced (traceable). (Anonymous, <http://www.executive.govt.nz/96-99/compliance/chapter7.htm>).

The New Zealand Government encourages taxpayers to conduct transactions through banks or electronic media so that taxpayer data can be studied and investigated by the Government. Tax officials no longer study physical documents but have analyzed data through databases scattered in various locations. Analyzing the digital data takes less time than manually analyzing the data.

Alm, Jackson, McKee (1992). Alm, Jackson, and McKee (1992) follow up research conducted by Yankelovich, Skelly, and White, Inc. (1984) found that 52% of taxpayers in the United States felt that the IRS treatment against them was inconsistent under relatively similar conditions. Alm, Jackson, and McKee used laboratory research with a sample of 25 trials of 15 students each taking Introductory Economics courses. The research was carried out by giving income to each sample and they were asked to report the income. Researchers also use tax rates, the possibility of participants to be examined (audit), and if caught cheating then they will be fined.

The results of Alm, Jackson, and McKee (1992) indicate that sanctions for examination affect the increase in compliance of a Taxpayer. But there is an interesting thing from the results of the study is that if the taxpayer receives a reciprocal from the Government in the form of public goods, the level of compliance is decreased (although in small quantities). Witte and Woodbury (1985), and Dubin and Wilde (1988). One of the fundamental difficulties in determining the tax payable is actually the absence of complete and reliable data and information about the taxpayer. As a result the tendency of taxpayers to deliberately hide information about their non-compliance behavior. These conditions also complicate empirical research aimed at testing taxpayer compliance (Komalasari and Nashih, 2005). Information reported by taxpayers may not necessarily indicate correct information about him / her. To improve the quality of the

information, it needs to be matched with other information, for example census data, or other data owned by the government. (Witte and Woodbury 1985).

Furthermore, Witte and Woodbury (1985) and Dubin and Wilde (1988) using IRS's data and linking census data concluded that the tax submission compliance rate was higher: in areas with more white populations and a proportion of people over 65 years of age; on the employee of a manufacturing or manufacturing company. In contrast, in a predominantly white area, the percentage of tax compliance is higher when compared to other regions. The results will be more significant if the proportion of senior citizens (senior citizens) is greater.

A rather unique result is that factory employees are relatively more obedient in reporting their taxes than on other types of employees (including professionals such as doctors, accountants, lawyers, and bankers). It is not known why the employees of the factory are more compliant, either because they intend to be honest in reporting their income taxes, or because they are not good at tax manipulation, such as office workers and professionals. Andreoni et al. 1998. High (low) levels of taxpayer compliance can be determined from the (small) difference between the tax actually received by the state and the tax that should be received. The larger (small) difference indicates a high (low) level of compliance.

Low compliance rates of taxpayers will result in a difference between the amount of tax paid by the taxpayer and the amount of tax that should be paid more. The difference is a tax revenue forgone opportunity, because the amount should be accepted by the Government but the reality is not. To know the size of the difference is not easy. To know the difference between reported / paid taxes and the taxes owed (mainly by individual taxpayers), the United States introduced a program called Taxpayer Compliance Measurement Program (TeMP). With the program, the Inland Revenue Service, Tax Authority in the United States, conducts random audit of SPT reporting. The percentage of taxpayers examined in 1965 reached 4.75% and in 1990 only 0.8%. In the following years increased, but not more than 1.75% (Alm, 1991). While not fully disclosing potential taxpayers who are still hidden, the program produces reliable information on taxpayer compliance levels (Andreoni et al., 1998). In 1988, for example, it was found that as many as 40% of taxpayers paid taxes too low, 53% paid right, and 7% more paid taxes.

Alm, Bahl, Murray (1991), tax and income tax rates may affect taxpayer compliance. Alm, Bahl, Murray (1990) undertook research on taxpayer data in Jamaica, and concluded that taxpayer compliance is determined by 2 (two) terms, namely tax rates and income. The lower the tax rate, the more obedient the taxpayer, as well as the greater the income of a person, the more obedient. People with high incomes should be subject to higher tax rates (Booker, 1945). However, it may happen that taxpayers divide their receipts from being included in high taxation percentages (Goolsbee, 2000), for example that year's earnings are partially reported as income the following year.

In Japan, tax reforms were made by setting a single tax rate to 20% in 1989 (Harta, 1992). In addition, the income tax rate is lowered from the highest level of 88% to 65%. The direct tax revenues decreased slightly, but indirect tax revenues increased sharp accountability. Alm (1991) also concluded that the higher the tax rate, the more likely people to shrink the income reported to the tax authorities. Based on data and information on taxpayer compliance and the results of its evaluation, the following results are obtained: taxpayers who have higher income tend to be more compliant, lower tariff implementation encourages taxpayer compliance than the application of high tax rates, the application of tax penalties encourages taxpayer compliance, taxpayer perceptions of the use of tax money in a transparent manner and accountability by the Government encourages taxpayer compliance, the level of playing fields affects taxpayer compliance, Complete and accurate data base has an effect on effectiveness of law enforcement implementation and also taxpayer compliance. Further taxpayer compliance has an effect on tax revenue.

III. Methodology

This research uses descriptive analytic method with qualitative approach. The use of this qualitative approach is based on the concept of natural setting, grounded theory, and is descriptive, prioritizes the process rather than results, the design is temporary, and the research results are negotiated and mutually agreed upon. The research was conducted on the Treasurer at Universitas Padjadjaran with the aim of being able to dig up information related to what had been done by the Treasurer as a cutter of ASN income tax in the university environment, then what was the obstacle in fulfilling it. so that by extracting information in this study, we can determine the role of treasurer government in tax compliance.

IV. Results and Discussion

Table 1 Data

Questions	Answers
How many treasurer who handles taxation	4 person, namely: 2 person handles income tax 1 person handles tax on goods and services 1 person handles tax reporting and deposit
When is the income tax deduction	At the time of payment of salary, or when paying for purchases of goods and services
When is the time to deposit tax to the state treasury	Maximum 2 working days after tax is deducted / collected
Are pieces of evidence made and handed over to the taxpayer	Submitted to taxpayers through faculties
Does the tax calculation already use an automatic application / calculation system or is it done using manual calculations	Manual
What conditions are experienced in the calculation process and tax deposit	Data delays from work units
Are there taxpayers who come to consult or complain about taxes that have been deducted	There are, the majority complains about high tax rates
How to deal with questions and complaints from taxpayers	Explain according to the law
Is there socialization regarding taxation rules to taxpayers	Not available
What form of socialization is carried out a. through the issuance of Circular b. through workshop activities c. etc	-
How does the treasurer get the latest regulatory information regarding taxation a. socialization from the tax director general b. find out for yourself through news, tax director general's website, and other media c. treasurer community d. etc	Socialization provided by the tax director general
Are treasurers included in training, workshops to increase knowledge / capabilities and update regulations in carrying out their duties as treasurers	Yes, we are

Table 1. shows some facts that occur, namely among the number of treasurers who handle taxes have met the needs, each type of tax is handled by different people. This should have happened in an entity (Kaliannan and Adjovu, 2015). But this is not enough, depending on how many taxpayers are handled. Moreover, these treasurers work not assisted by a computer system that is integrated with all units. This is very troublesome; it can cause delays in fulfilling tax obligations, treasurers will be late in making deposits and tax reporting because data from other units is not yet complete.

Treasurers do not actively seek information related to the development of applicable tax regulations; this is indicated by their reliance on socialization programs from the tax director general if there are new regulations in force in Indonesia. whereas, these information can be obtained through the tax director general's website and / or communicate directly and intensely with the account representative at the tax office. So, this will be an obstacle for the treasurer in facing questions or complaints from the taxpayer. How to deal with it and have an adequate explanation, while their knowledge is very limited.

V. Conclusion & Limitation

Of all that, how the treasurer can play a maximum role in improving tax compliance of the state civil apparatus. This is what then produces several strategies in increasing ASN taxpayer compliance through treasurer roles in higher education institutions. First, universities must have a good and integrated information system between one unit and another, so that the work will be more effective. Second, the entity must place employees who have educational background or ability in accordance with the work performed. Placing employees who do not have an educational background that matches their work will cause many problems (Dajani, 2015).

This research is limited to one college entity, so the information processed is also very limited. Therefore, future research should be carried out in many entities and use better research methodology.

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